

## Another COBRA Subsidy Extension!

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President Obama and Congress have once again extended the COBRA subsidy. Under the Continuing Extension Act of 2010, approved yesterday, individuals who lose group health plan coverage because of an involuntary termination of employment between March 1 and May 31, 2010, are entitled to a 65% subsidy of their COBRA premium for up to 15 months.

This extension also applies to those who initially lost group health plan coverage because of a reduction in hours and then experienced a termination of employment between March 1 and May 31 of this year.

### **Notices may be required**

Because the last COBRA subsidy extension already expired, individuals who experienced an involuntary termination since March 31, 2010 and have already received a COBRA election notice will need to receive an updated notice explaining their rights under the extension. These individuals are entitled to a special election period, even if they previously declined COBRA coverage. The updated notices must be sent by June 15, 2010.

### **We can help**

We expect the Department of Labor to issue additional guidance and updated election forms soon. In the meantime, if you have any questions please contact Norbert F. Kugele ([nkugele@wnj.com](mailto:nkugele@wnj.com) or 616.752.2186), Lisa Zimmer ([lzimmer@wnj.com](mailto:lzimmer@wnj.com) or 248.784.5191), or any other member of Warner's Employee Benefits Practice Group.