

## Protecting Retirement and Health Benefits after Job Loss

*Job termination or a reduction in hours can result in a loss of retirement and health benefits. However, employees and their families may have rights under federal law that can help protect benefits when employment changes.*

### **HIPAA and the Affordable Care Act – Enrolling In Another Health Plan**

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) helps when you are switching from one job to another. If other group health coverage is available (for example, through a spouse's employment-based plan), special enrollment in that plan should be considered. It allows the individual and his/her family an opportunity to enroll in a plan for which they are otherwise eligible, regardless of open enrollment periods. However, to qualify, enrollment must be requested within 30 days of losing eligibility for other coverage. After special enrollment is requested, coverage must be effective no later than the first day of the first month following your request for enrollment.

In addition, if you enroll in employment-based group health plan coverage (such as special enrollment into a spouse's plan), under the Patient Protection and Affordable Care Act (the Affordable Care Act), for plan years beginning on or after January 1, 2014, group health plans and insurers can't refuse to cover treatment for preexisting conditions for any individuals. This protection is already in effect for individuals under age 19.

### **COBRA – Continuing In Your Old Health Plan**

The Consolidated Omnibus Budget Reconciliation Act of 1985 – also known as COBRA – can help former employees and their families continue their health care coverage. If you were laid off, if you quit your job or retired, or if your hours were reduced, you may qualify. (You will not qualify, however, if you were fired for gross misconduct.) Your employer must have had 20 or more employees, you must have been a participant in your employer's group health plan, and your employer must continue to maintain a health plan.

Once your job ends, your plan must provide you with written notice explaining your rights under COBRA. You have 60 days from the date the notice is provided or from the date coverage ended – whichever is later – to sign up for (or elect) COBRA coverage. It begins the day your health care coverage ended and lasts up to 18 months (and longer in some cases). However, the plan may require you to pay the entire group rate premium, plus a 2 percent administrative fee. (For more information on COBRA, order *An Employee's Guide to Health Benefits Under COBRA*.)

## Affordable Care Act – Finding a New Health Plan

In addition to coverage through employment-based health plans, there is another coverage option for you and your family. Under the Affordable Care Act, you can buy individual insurance coverage through the Health Insurance Marketplace. The Marketplace lets you see the health plan options available in your area in one place. You may be eligible for a new kind of tax credit to help you with your cost of coverage that lowers your monthly premiums right away. You can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. You cannot be denied coverage due to a preexisting condition and will not be subject to any preexisting condition exclusions in Marketplace coverage. If you are eligible to elect COBRA, get information on both the COBRA and Marketplace coverage options and compare before you decide which coverage to elect. For more information, visit [healthcare.gov/what-if-i-am-losing-job-based-insurance/](http://healthcare.gov/what-if-i-am-losing-job-based-insurance/) and [healthcare.gov/what-if-i-currently-have-cobra-coverage/](http://healthcare.gov/what-if-i-currently-have-cobra-coverage/).

## ERISA – Protecting Your Retirement Assets

The Employee Retirement Income Security Act of 1974 (ERISA) provides guidance for employers who have retirement plans and gives you specific rights to plan information. For instance, if you lose your job, request a copy of your plan's summary plan description (SPD) and an individual benefit statement. The SPD tells you what benefits the plan provides, when you can collect them, and, if you have a 401(k) account, whether your plan permits you to roll it over to a new employer's plan or to an IRA. The individual benefit statement lets you monitor your account balance and is an important statement to keep on file. (For more information on protecting your retirement benefits, order *What You Should Know About Your Retirement Plan*.)

## Get the Facts NOW

If you have questions about your rights and responsibilities under HIPAA, COBRA, the Affordable Care Act, and ERISA, visit [askebsa.dol.gov](http://askebsa.dol.gov) or call **1-866-444-3272** to order any of the publications mentioned or to request assistance from a benefits advisor.

For more information about health insurance options available through the Health Insurance Marketplace, visit [healthcare.gov](http://healthcare.gov).



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