



New Employer Obligations in the American Rescue Plan Act of 2021

Because you have dental and/or vision insurance with Principal®, we wanted to alert you to new requirements contained in the American Rescue Plan Act (ARPA) of 2021.

Employees and their families who are eligible for state continuation programs—similar to COBRA—may be eligible for a 100% premium subsidy for up to six months. If they take advantage of this subsidy, the ARPA requires a new notice and election period for them.

Next steps

- 1. Identify the name and address of any employees or former employees who are eligible for a premium subsidy.** Eligible individuals are employees or former employees who became eligible for state continuation due to involuntary termination or reduction in hours and who would still be in their eligibility period based on their original eligibility date.
- 2. Deliver a notice letter to eligible employees and their eligible dependents by May 31, 2021.**
 - They must then be given 60 days to make the new election and apply for the subsidy.
 - The notice letter must contain specific information. For convenience, the US Department of Labor (DOL) has provided model notice letters and forms at [their website](#) for

you to consider leveraging.

3. **Email Principal** the continuation election forms for eligible individuals who have responded to the letter within the 60-day deadline and who are eligible for the premium subsidy. If we do not receive a list from you, we will assume that you have no employees who met these criteria.

Additional considerations

The same process must be followed for any individuals who are involuntarily terminated or have their hours reduced between now and September 30, 2021.

Individuals who are still receiving COBRA benefits when the subsidy period expires must receive a second notice from you alerting them to the end of the subsidy. The DOL has provided a model letter for this notice as well.

For questions, please refer to the [DOL website](#), or contact your Principal[®] representative or group benefits broker.



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Note: This is summary information only. We encourage you to review the American Rescue Plan Act of 2021 as well as guidance from the U.S. Department of Labor.

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