



Legal Alert: DOL Releases Updated Model COBRA Notice Packages

3/26/2010

The Department of Labor ("DOL") has recently published a series of updated model COBRA notice packages designed to assist employers and group health plans to properly provide notice to employees concerning the availability of the COBRA continuation coverage premium subsidy (now available through March 31, 2010).

Enacted on March 2, 2010, the Temporary Extension Act ("TEA") extended eligibility for the 65%, 15-month COBRA premium subsidy to employees that are involuntarily terminated through March 31, 2010. The TEA also amended the definition of assistance-eligible individuals to include individuals that experience a loss in group health plan coverage due to a reduction in work hours, and are subsequently involuntarily terminated from employment. We previously published a Legal Alert explaining the full details of the TEA, which can be viewed at the following link:

<http://www.fordharrison.com/shownews.aspx?show=5899>.

In response to the TEA, the DOL updated two of its existing model COBRA notices and published several new model COBRA notices. The following updated and new model COBRA notices are available for download from the DOL website that is dedicated to COBRA and the COBRA premium subsidy: <http://www.dol.gov/ebsa/COBRA.html>.

- An updated model COBRA general notice;
- An updated model COBRA election period notice;
- An updated model extended COBRA election period notice;
- An updated model supplemental information notice; and
- An updated model alternative COBRA coverage notice (State coverage).

It is highly likely that the COBRA premium subsidy will be further extended and that the DOL will then have to release another set of updated model COBRA notices. For instance, the United States House of Representatives has recently approved legislation that would extend the COBRA premium subsidy to workers involuntarily terminated through April 30, 2010. Similarly,

the United States Senate has passed a measure that would extend the COBRA eligibility period through December 31, 2010.

THE BOTTOM LINE:

As the COBRA premium subsidy is extended, employers should monitor the DOL website for updated model COBRA notices. Employers can then determine the employees affected by the most recent extension, and can tailor the updated model COBRA notices to meet the administrative procedures and other requirements of the group health plan.

If you have any questions about the COBRA subsidy extension, please contact the author of this Legal Alert, Lindsay O'Brien at 904-357-2005, or at lobrien@fordharrison.com, any member of Ford & Harrison's Employee Benefits practice group or the Ford & Harrison attorney with whom you usually work.