

Publications

Two-Month Extension to COBRA Subsidy Signed into Law

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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. As the December 31st expiration date approached, legislative proposals to extend the COBRA subsidy premium program were introduced in the Senate and the House of Representatives. However, it was an open question whether these proposals would be included in legislation that would be enacted before the end of the year.

That question was answered this past week, when both the House and Senate approved the Department of Defense Appropriations Act for Fiscal Year 2010 (H.R. 3326), which contains a two month extension to the COBRA subsidy premium program. The President signed the bill into law on December 19, 2009. The attached memo explains the key provisions included in the bill.

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