

Publications

One-Month Extension to COBRA Subsidy Signed into Law on March 2, 2010

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The American Recovery and Reinvestment Act of 2009 (“ARRA”), enacted on February 17, 2009, provides a federal subsidy for COBRA premiums for certain employees and covered family members who lost or will lose coverage under a group health plan due to involuntary termination of employment from September 1, 2008 through December 31, 2009. The Department of Defense Appropriations Act for Fiscal Year 2010 (“DOD Act”) extended the COBRA subsidy premium program for two months, through February 28, 2010 and increases the subsidy period from 9 months to 15 months. On March 2, the President signed the Temporary Extension Act of 2010 (H.R. 4691), which extends the subsidy for involuntary terminations occurring before March 31, 2010 and makes certain other changes and clarifications. The bill has an immediate effective date, with most provisions effective prospectively. However, the extension to March 31, 2010 applies as if originally included in ARRA and clarifications to the DOD Act are included as if originally included in the DOD Act. Key provisions are highlighted in the attached memo, as well as a summary of possible future COBRA subsidy legislation.

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