

News Release

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Contact Name: Joseph DeWolk or Gloria Della

Phone Number: (202) 693-4676 or x8664

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US Labor Department announces updated model notices and educational material on extension of COBRA subsidy

WASHINGTON — The U.S. Department of Labor today released updated model notice packages to enable group health plans and employers to provide notice on the availability of the Consolidated Omnibus Budget Reconciliation Act continuation coverage premium reductions under the American Recovery and Reinvestment Act through March 31.

The Temporary Extension Act amended the Recovery Act's COBRA premium reduction provisions by extending the eligibility period through March 2010 and modifying the definition of assistance-eligible individuals to include individuals who were involuntarily terminated after first losing health coverage related to having their hours of work reduced. The subsidy allows individuals to pay only 35 percent of their COBRA premiums; the remaining 65 percent is reimbursed to the employer through a tax credit.

"With the passage of the Temporary Extension Act, millions of Americans and their families will be able to keep important health benefit coverage during these challenging economic times. The new eligibility criteria make it possible for many more to qualify for continuation health coverage," said Phyllis C. Borzi, assistant secretary of the Labor Department's Employee Benefits Security Administration.

The department updated two of its existing models and developed several new models to cover various situations faced by dislocated workers and their families. They are:

- An updated model general notice.
- A model new election period notice.
- A model extended election period notice.
- A model supplemental information notice.
- An updated model alternative notice.

The model notice packages are available for download from EBSA's dedicated COBRA Web page at <http://www.dol.gov/cobra>. The page also contains an updated fact sheet to help dislocated workers, their families and employers understand the requirements. A notice announcing the model notices will appear in the March 22 edition of the *Federal Register*.