



➤ May 29, 2024

Next-Level COBRA Compliance: BASIC's Solution Is Here.

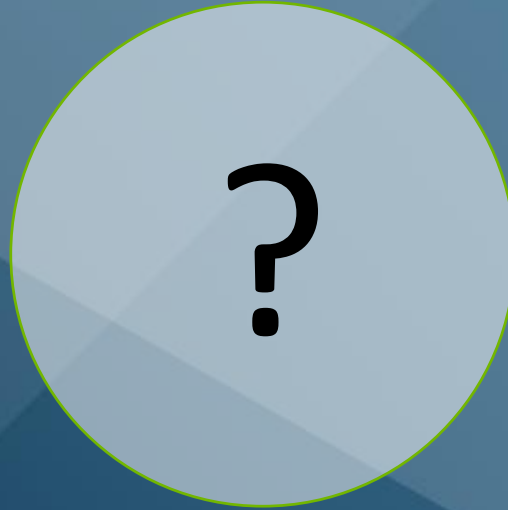


Presentation By:
Daniel Lopez

Before We Begin



We are recording today's webinar



Submit your questions at any time



Please complete the exit survey

Coast to Coast Administration



**BASIC services over
20,000 employers
nationwide.**



Technology Driven HR Solutions to Take Your Company Further

Suite of HR Benefits, Payroll and Leave Management, and Compliance solutions offered individually or bundled.



➤ Presenter



Daniel Lopez

Daniel is a Regional Sales Director at BASIC with over 20 years of professional sales experience. Employers and broker partners trust Daniel to find the right compliance and employee benefit solutions for themselves and their clients, knowing they'll receive personalized service and a level of expertise that exceeds their expectations.

➤ Today's Agenda

- What is COBRA and who needs to comply?
- Common employer pain points in today's benefit administration landscape
- Benefits Integration with COBRA
- BASIC's Solution: One Universal Platform
- Q&A

COBRA Regulations

➤ What is COBRA?

- “COBRA” is the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended
- Provides temporary access to health insurance for qualified individuals when it would have been lost
- Three Federal Agencies provide group laws for COBRA:
 - IRS: Internal Revenue CODE (IRC)
 - DOL: Employee Retirement Income Security Act (ERISA)
 - HHS: Public Health Services Act

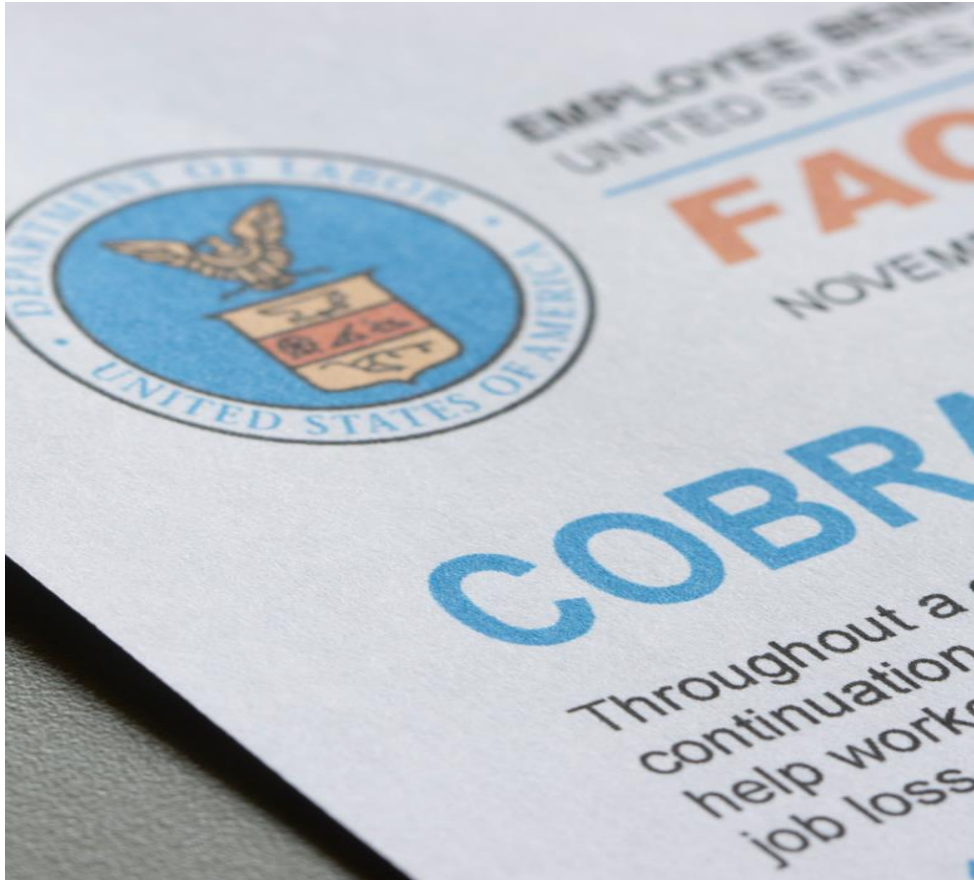




Who is Subject to COBRA?

- All employers with **20 or more** employees on 50% of their typical business days during the preceding calendar year
 - Part-time employees must be counted on a pro-rated basis
 - Self-employed individuals, independent contractors, and directors are not counted
- Not applicable to the federal Government and church groups

➤ Plans Subject to COBRA



Group Health Insurance Plans

- Satisfies two criteria:
 - 1) provides medical care, and
 - 2) is maintained by an employer

Dental, vision, and prescription drug plans

HMO

Defined Contribution Plans

Flexible Spending Accounts

Health Reimbursement Arrangements

Employee Assistance Plans if medical advice provided

Wellness Programs

➤ Plans Not Subject to COBRA

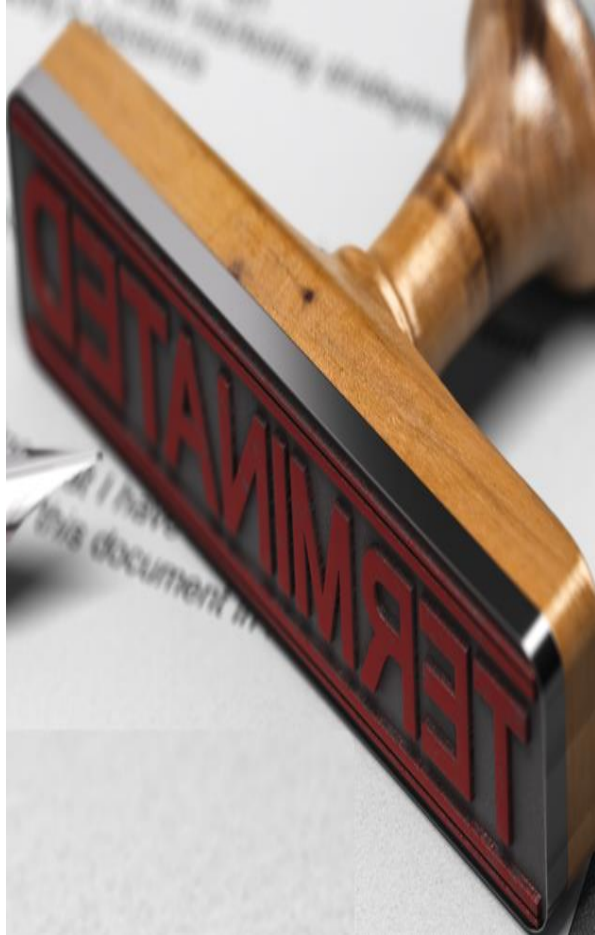
Dependent Care FSA

Health Savings Account

Long/Short-Term Disability

Life Insurance/AD&D

Qualifying Events



- Voluntary Termination
- Involuntary Termination
 - Gross misconduct exception
- Reduction of Employee's Hours
- Death of Employee
- Divorce or Legal Separation
- Medicare Entitlement (in extremely rare circumstances)
- Dependent Child ceasing to be a dependent

➤ Required Notices

- **General Notice-** Informs employees of their COBRA rights and responsibilities
 - Needs to be postmarked within 90 days from enrollment in the new plan
- **Qualifying Event Notice-** Informs all qualified beneficiaries of their right to continue health insurance under COBRA
 - First class mail with certificate of mailing
 - Needs to be postmarked within 44 days from a qualifying event
 - Typically includes COBRA election form

➤ Three Common COBRA Mistakes

1. Assuming COBRA doesn't apply to all group health plans
2. Failing to establish reasonable procedures or identify qualified events or beneficiaries
3. Failing to provide COBRA Election Notice

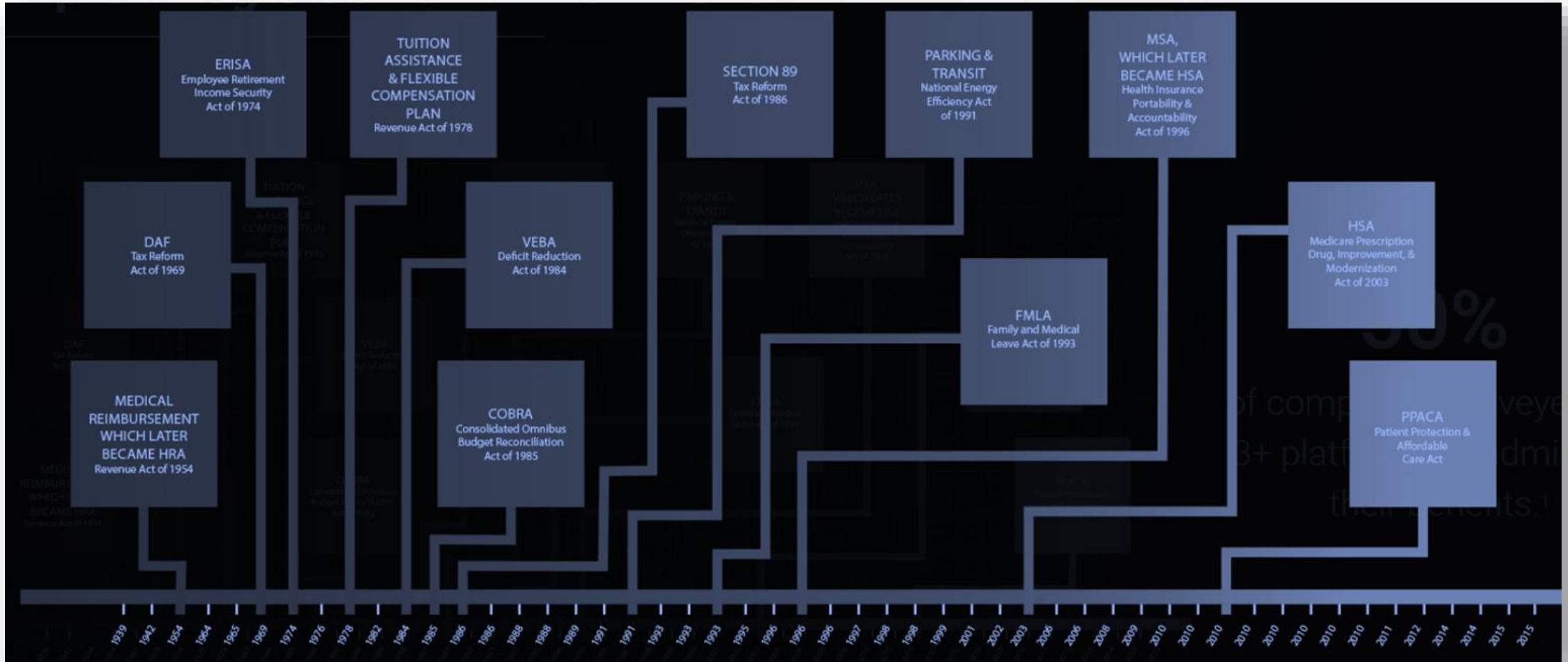
➤ Consequences of Failing to Comply with COBRA

- IRS excise taxes of \$200/day
- Statutory penalties of \$110/day
- Qualified beneficiaries can sue to recover COBRA coverage
 - Claims may not be covered by plan or stop-loss policy
- Courts may impose “other equitable relief”
- Attorney fees imposed if plaintiff is successful in court

Common Employer Pain Points

Benefits Administration

Employers Have Too Much to Manage Today



➤ What Are Employers Asking For?

Mobile Access for free

Automation

Self-Service

Single Sign-On

Source: <https://userguiding.com/blog/hr-software/>



Benefits Integration with COBRA

BASIC's Solution

➤ Understanding the WHY...

- We listened to our stakeholders
- Create simplicity
- Cloud-based platform
- Offer a platform designed around how people think
- Consolidate disparate functions, processes and systems
- Make it easier!



➤ Introducing BASIC's New Platform

- ✓ All COBRA & Benefit Accounts on **one platform**
- ✓ COBRA clients have **easy access** to “Endless Aisle” of CDA benefit accounts
- ✓ **Employee-Centric:** respond to & manage diverse needs of workforce at any life stage
- ✓ Vendor **consolidation**
- ✓ **Peace of Mind:** Audit Guarantee and Hold Harmless

CUSTOMERS WANT IT, AND WE DELIVERED IT!



➤ New Features Customers Will Love

Improved Feature Functionality

- ✓ Single sign-on for **everything**
- ✓ **Better**, more responsive service
- ✓ Participants pay **their** way
- ✓ **Integrated** web-based & mobile participant experience
- ✓ **Industry-leading** security



➤ PLUS, BASIC COBRA clients will still receive...



Open
enrollment
assistance



Access to
comprehensive,
easy-to-
understand
reports



Ability to add
participants
& update rates



Ability
to download
and manage
notices



Ability to track
service
requests &
monitor
service
activity



One Platform

COBRA and Benefits Accounts

COBRA Integrated with CDA



Choices:

Over 50 benefit accounts available on BASIC's CDA



Highly Configurable:

Employers create the program **their way** with ability to easily change/add accounts at any time.



One Platform:

Remove complexity with **one** website, **one** mobile app, **one** login, **one** stacked card and **one** fee per participant per month for all benefits.

➤ Consumer Driven Accounts (CDA)

- New integrated system allows employers and participants to manage all their benefit plans on **one card, one website, and one mobile app**
- Choose from a wide range of healthcare benefit accounts like FSA, Simple HRA, or HSA
 - Combine with Dependent Care, Transit, Wellness Rewards, and Education Reimbursement accounts



Consumer Driven Accounts (CDA)

MEDICAL TRAVEL ACCOUNT											RETIREE FUNDED HRA (FHRA) *			
WELLNESS REWARDS ACCOUNT											MEDICARE HRA *	WELLNESS REIMBURSEMENT ARRANGEMENT *		RETIREE BILLING ACCOUNT *
LIFESTYLE REIMBURSEMENT ACCOUNT	GAS PLUS ACCOUNT	WORK CLOTHES ACCOUNT *					DISASTER RELIEF FUND ACCOUNT *	COMMISSION ACCOUNT			SPOUSAL INCENTIVE HRA *	INTEGRATED FUNDED HRA (FHRA) *		LEAVE OF ABSENCE BILLING ACCOUNT *
GENDER AFFIRMATION REIMBURSEMENT ACCOUNT	BIKE ACCOUNT	HOME OFFICE ACCOUNT *		BACK-UP CARE REIMBURSEMENT ACCOUNT			EMPLOYER CRISIS FUND ACCOUNT *	EMERGENCY SAVINGS ACCOUNT			EMERGENCY EXPENSE HRA *	INDIVIDUAL COVERAGE HRA (ICHRA)		DIRECT BILLING ACCOUNT *
PET INSURANCE REIMBURSEMENT ACCOUNT	TRANSIT ACCOUNT *	WORKPLACE TOOLS *	PROFESSIONAL BUSINESS EXPENSE ACCOUNT *	CHILD ADOPTION ASSISTANCE ACCOUNT *	EMERGENCY LOAN ACCOUNT	STUDENT LOAN REIMBURSEMENT ACCOUNT	EMPLOYEE CRISIS FUND ACCOUNT *	HOLIDAY CLUB ACCOUNT	LIMITED PURPOSE HEALTHCARE FSA (LPFSA) *		QUALIFIED SMALL EMPLOYER HRA (QSEHRA) *	HEALTHCARE PREMIUM (NESP) REIMBURSEMENT ACCOUNT *	EMPLOYER MEDICAL CREDIT ACCOUNT	COBRA ACCOUNT *
PET CARE REIMBURSEMENT ACCOUNT	PARKING ACCOUNT *	TRAVEL & BUSINESS MEALS ACCOUNT *	EMPLOYEE ACHIEVEMENT / AWARD ACCOUNT	DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT *	EMERGENCY EXPENSE REIMBURSEMENT ACCOUNT	TUITION REIMBURSEMENT ACCOUNT *	EMPLOYER PHILANTHROPY FUND ACCOUNT *	GIVING SAVINGS ACCOUNT	HEALTHCARE FLEXIBLE SPENDING ACCOUNT (HFSA) *	HEALTH SAVINGS ACCOUNT (HSA) *	HEALTH REIMBURSEMENT ARRANGEMENT (HRA) *	EXCEPTED BENEFIT HRA (EBHRA) *	EMERGENCY MEDICAL LOAN ACCOUNT	STATE CONTINUATION ACCOUNT *
LIFESTYLE	COMMUTER	BUSINESS EXPENSE		FAMILY	OTHER	↓	↓	↓	FSA	HSA	HRA		OTHER	CONTINUATION
FRINGE BENEFITS						EDUCATION	GIVING (all 501c3)	WEALTH	HEALTHCARE					PREMIUM COLLECTION

➤ Even more value...

- Access to Plan Advisors to help create a unique, attractive benefits program
- Reduce payroll taxes with pretax benefits
- Get **unlimited** benefits at one low rate
- Quickly review/track important benefit activity and information all within one system
- Efficiently enroll/manage employees throughout their employment lifecycle



Universal Experience

Universal Experience



- Access to view benefit and COBRA accounts in ONE system
- Participant Mobile App
- Single Sign On Employer Portal
- Online Support Request
- BASIC Card for hassle-free reimbursements

Employer Overview

Manage all benefit and COBRA accounts from one portal!

The screenshot shows the 'OVERVIEW' page of the Employer Overview portal. The top navigation bar includes 'OVERVIEW', 'EMPLOYEES', 'OFFERINGS', 'TRANSACTIONS', 'FILES', 'REPORTS', and 'INVOICES'. A red bracket highlights the 'EMPLOYEES', 'OFFERINGS', and 'TRANSACTIONS' tabs, with a callout box stating: 'View and manage employees, plans and transactions.' The main content area is divided into several sections: 'EMPLOYEES' (with 'Add employee' and 'Add event' buttons), 'PLANS' (a table of active plans), 'RECENT TRANSACTIONS' (a table of transactions), and 'SUPPORT REQUESTS' (with a 'New support request' button). A red box highlights the 'COBRA Medical', 'COBRA Dental', and 'COBRA Vision' rows in the 'PLANS' table, with a callout box stating: 'All benefit and COBRA plans are listed in the Plans Section for easy access.' Another callout box points to the 'REPORTS' tab, stating: 'New reports that are auto-generated regularly.' A third callout box points to the 'Add event' button, stating: 'Add eligibility events for eligible employees.' A fourth callout box points to the 'New support request' button, stating: 'Easy access to Support Requests and their status.' The top right corner shows a balance of '\$14,000.56' and the user name 'Amelia'.

Plans	Active	Employee contribution	Employer contribution	Expenditures	Remittance
Health FSA	20	\$1,000,000	\$1,000,000	\$1,000,000	-
HSA	30	\$750,000	\$750,000	\$750,000	-
HRA	100	-	\$750,000	\$500,000	-
COBRA Medical	50	-	-	-	-
COBRA Dental	10	-	-	-	-
COBRA Vision	5	-	-	-	-
Leave of absence	1	-	-	-	\$10,000

Date	Status	Amount	Details
10/17/2022	Settled	\$2,300.00	COBRA remittance
7/1/2022	Settled	\$2081.15	Lorem ipsum dolor sit amet
6/15/2022	Posted	-\$19.99	<External Plan name> -<payee name> - Remittance
6/1/2022	Posted	-\$5.00	<External Plan name> -<payee name> - Remittance
5/15/2022	Posted	-\$12.90	<External Plan name> -<payee name> - Remittance
6/1/2022	Posted	-\$5.00	<External Plan name> -<payee name> - Remittance
5/15/2022	Posted	-\$12.90	<External Plan name> -<payee name> - Remittance
6/1/2022	Posted	-\$5.00	<External Plan name> -<payee name> - Remittance

Employer Overview

Easily access all benefit and COBRA account reports

Access all reports in one location. Reports are auto-generated regularly.

The screenshot displays the 'REPORTS' section of the ABC Company dashboard. The top navigation bar includes 'OVERVIEW', 'EMPLOYEES', 'OFFERINGS', 'TRANSACTIONS', 'FILES', 'REPORTS', and 'INVOICES'. The user 'Amelia' is logged in. The 'REPORTS' section is divided into three main categories, each with a 'Last update' timestamp of 08/18/2018 5:45 AM CST:

- ADMINISTRATION REPORTS**
 - Benefit Plans
 - Enrollment ⓘ
 - Participant Balance Summary ⓘ
 - Continuation Plans
 - Continuation ACA ⓘ
 - General Information Notice Substantiation (GIN) ⓘ
 - Coverage Change ⓘ
 - Payment Account Summary ⓘ
 - Plan Structure ⓘ
- FUNDING REPORTS**
 - Benefit Plans
 - Finalization ⓘ
 - Funding ⓘ
 - Payroll Verification Report (PVR) ⓘ
 - Point of Disbursement (POD) ⓘ
 - Continuation Plans
 - Rate Table Summary ⓘ
- FINANCIAL STATEMENTS**
 - Benefit Plans
 - Month End Statements ⓘ
 - Continuation Plans
 - Remittance ⓘ

A red arrow points from the text box below to the 'ADMINISTRATION REPORTS' category.

Participant Overview

Benefit and COBRA accounts in one place!

All participant accounts are listed on the Overview Page for easy access.

The screenshot displays the MyCash Participant Overview page. At the top right, there is a 'MyCash balance' dropdown. The main content is divided into several sections:

- ACCOUNTS** (Last update 01/18/2018 5:45 AM CST):
 - COBRA**: Coverage ends 12/1/2022, Amount due by 11/1/2022, \$1,284.00.
 - Retiree Billing**: Coverage ends 12/1/2022, Amount due by 11/1/2022, \$223.80.
 - ABC Company FHRA**: Available balance, \$500.00.
 - ABC Company FSA**: Available balance, \$356.68.
- How do I make a payment?**
 - 1 Pay by ACH or credit/debit card
 - 2 Setup a one-time, a recurring ACH, or set up a one-time credit/debit card transaction
 - 3 Payments and statuses are displayed in your Recent Transactions below

[Make a payment](#)
- Where's my reimbursement?**
 - 1 Submit reimbursement request.
 - 2 Reimbursement is deposited into your MyCash account.
 - 3 Spend MyCash balance using TASC Card to buy anything!*

*Some merchants may apply restrictions.

[Request a reimbursement](#)

[View draft reimbursement requests](#)
[View reimbursement request history](#)
- Have a bill to pay?**
 - 1 Submit expense details.
 - 2 Include a copy of the bill.
 - 3 TASC pays provider directly from your benefit account!

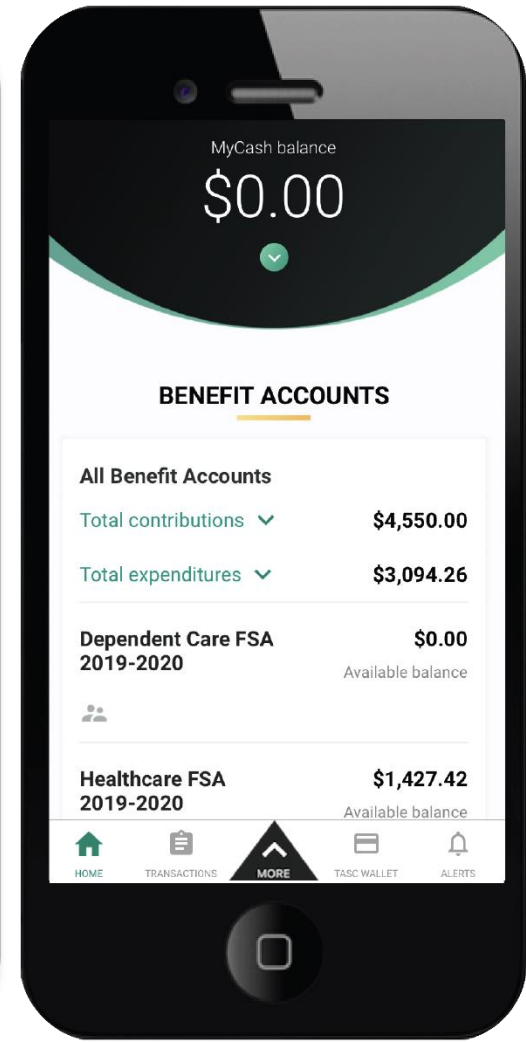
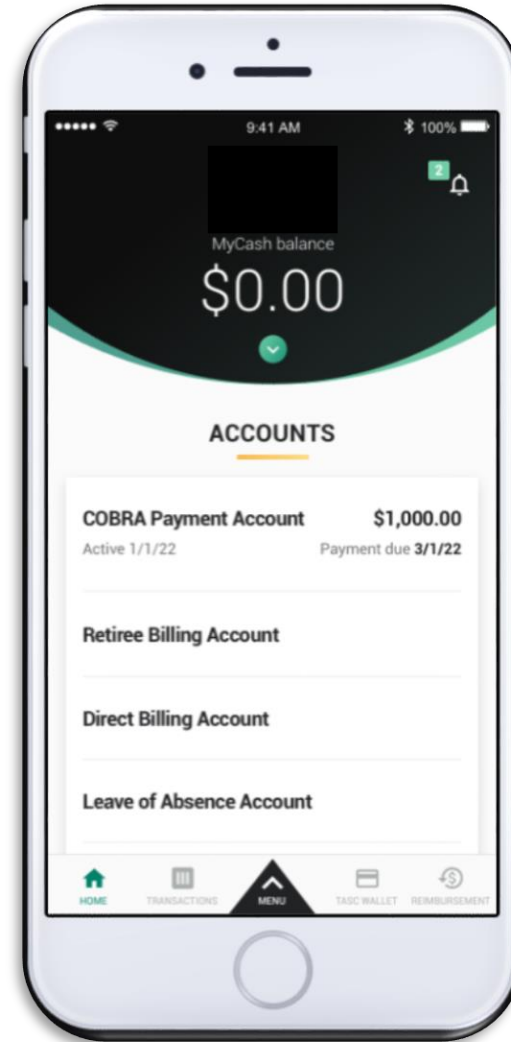
[Pay a provider](#)

RECENT TRANSACTIONS (View all)

Transaction	Date	Status	Amount	Account
Payment	01/24/18	Posted	- \$223.80	Retiree Billing
Mile high Dental Expenditure	01/22/18	Verification required	- \$87.02	ABC Company Limited FHRA
BBVA Checking Transfer	01/21/18	Completed	- \$100.00	MyCash
Ace's Liquor Expenditure	01/17/18	Paid	- \$48.19	MyCash
Paddington Preschool Reimbursement	01/17/18	Posted	+ \$208.33	MyCash

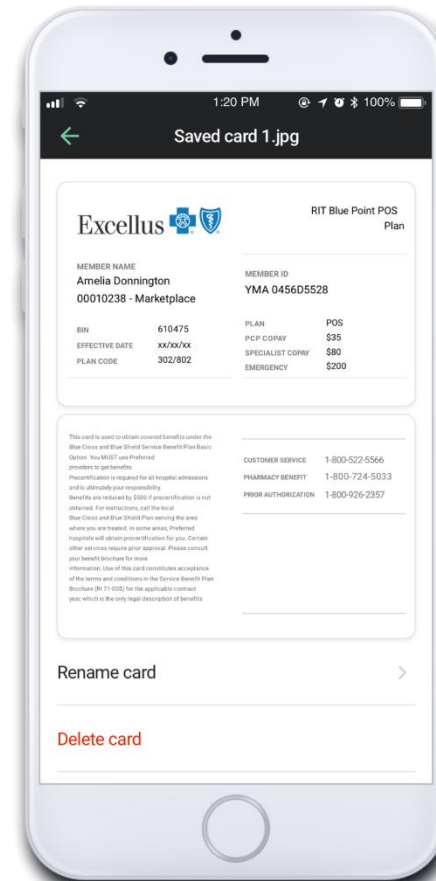
➤ THE BASIC MOBILE APP

- Free download:
- Innovative Features:
 - Biometric Security: Touch ID and Facial Recognition
 - Mobile Alerts
 - BASIC Wallet
 - Receipt Repository
 - Card Management and Holder
 - COBRA participants can pay their premiums
 - Pay by Credit Card, check and/or ACH



➤ BASIC WALLET ON MOBILE: Card Holder

- Easy and convenient access to cards of all types (BASIC Card, insurance cards, credit cards)
- Secure and easy uploading



➤ Why Outsource COBRA

1. It's easy for an employer to unintentionally fall out of compliance
2. It's time consuming if administered correctly
3. Administrators take the majority of liability off of employers
4. Administrators can serve as a buffer between the employer and former workers

One of the most commonly outsourced HR functions.

Before Q&A



Slides are in
the handout
section



Receive an email
tomorrow with
the recording



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QUESTIONS

View our current webinar schedule at
www.basiconline.com/webinar.



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