CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT (COBRA) – FEDERAL EMPLOYMENT LAW (FEL) PRACTICE TEST (SAMPLE)

STUDY GUIDE

SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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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

1. What are the broad categories of employer obligations under COBRA?

A. Notice requirement and coverage requirements.

B. Employee recruitment and retention.

C. Tax reporting and audits.

D. Benefit design and pricing.

2. Which civil remedy may be imposed on employers for COBRA violations?

A. Civil liability to individuals who suffered losses due to not receiving the health insurance coverage to which they were entitled

B. Criminal penalties

C. Tax penalties

D. License suspension

3. Which events would ordinarily end coverage under ordinary circumstances (before COBRA extension)?

A. Voluntary resignation by the employee.

B. Termination or layoff.

C. A change in job title.

D. A temporary leave of absence.

4. Are newborns or newly added dependents automatically covered under COBRA?

A. Yes, automatically

B. They must be offered continuation; the enrollee typically must receive a new election notice to cover the newborn or newly added dependent

C. They are covered only if the plan allows

D. They are never covered under COBRA

5. Under what condition can the penalty tax be avoided due to lack of intent?

A. The failure is not intentional and the employer has a reasonable explanation

B. The employer has more than 100 employees

C. The penalty tax is capped

D. The company files late

6. Who tracks premium payment status under COBRA?

A. Plan administrator

B. Employer HR

C. Insurance broker

D. Beneficiary

7. What determines who must send the qualifying event notice?

A. The type of qualifying event.

B. The employee's personal preference.

C. The company's payroll cycle.

D. The time since the event.

8. Under what circumstance does the employer not have to send itself a qualifying event notice?

A. The employer is the administrator of its own plan

B. The employee has elected COBRA

C. The plan is terminated

D. The qualifying event is death of the employee

9. Which of the following constitutes a qualifying event for a dependent under COBRA?

A. The employee changes to part-time status

B. The dependent's status changes but remains a dependent under state rules

C. The dependent obtains health coverage elsewhere but does not meet COBRA requirements

D. Death of the employee; divorce or legal separation; loss of dependent status; or the employee becoming entitled to Medicare

10. When a second qualifying event occurs during the initial 18 months, the maximum coverage can extend to 36 months.

A. 12 months

B. 18 months

C. 24 months

D. 36 months

Answers

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

Explanations

1. What are the broad categories of employer obligations under COBRA?

A. Notice requirement and coverage requirements.

B. Employee recruitment and retention.

C. Tax reporting and audits.

D. Benefit design and pricing.

Employer duties under COBRA fall into two broad areas: notice obligations to inform qualified beneficiaries of their rights, and coverage obligations to provide and administer the continuation coverage when they elect. Notice obligations include giving a general COBRA rights notice to employees and their dependents, and providing election notices when a qualifying event occurs. These notices ensure individuals know they can elect COBRA and understand what to do, along with any deadlines and what the coverage will cost. Coverage obligations require that once someone elects COBRA, the plan must offer continuation coverage on the same terms as active coverage for the applicable period, with the appropriate premium. The plan also handles the administration of this coverage, including any permitted extensions in qualifying situations. These two areas—informing beneficiaries and delivering/managing the continuation coverage—best describe the employer's COBRA responsibilities. The other options relate to HR practices, tax work, or benefit design, which are not the central COBRA obligations.

2. Which civil remedy may be imposed on employers for COBRA violations?

A. Civil liability to individuals who suffered losses due to not receiving the health insurance coverage to which they were entitled

B. Criminal penalties

C. Tax penalties

D. License suspension

Under COBRA, if an employer or plan administrator fails to provide the required continuation coverage or the mandatory notices, the remedy available is civil liability to the individuals who suffered losses because they did not receive the coverage they were entitled to. This means the harmed person can seek damages to compensate for the cost and consequences of losing or not obtaining the continuation coverage, and in some cases may recover attorneys' fees. The purpose is to make the harmed individuals whole and to encourage compliance. Criminal penalties, tax penalties, or license suspension are not the civil remedy described for COBRA violations; those options are not the typical civil remedy owed to individuals under COBRA.

3. Which events would ordinarily end coverage under ordinary circumstances (before COBRA extension)?

A. Voluntary resignation by the employee.

B. Termination or layoff.

C. A change in job title.

D. A temporary leave of absence.

Under a group health plan, coverage is tied to the employee's active status. When someone is no longer an employee, the employer plan generally ends for that person, unless COBRA or another provision allows continuation. The classic event that ends coverage in ordinary circumstances is termination or layoff, because those outcomes end the employment relationship and with it the employer's health plan coverage. A change in job title does not terminate employment, so coverage typically continues. A temporary leave of absence also doesn't automatically end employment, and many plans let the employee keep coverage if premiums are kept up or if the leave is approved under plan rules. So termination or layoff is the event that ordinarily ends coverage before COBRA.

4. Are newborns or newly added dependents automatically covered under COBRA?

A. Yes, automatically

B. They must be offered continuation; the enrollee typically must receive a new election notice to cover the newborn or newly added dependent

C. They are covered only if the plan allows

D. They are never covered under COBRA

When a newborn or newly added dependent happens, it's treated as a qualifying event under COBRA. The plan must offer continuation coverage to that dependent, but it isn't automatic. The enrollee typically receives a new COBRA election notice specifically for the newborn or added dependent, and they must elect to continue coverage (and pay any required premiums) for that dependent. Until the election is made, the newborn isn't covered under COBRA. This is why the correct answer emphasizes offering continuation and issuing a new election notice for the newborn or newly added dependent.

5. Under what condition can the penalty tax be avoided due to lack of intent?

A. The failure is not intentional and the employer has a reasonable explanation

B. The employer has more than 100 employees

C. The penalty tax is capped

D. The company files late

The main idea is that COBRA penalties can be avoided when the failure to comply was not intentional. If an employer shows the lapse was unintentional and there is a reasonable explanation for why it happened, the penalty tax can be avoided or reduced. This reflects the principle that penalties are intended for willful neglect, not honest mistakes that are promptly explained and corrected. The other options don't fit this defense: the number of employees doesn't create an intent defense, a cap limits the total but doesn't excuse the failure, and filing late is itself a failure that can trigger penalties rather than excuse them. So, the best answer is that a lack of intentional violation with a reasonable explanation allows the penalty to be avoided.

6. Who tracks premium payment status under COBRA?

A. Plan administrator

B. Employer HR

C. Insurance broker

D. Beneficiary

The plan administrator is responsible for tracking premium payment status in COBRA. This role involves managing premium billing, monitoring whether payments are received on time, handling any grace periods, and deciding if coverage should be terminated for nonpayment. The plan administrator is the designated party that administers the COBRA plan and maintains the records needed to enforce continuation coverage, so they're the ones who keep tabs on whether each beneficiary's premiums are current. While the beneficiary is the one making payments and receiving notices, and HR or an insurance broker may be involved in related tasks, the formal tracking of payment status and enforcement of continuation rights rests with the plan administrator.

7. What determines who must send the qualifying event notice?

A. The type of qualifying event.

B. The employee's personal preference.

C. The company's payroll cycle.

D. The time since the event.

The party responsible for sending the qualifying event notice is determined by the type of qualifying event. Some events that affect coverage are initiated by the employer or plan, so the plan administrator sends the notice about COBRA rights to the affected individuals. Other events that affect a dependent's eligibility (for example, a divorce or a dependent aging out) require the employee or the dependent to notify the plan administrator that the qualifying event occurred, so COBRA rights can be offered. In short, the specific event type dictates who must issue the notice.

8. Under what circumstance does the employer not have to send itself a qualifying event notice?

A. The employer is the administrator of its own plan

B. The employee has elected COBRA

C. The plan is terminated

D. The qualifying event is death of the employee

The key idea is who is responsible for COBRA notices. After a qualifying event, the plan administrator must send a notice informing qualified beneficiaries about their COBRA rights. If the employer is the administrator of its own plan, there isn't a separate external party to notify—the same entity handles the plan's COBRA communications. So, in that circumstance, the employer does not have to send a qualifying event notice to itself because the notice duties are performed internally by the plan administrator (the employer) for the benefits holders. The other situations don't create an exception to this rule. Elections, plan termination, or the death of an employee all relate to COBRA rights and timing, but they don't remove the obligation to provide the initial COBRA rights notice to qualified beneficiaries when a qualifying event occurs.

9. Which of the following constitutes a qualifying event for a dependent under COBRA?

A. The employee changes to part-time status

B. The dependent's status changes but remains a dependent under state rules

C. The dependent obtains health coverage elsewhere but does not meet COBRA requirements

D. Death of the employee; divorce or legal separation; loss of dependent status; or the employee becoming entitled to Medicare

Qualifying events for a dependent under COBRA are life changes that cause a loss or change in eligibility to stay on the employer's health plan, triggering a right to continue coverage. The events that fit this for a dependent are death of the employee, divorce or legal separation, loss of dependent status under the plan, or the employee becoming entitled to Medicare. Each of these directly ends or alters the dependent's eligibility under the plan, so the dependent can elect COBRA to keep coverage for a limited time. Other scenarios don't create that COBRA window. A change in the employee's work status (like moving to part-time) doesn't automatically confer COBRA rights for the dependent. If the dependent's status changes but they remain a dependent under plan rules, there isn't a loss of eligibility that would trigger COBRA. And if the dependent obtains other coverage, that typically means COBRA rights under the original plan aren't triggered or the COBRA coverage would replaceable, rather than added.

10. When a second qualifying event occurs during the initial 18 months, the maximum coverage can extend to 36 months.

A. 12 months

B. 18 months

C. 24 months

D. 36 months

COBRA continuation coverage lasts 18 months from the date of the qualifying event. If a second qualifying event happens during that initial 18-month period, you can extend the coverage by up to another 18 months, for a total of 36 months from the original qualifying event. The second event could be things like the death of the covered employee, a divorce or legal separation, or a dependent child losing eligibility. The crucial point is timing—the second qualifying event must occur within the first 18 months for the 36-month total to apply. If no second event occurs in that window, coverage ends after 18 months.

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.

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!