

# An Additional Word from IRS Regarding the ARP COBRA Subsidy

**Employee Benefits & Executive Compensation Blog** on July 27, 2021

The IRS just released some new supplemental guidance on the COBRA premium subsidy in the American Rescue Plan Act (“ARP”). IRS Notice 2021-46, released July 26, 2021 provides additional color on a handful of discrete subsidy issues that had been addressed in earlier guidance but still caused some confusion. The guidance, in Q&A format, addresses:

- the availability of the subsidy during extended coverage periods due to disability determinations, second qualifying events, and state law extensions,
- ineligibility for the subsidy due to other group health coverage or Medicare,
- when a state continuation coverage program qualifies as “comparable” to federal COBRA coverage, and
- who is the “premium payee” for purpose of claiming the tax credit, including in the context of controlled groups, MEWAs, and business reorganizations.

The Notice can be found [here](#). For more information on how to claim the ARP COBRA tax credit, see our blog [here](#).

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