

March 4, 2010

COBRA Continuation Coverage Assistance Extended (Again)

President Obama has signed the Temporary Extension Act of 2010, which extends eligibility for the COBRA health care premium subsidy provided for under The American Recovery and Reinvestment Act of 2009 (ARRA). Under the ARRA, eligible individuals pay 35% of their COBRA premiums, while the remaining 65% is paid by the eligible individual's former employer and reimbursed through a tax credit. To qualify, individuals must experience a COBRA qualifying event that is the involuntary termination of a covered employee's employment. The involuntary termination must generally occur during the period that began September 1, 2008 and ends on March 31, 2010. The premium subsidy can last for up to 15 months.

Without this extension, employees terminated involuntarily after February 28, 2010 would not have been eligible for the subsidy. COBRA notice information should be updated accordingly.

If you have any questions about the COBRA subsidy extension or any other employee benefit matters, please contact a member of our [Benefits Law Group](#).

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