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COBRA SUBSIDY EXTENDED

As anticipated, the subsidy to help laid-off workers to continue to receive health benefits has been extended. The subsidy was part of the federal stimulus package that was enacted in February 2009 and pays 65 percent of the monthly health insurance premiums for COBRA coverage. President Obama signed the law extending the subsidy into law on December 19. It is effective immediately.

The new law extends the duration of the COBRA premium subsidy payments from nine to 15 months. The law changes the eligibility cut-off date for the program from Dec. 31, 2009 to the end of February 2010. According to the law, workers who are laid off from their jobs on or before Feb. 28 can qualify to receive the subsidy payments.

Practice Pointers:

- Continue to send the April 2009 General Notice to all qualified beneficiaries who have experienced a qualifying event up to February 28, regardless of the qualifying event.
- Continue to track and verify that workers who elect COBRA coverage are eligible to receive the subsidy. Subsidy payments will begin running out for unemployed workers on June 1, 2010, unless there is a further extension, or the subsidy is made permanent.

For more information on this or other employment compliance issues, please call, or visit our website.