

We created this COBRA Audit Checklist as a tool to conduct a self-audit, and we based it on procedures outlined in the *Audit Techniques and Tax Law to Examine COBRA Cases (Continuation of Employee Health Care Coverage)*. Published by the Internal Revenue Service in March 2012, this guide instructs an IRS Examiner on the procedures to conduct a COBRA Audit and summarizes the penalties for compliance failures.

Client Name	Broker Name	Audit Date
List Client's Group Health Benefit Plans:		

COBRA Audit Checklist	Yes	No	Comments
1. Copy of the COBRA procedures manual			
2. Copies of standard COBRA coverage letters sent to qualified beneficiaries			
3. Copy of internal audit procedures for COBRA coverage			
4. Copies of all Group Health Plans			
5. Details on any past or pending lawsuits filed for failing to provide appropriate COBRA coverage			
6. The number of qualifying events occurring in the year under examination through the current date			
7. Describe how qualified beneficiaries are notified of their COBRA rights			
8. Explain how the plan administrator is notified that a qualifying event has occurred			
9. Describe the election made by qualified beneficiaries to continue health coverage			
10. How are premium paid by qualified beneficiaries for COBRA coverage			
11. Copies of federal and state employment tax returns filed during the current period under examination and the preceding year			
12. A list of all individuals affected by a qualifying event (for example, termination, death, etc.) during the current year			
13. A list of all individuals covered on the current and preceding years for each plan (this list is to include employees and dependents)			
14. Personnel records, which include documents to support the following items:			
• Name and address of each beneficiary			
• Qualifying event date			
• Copies of COBRA notices			
• Type of COBRA coverage received			
• Premium payments required under COBRA			
• Copy of the employer's letter to the insurance company/plan administrator notifying them of a qualifying event			
• Reasons for the termination of COBRA coverage properly elected by a beneficiary			
• Reasons for employment termination			
15. If COBRA coverage was denied due to gross misconduct, verify employee was denied unemployment benefits for the same reason			

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Phone: 877.97COBRA
 Email: cobrasupport@primepay.com