

Employer Compliance Alert



“Meeting employee needs
is a challenge.
Meeting the government’s
is critical.”



COBRA PREMIUM SUBSIDY EXTENDED AGAIN

As had been widely anticipated, Congress has extended the 65% COBRA premium subsidy yet again. Under the “Continuing Extension Act of 2010,” the subsidy will now apply to involuntary terminations occurring on or before May 31, 2010 (rather than March 31, 2010).

Employers and plan administrators should promptly revise their COBRA election notices to refer to the May 31, 2010 date. They must also resend COBRA election notices, and offer an extended 60-day election period, to anyone who experienced a qualifying event on or after April 1, 2010, and who received a notice that did not advise them of the availability of the subsidy.

The two-month extension is a temporary measure intended to give Congress additional time to consider a longer-term extension of the COBRA premium subsidy. Legislation currently pending in Congress would extend the subsidy through the end of 2010.

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