

BULLETIN 356

CONTINUATION OF COVERAGE AFTER TEMPORARY LAYOFF IN NON-COBRA PLANS

Title 24-A M.R.S.A. § 2809-A(11) requires continuation of group coverage under certain circumstances for groups not subject to federal COBRA requirements. Continuation is required “if the termination of an individual’s group insurance coverage is a result of the member or employee being temporarily laid off or losing employment because of an injury or disease that the employee claims to be compensable under [workers’ compensation].” Bulletin 306 clarified that this applies to all temporary layoffs rather than applying only to those resulting from a work-related injury or disease. However, confusion remains as to what constitutes being “temporarily laid off.”

An involuntary termination of employment is a temporary layoff if the employer intends to rehire the employee at some time in the future if possible. This generally applies any time an employer lays off an employee due to reduced business or a lack of funds that is expected or hoped to be temporary.

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