



Model Notices for Extension of COBRA Benefits under 2010 Department of Defense Appropriations Act Now Available

In December 2009, the Department of Defense Appropriation Act, 2010 amended the ARRA to extend the COBRA premium subsidy program. The Department of Labor (DOL) has created model notices to help plans and individuals comply with the new requirements.

[Updated General Notice](#)

Plans subject to the Federal COBRA provisions who have not yet provided a COBRA Election Notice must provide the updated **General Notice** to all qualified beneficiaries (not just covered employees) who experienced a qualifying event between September 1, 2008 through February 28, 2010, regardless of the type of qualifying event. This new model notice includes updated information on the premium reduction as well as information required in a COBRA election notice.

Note: DOL has opined that 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.

[Premium Assistance Extension Notice](#)

The model **Premium Assistance Extension Notice** includes information about the changes made to the premium reduction provisions of ARRA by the 2010 DOD Act. DOL has outlined the affected individuals and the associated timing requirements:

- Individuals who were "assistance eligible individuals" as of October 31, 2009 (unless in a "transition period"), 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 notice of the changes made to the premium reduction provisions of ARRA by the 2010 DOD Act by February 17, 2010;
- Individuals in a "transition period" must be provided this notice within 60 days of the first day of the transition period. A "transition period" is the period that begins immediately after the end of the maximum number of months (generally nine) of premium reduction available under ARRA prior to its amendment. An individual is in a transition period only if the premium reduction provisions would continue to apply due to the extension from nine to 15 months and they otherwise remain eligible for the premium reduction.

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Note: To some extent, the groups listed above overlap. DOL has stated that providing the **Premium Assistance Extension Notice** by the earliest date required will satisfy the notice requirement(s).

[Updated Alternative Notice](#)

An updated **Alternative Notice** should be sent to persons who became eligible for continuation coverage under State law. Continuation coverage requirements vary among States and the new model notice should be modified to conform to the applicable State law.

The model notices are now available on the TSG website. If you have questions or concerns about the new COBRA extension obligations or require assistance in complying with these new obligations, please do not hesitate to contact Attorney Sally Piefer at (262) 754-1325, or sap@tsqlaw.com.

*This edition of the **Employment Law Newsletter** has been authored by Attorney Sally Piefer. We welcome any questions regarding the topics covered or on any employment-related issue. Sally can be reached by telephone at (262) 754-1325, or by e-mail at sap@tsqlaw.com.*

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