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COBRA Benefits Extended

By: *Peter G. Weinstock*¹

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COBRA permits workers who leave their employment to retain their health benefits for up to 18 months. Such benefits, however, were quite pricey because individuals had to pick up the entire premium (without any employer subsidy) plus the administrative fee.

The economic stimulus legislation adopted in February of last year, however, subsidized 65 percent of COBRA premiums for laid-off workers. The subsidy was set to expire. Consequently, unemployed workers faced the prospect of the full cost of the benefit.

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The new legislation extends the subsidy to: (i) cover individuals who are involuntarily terminated on or before February 28, 2010, and (ii) extend the maximum subsidy period from 9 months to 15 months.

In connection with this extension, the Department of Labor just issued the following COBRA subsidy notices:

- A revised model general COBRA notice, which includes information on the extended COBRA subsidy, for use going forward, and
- A model notice for individuals who have received (or are receiving) the COBRA extension, and qualified individuals who did not receive a notice regarding the COBRA subsidy.

Copies of the [Fact Sheet](#), [COBRA - Updated Model General Notice \(Full Version\)](#), and [COBRA - Model Premium Assistance Extension Notice](#) are attached.



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