

191—29.4(509B) Interplay between chapter 509B and COBRA.

29.4(1) In the event an employee is eligible for a continuation right under Iowa Code chapter 509B and is also eligible for continuation of benefits from the employer under COBRA, an employer shall be deemed to comply with the requirements of chapter 509B if the employer offers to qualified beneficiaries the continuation right under COBRA. An election in favor of COBRA continuation shall satisfy the requirements of chapter 509B.

29.4(2) In lieu of, and as an alternative to the procedure set forth in subrule 29.4(1), the employer may give the employee continuation benefits, and charge the employee for continuation costs, on terms most favorable to the employee, as between chapter 509B and COBRA. For example, an employee could offer continuation for the period provided in COBRA — 18 months, as opposed to the 9 months under chapter 509B — but only at the cost to the employee allowable under chapter 509B — 100 percent of the per-employee cost, as opposed to the 102 percent per-employee cost allowable under COBRA.