

U.S. Department of Labor Issues Updated COBRA Subsidy Notices

March 17, 2010

As we advised in our March 4, 2010 Client Alert, the Temporary Extension Act of 2010 (TEA) includes new notification requirements with regard to the federal government's COBRA subsidy. Earlier today, the DOL posted on its website several model notices that may be used for compliance with these requirements, as well as additional guidance regarding the changes made by TEA.

Specifically, the DOL has created:

- an updated General COBRA Election Notice;
- a notice of the new COBRA election period available to individuals who lost coverage due to reduced hours of employment at any time from September 1, 2008 through March 31, 2010 and subsequently experience a termination of employment between March 2 and March 31, 2010, and either did not elect COBRA at the time of the reduced hours or elected COBRA and then discontinued it;
- a supplemental information notice for individuals who have COBRA coverage based on a termination of employment that occurred on or after March 1, 2010 and were not notified of the availability of the premium subsidy and also for individuals who have COBRA coverage based on an earlier reduction in hours of employment which is followed by a termination of employment between March 2 and March 31, 2010;
- a notice of the extended election period available to individuals whose termination of employment occurred on or after March 1, were provided with notice that did not inform them of their rights to the COBRA subsidy, and either did not elect COBRA or elected and discontinued COBRA;
- an updated Alternative Notice (for plans that provide continuation coverage pursuant to state law).

For more information, contact any member of our COBRA Subsidy Team or visit the DOL website.

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