

COBRA Audit Checklist



Published by the Internal Revenue Service (IRS) in March 2012, this guide instructs IRS examiners 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 the 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. Includes the number of qualifying events occurring in the year under examination through the current date.			
7. Describes how qualified beneficiaries are notified of their COBRA rights.			
8. Explains how the plan administrator is notified that a qualifying event has occurred.			
9. Describes the election made by qualified beneficiaries to continue health coverage.			
10. Do you know how premiums are paid by qualified beneficiaries for COBRA coverage?			
11. Copies of federal and state employment tax returns were filed during the current period under examination and the preceding year.			
12. A list of all individuals affected by a qualifying event (ex., 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.			

Get on the path to COBRA compliance today.

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