

Client Advisory | March 2009

## DOL Releases Model Notices for COBRA Premium Subsidy

As noted in our client advisory [COBRA Premium Subsidy Included in American Recovery and Reinvestment Act of 2009](#) (February 2009), employers are required to notify qualified beneficiaries who experience a qualifying event between September 1, 2008 and December 31, 2009 of the qualifying event between September availability of the federal COBRA premium subsidy. The Department of Labor recently released four model COBRA notices to assist employers and health plans in complying with this notice requirement.

The four model notices are available at <http://www.dol.gov/ebsa/COBRAmodelnotice.html>. Each model notice is designed for a particular group of qualified beneficiaries. Because the model notices do not provide sufficient information for most individuals to understand who is eligible for the COBRA premium subsidy and what they must do to receive it, many employers will be sending letters along with the notices to provide those explanations. Alternatively, the model notices can be modified to include more information.

### General Notice – Full Version

This notice should be sent to all qualified beneficiaries (not only covered employees) who experience a qualifying event between September 1, 2008 and December 31, 2009 and who have not previously received a COBRA notice and election form, regardless of the type of the qualifying event. This full version model notice contains information on the COBRA premium subsidy as well as general information contained in a COBRA election notice.

### General Notice – Abbreviated Version

The abbreviated version of the General Notice should be sent to COBRA qualified beneficiaries who had a qualifying event on or after September 1, 2008, have already elected COBRA coverage and still have that coverage. This abbreviated version omits the COBRA election information, but contains the same information as the full version regarding the availability of the COBRA premium subsidy.

### Notice of Second Election Period

This notice should be sent to any qualified beneficiary who lost group health plan coverage as a result of a covered employee's involuntary termination at any time from September 1, 2009 through February 16, 2009 and who did not elect COBRA or elected COBRA but let it lapse. This notice includes information about the second COBRA election opportunity as well as the COBRA premium subsidy. Employers must send this notice by April 18, 2009.

### Alternative Notice

This notice can be used by insurers and group health plans subject to state continuation coverage laws. Continuation coverage requirements vary among the states and insurers should modify this notice as necessary to conform it to applicable state law.

### Frequently Asked Questions

The Department of Labor also issued frequently asked questions ("FAQs") applicable to employees ([click for website](#)) and employers ([click for website](#)). These FAQs provide helpful information about the COBRA subsidy program and the compliance requirements.

This advisory is for guidance only and is not intended to be a substitute for specific legal advice. If you have any questions regarding the COBRA premium subsidy, please contact the Edwards Angell Palmer & Dodge LLP lawyer responsible for your affairs or:

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