


# COBRA?


Federal law (Section 414(n) of the Internal Revenue Code) requires any employer with the exception of church groups, state or federal entities to offer COBRA continuation coverage if they have 20 or more employees for more than 6 months in the last calendar year. This form is designed to assist the employer in determining if they must administer COBRA. This form is not legal advice, or a substitute for legal counsel. If you have questions regarding COBRA laws, please consult your HR professional or an attorney of your choice.

## 1. Did you have 20 or more full-time employees for at least six months in the last calendar year?

*FYI:* When an employer has controlling interest in more than one company, all employees in all companies must be counted towards the total number of full-time employees.

- Yes, there are 20 or more full-time employees.  You must administer for COBRA.
- No, there are not 20 or more full-time employees. Answer question 2.


## 2. Did you have 20 or more employees for at least 6 months counting both full-time and part-time employees?

- Yes - Answer questions 3 and 4.
- No  You do not have to administer for COBRA.

## 3. Part time employees are counted as fractions of full-time employees using a full-time equivalency formula, which is:

- a. What are the numbers of hours required to work to be considered full-time?
- b. What is the total number of hours worked in a week by the part-time employees?
- c. Divide the answer in 'b' by 'a'. - This will give you the full-time equivalency.

## 4. If you add the full time equivalency number to the total number of actual full-time employees, does it add up to 20 or more?

- Yes – You are required to administer for COBRA.
- No  You do not have to administer for COBRA.