



Transitioning with Empathy: Post-Employment Benefits Options

It wasn't that long ago that our nation went from historically low unemployment and a war for talent to a rapidly evolving economic and health crisis caused by a global pandemic. While some industries continue to [scramble](#) to meet extraordinary demands created by COVID-19, others are finding furloughs and [layoffs](#) are unavoidable.

What makes this situation so challenging is the context. Layoffs are not uncommon, but terminating employees when it means they will lose their benefits coverage during a health crisis is truly unprecedented. It's unnerving for both employers and employees.

COBRA is there as a safety net for those losing coverage. But, it's expensive and there might be better choices for people depending on their age and personal situation. Providing a COBRA subsidy can help employees in the short term, but can leave them with less flexibility to continue coverage when it ends.

If you're facing furloughs or layoffs for your workforce, use this reference to understand how to offer the softest possible landing for those who are losing benefits eligibility due to these unique economic circumstances.

See an overview of the options on the next page.

Benefits option	Available for	Pros	Cons
COBRA	Employees losing active coverage	<ul style="list-style-type: none"> ▶ Employer can subsidize ▶ Might be cost-effective if employee has already met deductible or out-of-pocket maximums (or is close) ▶ No change in network or physicians required 	<ul style="list-style-type: none"> ▶ Tends to be most expensive option ▶ Least cost-effective for younger people since it's group rated ▶ Once employer subsidy ends (if any), participant cannot move to less expensive individual plans until start of next calendar year, or 18 months of COBRA is exhausted
ACA Individual Coverage via Healthcare.gov or State Marketplace	Employees losing active coverage	<ul style="list-style-type: none"> ▶ Employee may be eligible for tax subsidy ▶ Generally, less expensive than COBRA, especially for younger people ▶ Employer can subsidize ▶ Potentially more choices available so employee can customize coverage 	<ul style="list-style-type: none"> ▶ Might be challenging for employees to choose among available options ▶ Options may be limited based on ACA exchange ▶ Eligibility generally limited to <ol style="list-style-type: none"> 1) when active benefits end, 2) Annual Enrollment, or 3) COBRA is exhausted. COBRA subsidy ending is not an enrollment event
Individual (Private) Marketplace	Employees losing active coverage Employees who were not benefits-eligible or didn't elect coverage	<ul style="list-style-type: none"> ▶ Available whether or not employee was previously covered by group health plan ▶ Employer can subsidize ▶ Generally, less expensive than COBRA ▶ Potentially more choices available so employee can customize coverage ▶ Additional options (dental, vision, voluntary) also available ▶ Decision support available including licensed reps 	<ul style="list-style-type: none"> ▶ No tax subsidy available ▶ Options may be limited ▶ Eligibility generally limited to <ol style="list-style-type: none"> 1) when active benefits end, 2) Annual Enrollment, or 3) COBRA is exhausted. COBRA subsidy ending is not an enrollment event
Short-term Limited Duration Plan	Employees losing active coverage Employees who were not benefits-eligible or didn't elect coverage	<ul style="list-style-type: none"> ▶ Available whether or not employee was previously covered by group health plan ▶ Less expensive than COBRA ▶ May be good stop-gap option ▶ Can enroll anytime 	<ul style="list-style-type: none"> ▶ Coverage is typically very limited (not a minimum essential coverage plan) ▶ May not cover COVID-19 testing or treatment

Want more advice about managing in the age of COVID-19? We're all in this together. Visit our growing resource center at Businessolver.com/NewNormal for more information you can use.