

NEW COBRA NOTICES PROVIDED BY DEPARTMENT OF LABOR

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Employment Law Reporter, Ervin Cohen & Jessup LLP

As was reported in the March 2009 *Employment Law Reporter*, the American Recovery and Reinvestment Act of 2009 (“ARRA”) includes a provision whereby employers are required to subsidize the COBRA premium payments to persons who experienced a qualifying event at any time from September 1, 2008 through December 31, 2009. In addition, ARRA requires that employers again offer COBRA to those individuals who refused or dropped it between September 1, 2008 and February 16, 2009. **Most importantly, employers must notify all COBRA-eligible individuals of these benefits by April 18, 2009.**

The Act requires that employers subsidize eligible employees who are involuntarily terminated by paying 65% of their COBRA premium. The employee will still be required to pay 35% of the COBRA premium. Employees who were terminated for gross misconduct or who voluntarily separated are ineligible for the subsidy. Employers may claim the subsidy payments as a tax credit quarterly. Any surplus may be carried forward.

The new notices are available at the Department of Labor’s website: www.dol.gov. Several versions are provided, including notices for persons who are eligible for continuation coverage under state law, such as CAL-COBRA in the State of California.

PROFESSIONALS

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