

DOL Issues Model COBRA Notices to Reflect Changes Mandated by the Stimulus Package

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EMPLOYMENT BULLETIN - MARCH 20, 2009

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Yesterday, the Department of Labor ("DOL") issued model notices in connection with the recent changes to health insurance continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"). Under the stimulus law, the American Recovery and Reinvestment Act of 2009, employees who lost their jobs since September 1, 2008 may be eligible for a government subsidy of 65% of the premium cost for COBRA continuation coverage. Employers that sponsor their own group health care plans are required to send updated COBRA notices about these changes. The new model notices from the DOL will satisfy these requirements, and the DOL has created four different models to be used depending on the circumstances.

[Full General Notice_.doc](#)

This notice should be used for qualified individuals who have lost health care coverage between September 1, 2008 and December 31, 2009 and who have not yet received notification that they can elect health care coverage through COBRA. This notice includes general information about electing COBRA coverage and information about the premium subsidy.

[Abbreviated Notice_.doc](#)

This model is for individuals who may be eligible for the subsidy but have already elected COBRA continuation coverage.

[Alternative Notice_.doc](#)

This notice is for individuals who lost health care coverage between September 1, 2008 and December 31, 2009 and who may be eligible for continuation coverage under state law. This notice will need to be tailored to the particular state law.

[Notice in Connection with Extended Election Periods_.doc](#)

This model is to be used for qualified individuals who lost their health care coverage between September 1, 2008 and February 16, 2009 and who either declined or discontinued COBRA continuation coverage. This model notice provides information about the premium subsidy and explains that the individual may be entitled to an additional, extended opportunity to elect COBRA.

For employees who were terminated before February 17, 2009, notice should be sent within the next 30 days. For more information about the recent COBRA changes, please see our [earlier bulletin](#) on the topic. We will update you with further guidance from the DOL when it becomes available.