



**EMPLOYER NEWSLETTER**  
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**COBRA SUBSIDY EXTENDED**

The American Recovery and Reinvestment Act of 2009 created a 9-month COBRA subsidy for employees and their dependents who lost group health plan coverage due to an employee's involuntary separation from employment between September 1, 2008 and December 31, 2009. In December 2009, Congress passed the Department of Defense Appropriations Act 2010 which extended the subsidy period up to 15 months and applied the subsidy to involuntary separations through February 28, 2010.

On January 14, 2010 the Department of Labor released three model COBRA Notices for use by employers: a revised General Notice, a revised Alternative Notice and a model Premium Assistance Extension Notice. The forms can be accessed by going to the Department of Labor website.

Employers must send the revised model General Notice to any individual who experienced a qualifying event between September 1, 2008 and February 28, 2010 and who has not yet been provided a COBRA notice. Employers must send the Premium Assistance Extension Notice to qualified beneficiaries who have already been provided a COBRA election notice that did not include the COBRA subsidy extension information. Notices must be sent no later than February 17, 2010.

Employers must identify who must receive notices. Look for individuals: 1) in a "transition period" or 2) who were terminated on or before October 31, 2009; or (3) who were on subsidized COBRA coverage as of October 31, 2009; or (4) new terminations moving forward.

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