



COBRA Premium Subsidy Assistance Extended

Yesterday the President signed legislation which amends the *Recovery and Reinvestment Act's* provisions of health care premium assistance for individuals whose employment was involuntarily terminated. As you know, the ARRA required employers with COBRA-covered group health plans to pay 65% of the monthly COBRA premium for up to 9 months for eligible individuals who lost health care coverage due to an involuntary employment termination between September 1, 2008, and December 31, 2009.

The *Department of Defense Appropriations Act, 2010* extends the duration of the premium assistance from 9 to 15 months, and extends premium assistance to individuals who lose health care coverage due to involuntary termination between September 1, 2008, and February 28, 2010.

Individuals who had reached the end of the reduced premium period before the legislation extended the subsidy to 15 months will have additional time to pay the reduced premiums related to the extension. To continue coverage, these employees must pay the 35% of premium costs by February 19, 2010 or 30 days after notice of the extension is provided by the plan administrator.

The Department of Labor will be preparing and publishing information on new notice requirements, updated guidance, fact sheets, and frequently asked questions. We will pass this information on to our clients as those resources become available.

As 2009 draws to a close, all of us at The Schroeder Group, S.C., Attorneys at Law, hope that the peace and joy of the holiday season will be with you throughout the coming year.

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The Schroeder Group, S.C., Attorneys at Law provides comprehensive services covering all aspects of employment, employee benefits and labor relations law to closely-held businesses and companies. Through aggressive representation and sound advice, we help our clients achieve their business objectives. We are regularly in direct and ongoing communication with labor relations, human resources and employee benefits managers, as well as business owners and senior executives, and are also sensitive to their business, cost management and relationship needs. Our priority is counseling and problem avoidance.

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