



Legislative Update

April 30, 2010

Department of Labor Issues Amended COBRA Notices

Conner Strong's recently issued legislative bulletin [COBRA Subsidy Extension Through May 31](#) outlined the further COBRA premium reduction extension for eligible individuals who were involuntarily terminated through May 31, 2010.

The American Recovery and Reinvestment Act of 2009 (ARRA), as amended, provides for premium reductions for health benefits under COBRA. Eligible individuals pay only 35% of their COBRA premiums, and the remaining 65% is reimbursed to the coverage provider through a tax credit. To qualify, individuals must experience a COBRA qualifying event that is the involuntary termination of a covered employee's employment. The involuntary termination must generally occur during the period that began September 1, 2008 and ends on May 31, 2010. (An involuntary termination of employment that occurs on or after March 2, 2010 but by May 31, 2010 and follows a qualifying event that was a reduction of hours that occurred at any time from September 1, 2008 through May 31, 2010 is also a qualifying event for purposes of ARRA.) The premium reduction applies to periods of health coverage that began on or after February 17, 2009 and lasts for up to 15 months.

The DOL has issued [updated notices](#) to reflect the May 31 extension. Each model notice is designed for a particular group of qualified beneficiaries and contains information to help satisfy ARRA's notice provisions, as amended.

The [COBRA Premium Reduction Fact Sheet](#) has also been revised to reflect the further subsidy extension and the updated model notices.

Please contact your Conner Strong representative with any questions, toll-free at 1-877-861-3220.

This Legislative Update is provided for general informational purposes only and is not intended to be legal advice. Readers are urged to contact an attorney for legal advice or assistance.