

# Consolidated Omnibus Budget Reconciliation Act (COBRA) - Federal Employment Law (FEL) Practice Test (Sample)

## Study Guide



**Everything you need from our exam experts!**

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# Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

**Remember:** successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

# How to Use This Guide

**This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:**

## **1. Start with a Diagnostic Review**

**Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.**

## **2. Study in Short, Focused Sessions**

**Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.**

## **3. Learn from the Explanations**

**After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.**

## **4. Track Your Progress**

**Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.**

## **5. Simulate the Real Exam**

**Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.**

## **6. Repeat and Review**

**Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.**

**There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!**

## Questions

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- 1. Who is a qualifying beneficiary?**
  - A. An individual who is covered by the employer's group health plan on the day before a qualifying event. They are eligible to receive COBRA benefits**
  - B. An individual who becomes eligible for a new employer plan**
  - C. A plan sponsor**
  - D. An insurer**
  
- 2. If the employee becomes entitled to Medicare, this is a qualifying event for which group?**
  - A. Spouse**
  - B. Employee**
  - C. Dependent child**
  - D. None**
  
- 3. What is a qualifying event?**
  - A. An event that makes a qualified beneficiary eligible for COBRA coverage. For a current employee, a qualifying event is one that would otherwise disqualify the employee from the employer's group health plan, such as resignation or layoff. If the employee's dependents are covered through the employer's group health plan, the employee's death or divorce is a qualifying event as well**
  - B. An event that increases premiums**
  - C. An event that terminates COBRA for everyone**
  - D. An event that triggers a plan audit**
  
- 4. Which practice is associated with reporting and disclosure failures that triggers a separate penalty?**
  - A. Fines for failing to satisfy COBRA's reporting and disclosure rules**
  - B. \$100 per day**
  - C. Civil liability**
  - D. Attorney's fees**

- 5. Which events count as qualifying events for a spouse or dependent under COBRA?**
- A. Only the employee's termination.**
  - B. The same employee-qualifying events plus death of the employee, divorce or legal separation, the employee becoming eligible for Medicare, or the dependent ceasing to be a dependent.**
  - C. Only death of employee.**
  - D. Only dependent changes status.**
- 6. Which statement about COBRA continuation is true?**
- A. It guarantees coverage regardless of premium payment.**
  - B. It ends immediately when the employee enrolls in a new employer plan.**
  - C. It applies automatically to all employees without elections.**
  - D. It provides continuation only after a qualifying event and payment of premiums.**
- 7. Current employees can't have their group health coverage terminated solely because they become entitled to Medicare.**
- A. True**
  - B. False**
  - C. Only if the plan terminates**
  - D. Only if the employer goes bankrupt**
- 8. If the Social Security Administration determines a former employee is no longer disabled, what must happen next?**
- A. Notify the plan administrator**
  - B. Reopen the COBRA election window**
  - C. Submit updated medical records to the SSA**
  - D. Enroll in a new disability program under the plan**
- 9. The summary plan must include what?**
- A. Reasonable procedures for employee or qualifying beneficiaries to provide notice of the qualifying events**
  - B. Employee payroll details and benefits**
  - C. A list of all medical providers in the network**
  - D. A summary of the plan's annual budget**

**10. If the SSA determines the employee is no longer disabled, what must the employee do?**

- A. Notify the plan administrator**
- B. File a new disability claim with SSA**
- C. Continue COBRA enrollment for 12 months regardless**
- D. Notify the employer's HR department only if required**

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## Answers

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1. A
2. A
3. A
4. A
5. B
6. D
7. A
8. A
9. A
10. A

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## **Explanations**

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## 1. Who is a qualifying beneficiary?

- A. An individual who is covered by the employer's group health plan on the day before a qualifying event. They are eligible to receive COBRA benefits**
- B. An individual who becomes eligible for a new employer plan**
- C. A plan sponsor**
- D. An insurer**

The concept here is who can continue coverage under COBRA after a triggering event. A qualifying beneficiary is someone who was covered under the employer's group health plan on the day before the qualifying event and who loses that coverage because of the event. This includes the employee and their covered dependents (spouse and/or dependent children) who were enrolled immediately prior to the event. They're the ones eligible to elect COBRA continuation. Becoming eligible for a new employer's plan isn't COBRA eligibility, because COBRA is about continuing coverage from the prior employer's plan after loss of that coverage. The plan sponsor and the insurer aren't individuals who receive COBRA benefits—they're the administrator/issuers involved in the coverage, not beneficiaries.

## 2. If the employee becomes entitled to Medicare, this is a qualifying event for which group?

- A. Spouse**
- B. Employee**
- C. Dependent child**
- D. None**

When a qualifying event occurs under COBRA, certain family members can elect to continue coverage after they would otherwise lose it. If the employee becomes entitled to Medicare, the employer's group health plan usually ends for that employee. That loss of coverage for the employee triggers COBRA rights for the spouse (and dependent children), allowing them to elect continuation coverage. So this event is a qualifying event for the spouse, enabling the spouse to maintain coverage under COBRA even though the employee's plan coverage ends due to Medicare entitlement. The employee's own COBRA option typically ends once they're Medicare-eligible, which is why the focus for this event is on the spouse.

### 3. What is a qualifying event?

- A. An event that makes a qualified beneficiary eligible for COBRA coverage. For a current employee, a qualifying event is one that would otherwise disqualify the employee from the employer's group health plan, such as resignation or layoff. If the employee's dependents are covered through the employer's group health plan, the employee's death or divorce is a qualifying event as well**
- B. An event that increases premiums**
- C. An event that terminates COBRA for everyone**
- D. An event that triggers a plan audit**

A qualifying event is an event that would cause loss of the employer's group health plan coverage, so the affected person becomes eligible to elect COBRA continuation coverage. This includes situations where an employee is terminated or has hours reduced, or resigns, and similarly for dependents when events like the employee's death or a divorce would result in losing coverage. The idea is to identify events that would end coverage under the plan, thereby triggering the right to continue that coverage under COBRA for a limited period. The other scenarios don't fit because they don't create an individual right to continue coverage: a mere increase in premiums isn't itself a COBRA trigger, a plan-wide termination of COBRA would end coverage for everyone rather than create an eligible beneficiary, and a plan audit is unrelated to a beneficiary's right to elect COBRA.

### 4. Which practice is associated with reporting and disclosure failures that triggers a separate penalty?

- A. Fines for failing to satisfy COBRA's reporting and disclosure rules**
- B. \$100 per day**
- C. Civil liability**
- D. Attorney's fees**

COBRA imposes a separate penalty specifically for failing to meet its reporting and disclosure obligations. Employers and plan administrators must provide required notices about COBRA rights and report related information. When these reporting/disclosure duties aren't satisfied, a distinct fine can be assessed, separate from any other liability. That's why the option describing fines for failing to satisfy COBRA's reporting and disclosure rules is the best choice. The other items refer to different remedies (civil liability, attorney's fees) or a generic per-day amount that don't capture the specific reporting/disclosure penalty COBRA imposes.

**5. Which events count as qualifying events for a spouse or dependent under COBRA?**

- A. Only the employee's termination.**
- B. The same employee-qualifying events plus death of the employee, divorce or legal separation, the employee becoming eligible for Medicare, or the dependent ceasing to be a dependent.**
- C. Only death of employee.**
- D. Only dependent changes status.**

Under COBRA, a spouse or dependent can elect continuation coverage whenever a qualifying event occurs that would cause them to lose coverage. The key idea is that qualifying events for a spouse or dependent include not only the employee's own events but also events that affect the family status. The employee's own qualifying events typically include termination of employment (for any reason other than gross misconduct) and a reduction in work hours. Those events trigger the right to elect COBRA for the employee and also for the employee's spouse or dependent because they may lose coverage as a result of the employee's status. In addition, several events that happen to the employee specifically also count as qualifying events for a spouse or dependent: the death of the employee, divorce or legal separation, the employee becoming eligible for Medicare, or the dependent ceasing to be a dependent. These events change the family's eligibility for coverage, so they allow the spouse or dependent to elect COBRA. So the best answer includes both the employee-qualifying events and these family-related events, capturing the full scope of situations where a spouse or dependent may maintain coverage through COBRA. The other options are too narrow, listing only one type of event and omitting the broader range of qualifying events that affect spouses or dependents.

**6. Which statement about COBRA continuation is true?**

- A. It guarantees coverage regardless of premium payment.**
- B. It ends immediately when the employee enrolls in a new employer plan.**
- C. It applies automatically to all employees without elections.**
- D. It provides continuation only after a qualifying event and payment of premiums.**

COBRA continuation is only available after a qualifying event and the person pays the required premiums. A qualifying event (like termination of employment or loss of hours) triggers the right to elect continuation, but you must actively elect COBRA and then keep paying the premium to maintain the coverage. It isn't automatic or guaranteed without payment, and it ends if premiums aren't paid, or when the maximum continuation period ends, or if you become eligible for another group plan.

**7. Current employees can't have their group health coverage terminated solely because they become entitled to Medicare.**

**A. True**

**B. False**

**C. Only if the plan terminates**

**D. Only if the employer goes bankrupt**

Coordinating benefits with Medicare means that simply becoming eligible for Medicare doesn't automatically end an active employee's employer group coverage. For current employees, the employer plan typically continues to provide coverage, with Medicare either paying as the primary or secondary payer depending on the plan's rules. The important point is that Medicare entitlement isn't used as a sole reason to terminate the employee's group health coverage. Only when a separate event triggers a loss of eligibility (such as terminating employment or exhausting COBRA rights) would coverage be affected for other reasons. So the statement is true: current employees aren't terminated from their group health coverage solely because they become entitled to Medicare.

**8. If the Social Security Administration determines a former employee is no longer disabled, what must happen next?**

**A. Notify the plan administrator**

**B. Reopen the COBRA election window**

**C. Submit updated medical records to the SSA**

**D. Enroll in a new disability program under the plan**

When the SSA determines someone is no longer disabled, the next step is to notify the plan administrator. This notice is essential so the employer's COBRA plan can adjust eligibility and coverage accordingly—for example, ending the disability extension and applying the standard COBRA rules from that point forward. The other options aren't triggered by this SSA finding: the COBRA election window isn't reopened merely because disability ended, updating medical records to the SSA isn't required after the determination, and enrollment in a new disability program under the plan isn't something the plan would initiate based on SSA's finding.

**9. The summary plan must include what?**

**A. Reasonable procedures for employee or qualifying beneficiaries to provide notice of the qualifying events**

**B. Employee payroll details and benefits**

**C. A list of all medical providers in the network**

**D. A summary of the plan's annual budget**

Under COBRA, the summary plan description must spell out how a participant or other beneficiary reports a qualifying event. This ensures the plan can timely offer COBRA continuation coverage by providing clear steps, a contact point, and any deadlines for giving notice to the plan administrator when events like termination of employment, reduction in hours, death, divorce, or a dependent aged out occur. If the plan lacks these notice procedures, a beneficiary may miss the chance to elect COBRA and lose coverage protection. Other items like payroll details, a provider directory, or the plan's annual budget don't address the notice and election process for COBRA, so they don't fit the requirement described in the summary plan.

**10. If the SSA determines the employee is no longer disabled, what must the employee do?**

**A. Notify the plan administrator**

**B. File a new disability claim with SSA**

**C. Continue COBRA enrollment for 12 months regardless**

**D. Notify the employer's HR department only if required**

When a COBRA participant is on a disability-based extension, changes in disability status need to be communicated to the plan administrator. If SSA later determines that the employee is no longer disabled, the employee must notify the plan administrator of this determination. This lets the plan adjust the continuation coverage appropriately, ending the disability extension and aligning with the standard COBRA period. Filing a new SSA disability claim isn't appropriate since SSA has already concluded the status, and continuing enrollment for a fixed extra period regardless of status isn't correct because the extension depends on ongoing disability status. Notifying only the employer's HR won't ensure the plan administrator has the authority to adjust COBRA benefits and premiums.

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## Next Steps

**Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.**

**As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.**

**If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at [hello@examzify.com](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://cobrafel.examzify.com>**

**We wish you the very best on your exam journey. You've got this!**

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