

## COBRA Information in Anticipation of Divorce

COBRA is an acronym for Consolidated Omnibus Budget Reconciliation Act of 1985, which was enacted into law on April 7, 1986. This federal law amended the Internal Revenue Code, ERISA, and the Public Health Services Act requiring most employers maintaining group health plans to offer employees, their spouses and their dependents the opportunity to elect continuation of coverage, on a self-pay basis, for 18, 29 or 36 months, depending on the qualifying event.

A revenue ruling was issued by the Internal Revenue Service (2002-52 IRB 998 December 30, 2002), providing guidance on COBRA continuation coverage in anticipation of divorce. The plan is required to make COBRA continuation coverage available to that spouse. COBRA continuation coverage must be made available **as of the effective date of the divorce**.

### Employee

If you are an employee and drop your spouse from group health insurance during Open Enrollment (OE) in anticipation of a divorce, your spouse's coverage will end effective the first day of the new plan year (January 1, 2011). You **MUST notify the COBRA administrator at Vanderbilt during the OE period** that you have chosen not to enroll your spouse for benefits in anticipation of divorce.

### Spouse

If you are a spouse of a Vanderbilt employee and are dropped from group health insurance coverage by that employee during OE in anticipation of divorce, your coverage will end effective the first day of the new plan year. It is your spouse's responsibility to notify the COBRA administrator when this change in coverage is elected. Once the divorce is finalized, you may be eligible for COBRA continuation coverage. If you lose coverage due to an anticipated divorce, the COBRA Administrator must be notified within 60 days of the effective date of the divorce.

### More Information

This is a general summary of the law. The law and the Plan provisions should be consulted with regard to the application of these provisions in any particular circumstances. If you have any questions regarding COBRA, please email [help@mybenefitexpress.com](mailto:help@mybenefitexpress.com) or visit <http://hr.vanderbilt.edu/benefits/cobra.htm>.



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