

CLIENT ALERT

Brought to you by:



COBRA SUBSIDY EXTENDED AGAIN

Washington – Today Assistant Secretary of Labor Phyllis C. Borzi issued the following statement regarding the Consolidated Omnibus Budget Reconciliation Act (COBRA) and the premium reduction under the American Recovery and Reinvestment Act (ARRA):

"On April 15, 2010, the President signed into law an extension of unemployment benefits and the COBRA premium assistance that helps with the cost of health benefits for Americans who lost their jobs. This extension provides a COBRA premium subsidy for eligible individuals who are involuntarily terminated from employment through May 31, 2010.

"The new law also provides retroactive eligibility for individuals who lost their jobs after the prior COBRA subsidy expired on March 31, 2010. These programs are vitally important to the economic wellbeing of workers who lost their jobs and their family members.

"ARRA provides a 65 percent tax subsidy for the cost of health benefits, making them much more affordable for the unemployed and their families. Millions of individuals may be eligible to receive a premium subsidy for up to 15 months.

"This administration is committed to putting Americans back to work so they can rebuild the financial fabric of their lives, and the Labor Department is working hard to make that happen."

As additional information becomes available, we will pass it on. Below is a link to a Fact Sheet from the Government:

<http://www.dol.gov/ebsa/newsroom/fsCOBRAPremiumreduction.html>

Disclaimer:

This Client Alert is informational only. For more details please contact your CHB Group Account Manager.

April 2010