

UNITED STATES DEPARTMENT OF LABOR COBRA CONTINUATION COVERAGE UPDATE



Employee Benefit Management Services, Inc.

COBRA Continuation Coverage Assistance Under ARRA

The American Recovery and Reinvestment Act (ARRA) provides a COBRA premium reduction for eligible individuals who are involuntarily terminated from employment through the end of May 2010. Due to the statutory sunset, the COBRA premium reduction under ARRA is not available for individuals who experience involuntary terminations after May 31, 2010. However, individuals who qualified on or before May 31, 2010 may continue to pay reduced premiums for up to 15 months, as long as they are not eligible for another group health plan or Medicare.

The Unemployment Compensation Extension Act of 2010 signed by the President on July 22, 2010, did not extend the COBRA premium reduction.

Individuals who believe they have been incorrectly denied the subsidy may request the Employee Benefits Security Administration review their denial and issue a determination within 15 business days.

The application to request a review is available at <http://www.dol.gov/COBRA>.