

Job Aid: Eligibility for COBRA Continuation Coverage

This document provides information on eligibility for COBRA continuation coverage. To qualify for COBRA continuation coverage, an individual must experience a “COBRA Qualifying Event” that results in a “Loss of Coverage”.

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COBRA Qualifying Events

COBRA qualifying events include the following:

- 1) Voluntary or involuntary termination of UC employment for any reason other than gross misconduct, including retirement separation
- 2) Reduction in hours of UC employment, including leaves of absence, short work break, and temporary or permanent layoff
- 3) Divorce, legal separation, or termination of domestic partnership
- 4) Death of the covered employee
- 5) Dependent child reaching the maximum coverage age (26 years of age) or legal ward reaching the age of majority (18 years of age)
- 6) Covered employee becoming entitled to benefits under Medicare

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Loss of Coverage

Loss of coverage means to cease to be covered under the same terms and conditions as in effect prior to the qualifying event. Loss of coverage includes the following:

- Termination of coverage
- Loss of the UC employer contribution, such as while on “**direct bill**” status

Example 1: If John Doe is on an unpaid leave of absence (LOA), is enrolled in direct billing, and is paying the full premium for the dental and vision plans, but only paying the employee portion for the medical plan, then only the dental and vision plans are subject to COBRA continuation. The medical plan is not subject to COBRA continuation because there is no “loss of coverage”.

- Reduction in benefits level, for example, when a reduction in time moves an employee from Full to Core benefits

 An individual must have **both** a qualifying event **and** a loss of coverage to be eligible for COBRA continuation coverage.

Termination of coverage for qualifying events [1\) to 5\)](#) above are programmed in UCPath (with the exception of **Example 1** noted above) so the loss of coverage will be reported to WEX on a weekly file feed. Upon receipt of the file, WEX sends COBRA packets to the affected individuals.

Qualifying event type [6\)](#) rarely happens because, as long as employees are still working, they continue to be eligible for active employee coverage even if they are entitled to Medicare.

If a qualifying event fails to trigger a COBRA package automatically, a manual request needs to be sent to WEX to generate the COBRA package. If a UCPath Employee Service Associate (ESA) cannot find the root cause of the failure to trigger a COBRA package, they would escalate it to the Benefits Production Team for review.

UCPath can request a COBRA package online through the WEX portal. To avoid duplication, we do not encourage manual requests, unless truly necessary, as files are transmitted to WEX weekly.

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Circumstances that Require a Manual Intervention to Trigger the COBRA Event

The manual process may be required in the following situations:


- Leave of Absence – When an employee is on Family and Medical Leave (FML), they have the option to maintain benefits coverage and pay the employee's share of premiums through direct billing.

Coverage termination due to failure to remit payment timely is not a COBRA qualifying event. If an employee does not return from LOA, the COBRA qualifying event date will be the date coverage is terminated.

- **Note:** Moving a plan to “**Waived**” status in UCPATH is not a COBRA qualifying event and does not trigger a COBRA packet.
- Direct Pay exceeding two years duration

Plans that are Subject to COBRA Continuation

- Medical (including retiree)
- Dental (including retiree)
- Vision
- Health Flexible Spending Account
- Employee Assistant Program (EAP)
 - **Note:** Currently, there is no EAP plan built into the UCPATH system. WEX has a “Convertor” to create an EAP plan based on the location code (for example, UCSF Employee Assistant Program or UC Berkeley EAP). The EAP plan can only be added to the COBRA package if a qualifying event is reported through the electronic data feed to WEX. The EAP rate varies from \$1.03 to \$4.11 per month depending on the UC Location.

 Under UC Policy in [Group Insurance Regulations \(GIR\) Part III, Section 2003 A.2](#), if a termination is due to layoff, the COBRA packet will include an offer for **CORE** medical plan coverage in addition to their current medical plan.

Additional Resources

- [Notice to UC of a COBRA Qualifying Event Form](#)
- [2023 COBRA Rate Sheet](#)
- [2024 COBRA Rate Sheet](#)