

Client Advisory | April 2010

COBRA Premium Subsidy Extended Through May 31, 2010

On April 15, 2010, President Obama signed the Continuing Extension Act of 2010 extending the COBRA premium subsidy eligibility period through May 31, 2010. This extension allows individuals who were involuntarily terminated between September 1, 2008 and May 31, 2010 to elect COBRA continuation coverage and pay only 35% of the COBRA premium for up to 15 months.



Lori A. Basilico, Partner

This Act extends the COBRA premium subsidy retroactively, to cover individuals who were involuntarily terminated after March 31, 2010, the date the previous extension of the COBRA premium subsidy ended. Employers are required to notify affected individuals of their eligibility for the premium subsidy.

Senate has passed a bill to extend the premium subsidy to individuals involuntarily terminated through December 31, 2010. This bill moves to the House for consideration.

Although this short-term measure extends the COBRA premium subsidy eligibility period to May 31, 2010, the

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