

COBRA BENEFITS EXTENDED AGAIN

(April 22, 2010)

On April 15, 2010, the President signed the Continuing Extension Act of 2010. Once again, Congress has extended the COBRA subsidy eligibility period under the American Recovery and Reinvestment Act (ARRA) through May 31, 2010.

As with ARRA, the changes affect continuation coverage under COBRA. This law takes immediate effect and is retroactive to April 1, 2010.

The COBRA subsidy eligibility period for qualifying events (on or after September 1, 2008) now ends on May 31, 2010. This period had expired on March 31, 2010. The subsidy continues at a 65% discount off COBRA premiums for up to 15 months.

There are two types of qualifying events eligible for the COBRA subsidy.

1. An involuntary termination of employment
2. A reduction in hours followed by an involuntary termination of employment if that involuntary termination occurs on or after March 2, 2010, and on or before May 31, 2010.

The April 16, 2010, statement by Assistant Secretary of EBSA can be viewed at <http://www.dol.gov/ebsa/newsroom/2010/ebsa041610.html#>.

The Department of Labor website for COBRA Continuation Coverage Assistance can be found at <http://www.dol.gov/ebsa/cobra.html>.