

## The American Recovery and Reinvestment Act: *Revisited* - COBRA Subsidy

As anticipated, Congress and the President have revisited the COBRA Subsidy, please review the changes below.

The new provisions are as follows:

1. There is a change in the end date of eligibility from 12/31/09 to 02/28/10. Individuals who were involuntarily terminated from 09/01/08 to 02/28/10 will be eligible for the subsidy.
2. The subsidy period will be expanded from 9 months to 15 months. Individuals who qualify for the subsidy will pay 35% of the COBRA premium for 15 months instead of 9 – those whose 9 months has expired will be able to extend.
3. Allow for a 60 day period for those who had a subsidy that ended 11/30/09 and did not pay the December premium to retroactively pay premium and receive the subsidy assistance.
4. A special notice is required describing the new subsidy provisions (to be drafted by the DOL) for those with a qualifying event of “involuntary termination” on or after 11/1/09.
5. Employees who are involuntarily terminated before 02/28/10 but still receive coverage subsidized by employers that defers the COBRA start date to a date later than 02/28/10 will still be able to receive the subsidy.

*If you have any questions, please feel free to contact your COBRA vendor or your Neace Lukens representative.*

