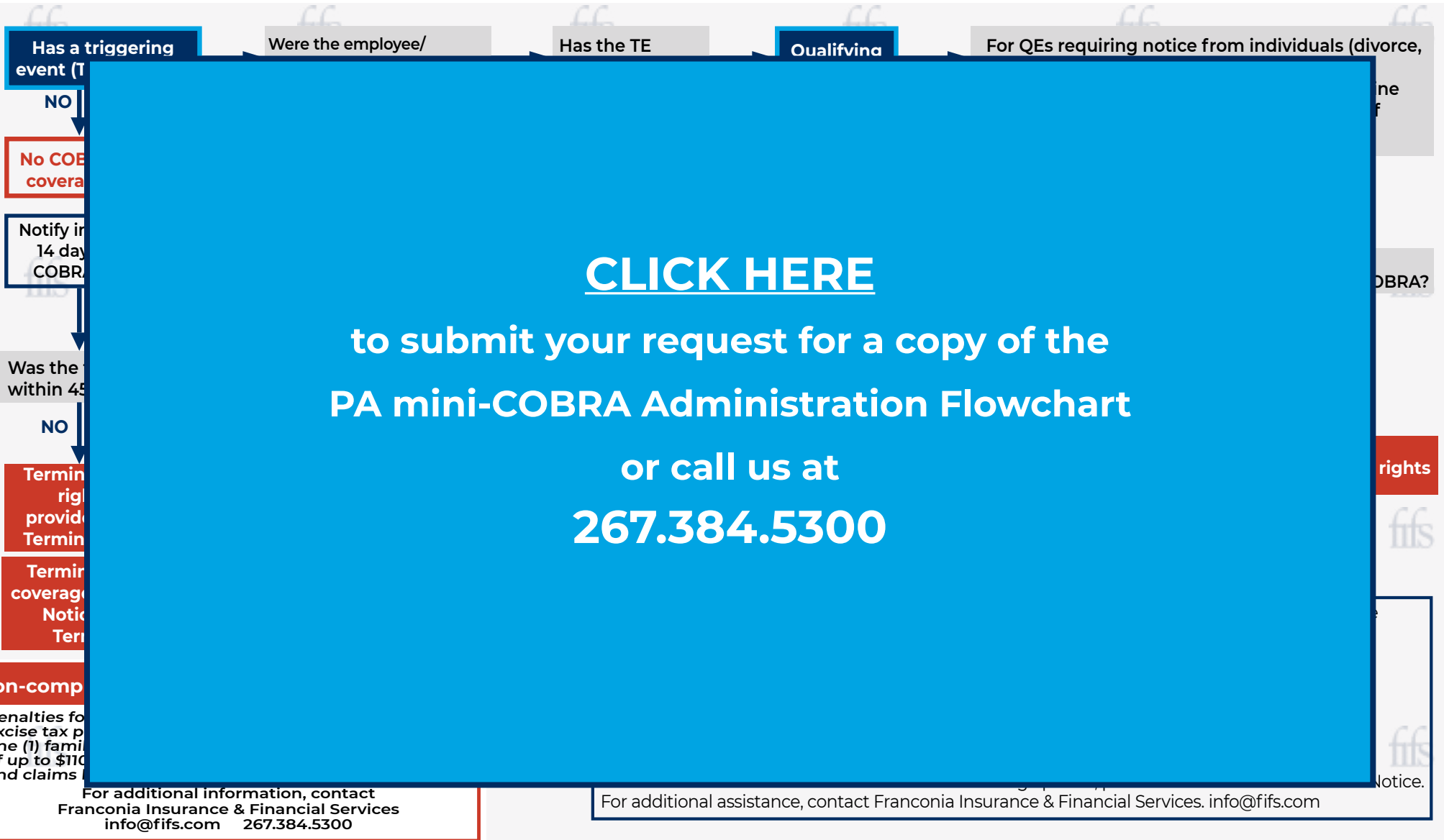


PA mini-COBRA Administration Flowchart

For employers with LESS THAN 20 employees*



Federal COBRA covers group health plans sponsored by an employer (private-sector or state/local government) that employed at least 20 employees on more than 50 percent of its typical business days in the previous calendar year. Both full- and part-time employees are counted to determine whether a plan is subject to COBRA. Each part-time employee counts as a fraction of a fulltime employee, with the fraction equal to the number of hours that the part-time employee worked divided by the hours an employee must work to be considered full time.

*Employers with less than 20 employees, as described above, are subject to PA mini-COBRA; however, Pennsylvania law only applies to insured arrangements, including hospital and surgical policies; Federal COBRA applies to insured AND self-insured group health programs.

This chart provides a high-level overview of key steps involved in COBRA administration. It does not provide a comprehensive summary of an employer's COBRA responsibilities. It is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice.