



President Signs Extension of COBRA 65% Subsidy

March 15, 2010

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President Obama has signed the Temporary Extension Act of 2010 into law, which provides for a 31-day extension of federal subsidies of COBRA health care premiums as allowed under The American Recovery and Reinvestment Act of 2009 (ARRA).

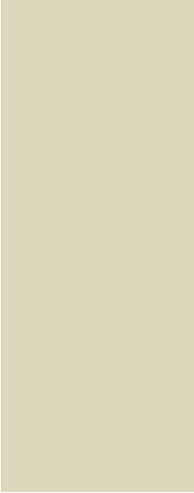
Under the Temporary Extension Act, the 65 percent, 15-month subsidy is extended to those workers involuntarily terminated from March 1, 2010 through March 31, 2010.

The extension also expanded eligibility to individuals who experience a qualifying event that is a reduction of hours occurring at any time from September 1, 2008 through March 31, 2010, which is followed by an involuntary termination of employment on or after March 2, 2010 through March 31, 2010. This expansion also includes a second election for these individuals who had a reduction of hours qualifying event followed by an involuntary termination, if they did not elect COBRA continuation coverage when it was first offered OR elected but subsequently discontinued COBRA.

The Department of Labor ("DOL") has updated its website to provide information about the extension. To view this information, go to:

<http://www.dol.gov/ebsa/newsroom/fsCOBRAPremiumreduction.html>

New model notices authored by the Department should be available shortly at <http://www.dol.gov/ebsa/cobra>.



If you have any questions about this material, please contact Alan Levy here at Lindner & Marsack, S.C. whose email address is alevy@lindner-marsack.com.

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