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COBRA Subsidy Extended - AGAIN!

March, 2010

Effective March 2, 2010, the Temporary Extension Act of 2010 once again extends and makes other changes to the COBRA premium subsidy originally created by the American Recovery and Relief Act of 2009 (ARRA). Under the ARRA, as extended by the 2010 Defense Appropriations Bill, provided a COBRA premium subsidy for certain employees (and their families) "involuntarily terminated" between September 1, 2008 and February 28, 2010. The new Extension Act extends this eligibility period for an additional month – through March 31, 2010. In addition to this eligibility period extension, the Act also provides that, under certain circumstances, a reduction in hours can be a qualifying event that will trigger the COBRA subsidy, establishes protections for employers making "involuntary termination" determinations, and adds new penalty provisions for employers who fail to comply with the premium assistance requirements.

While this is the second time the ARRA COBRA subsidy has been extended and modified it likely will not be the last. In fact, Congress is already considering a bill that would extend the subsidy until December 31, 2010. For further information on the COBRA premium subsidy, the extension, or other modifications please contact the Millisor+Nobil Employee Benefits Group:

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