



President Signs Extension of COBRA 65% Subsidy

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By: Sheri Eubanks

On April 15, 2010, the President signed into law another extension of the COBRA premium subsidy. This extension provides a COBRA premium subsidy for eligible individuals who are involuntarily terminated from employment at any time from September 1, 2008 through May 31, 2010. Individuals are also eligible for the subsidy if, between March 2, 2010 and May 31, 2010, they were involuntarily terminated following a qualifying event that was a reduction of hours that occurred at any time from September 1, 2008 through May 31, 2010. A reduction in hours is a qualifying event when the employee and his/her family lose coverage because the employee, though still employed, is no longer working enough hours to satisfy the group health plan's eligibility requirements.

The Department of Labor has updated its COBRA webpage to reflect this change. The revised COBRA premium reduction fact sheet is available at: <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 or Sheri Eubanks here at Lindner & Marsack, S.C.

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