

Initial Information Regarding New Temporary COBRA Subsidy for Certain Eligible Individuals

The American Rescue Plan Act (“ARPA”), which was signed into law on March 11, 2021, includes a temporary 100% subsidy for the cost of COBRA coverage for certain employees who have had a reduction in hours or have been involuntarily terminated from employment.

The following is a brief summary, but plan sponsors and vendors will need additional guidance and time to implement the subsidy. Additional information regarding the subsidy will be provided once it is available. **This summary is not legal advice, a formal plan notice or a guarantee of subsidy eligibility.**

- The subsidy generally applies if you have had a reduction in hours or an involuntary termination of employment (except a termination for gross misconduct).
- The maximum subsidy period is April 1, 2021 through September 30, 2021. However, the subsidy period will end earlier if you are eligible for other group health coverage or Medicare, or if your COBRA coverage period expires.
- If you are currently enrolled in COBRA, and are eligible for this subsidy, you will not be required to make COBRA payments for the subsidy period, beginning with the April payment.
- The COBRA subsidy does not apply to health care flexible spending account coverage.
- ARPA provides a special election period for individuals who are still in their COBRA coverage period but did not elect COBRA or who previously elected COBRA but allowed their coverage to end due to non-payment of premiums. More information on that election period will be provided separately.

For questions regarding this notice, please contact Benefits@dvn.com