

February 4, 2010

## **DOL Issues Model Notices Regarding Extended COBRA Subsidy**

**T**he Department of Labor has created new model COBRA notices to comply with the requirements of the Department of Defense Appropriations Act, 2010 (2010 DOD Act). These notices reflect the extension of the COBRA premium subsidy from 9 to 15 months and satisfy a plan's obligation to notify current and former participants and beneficiaries of the premium reduction. The DOL Model Notices may be found at: <http://www.dol.gov/ebsa/COBRAmodelnotice.html>.

### **Updated General Notice**

Plans subject to the Federal COBRA provisions must provide the updated General Notice to all qualified beneficiaries (not just covered employees) who experienced a qualifying event at any time from September 1, 2008 through February 28, 2010 and who have not yet been provided an election notice. This model notice includes updated information on the premium reduction as well as information required in a COBRA election notice.

### **Premium Assistance Extension Notice**

Plan administrators must provide a Premium Assistance Extension Notice to certain individuals who already have been provided a COBRA election notice that did not include information regarding the 2010 DOD Act.

In addition, individuals who were "assistance eligible individuals" as of October 31, 2009 (unless they are in a transition period - see below), and individuals who experienced a termination of employment on or after October 31, 2009 and lost health coverage (unless they were already provided a timely, Updated General Notice) must be provided this notice by February 17, 2010.

Further, individuals who are in a "transition period" must be provided this notice within 60 days of the first day of the transition period. An individual's "transition period" is the period that begins immediately after the end of the maximum number of months (generally nine) of premium reduction. An individual is in a transition period only if the premium reduction provisions would continue to apply due to the extension from 9 to 15 months and they otherwise remain eligible for the premium reduction.

**NOTE:** Individuals who experienced a qualifying event (that was a termination of employment) in December 2009 but who were not eligible for COBRA coverage until January 2010 were likely not provided proper notice. These individuals should get the updated General Notice and the full 60 days from the date the updated notice is provided to make a COBRA election.

Please contact a McMahon Berger attorney with questions about these or any other issues.

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