

¹ *friday footnote*

No More COBRA Subsidy

This week, the President signed into law legislation that will extend jobless benefits to Americans who are out of work (H.R. 4213).

While the legislation extends certain unemployment benefits, it **does not** provide an additional extension of the COBRA subsidy. Thus, the COBRA subsidy is no longer available to individuals who experience an involuntary termination of employment after May 31, 2010. Individuals who were involuntarily terminated on or before May 31, 2010 may continue to pay a reduced COBRA premium for up to 15 months, assuming they remain eligible for the subsidy (i.e. they are not eligible for other group health plan coverage or Medicare).

As previously reported, updated model COBRA notices are available on the Department of Labor's COBRA website at <http://www.dol.gov/ebsa/cobra.html>. The language describing the subsidy has been removed. These notices can be used for qualifying events that occur after May 31, 2010.

At this point, it does not look like we will see a COBRA subsidy extension this year. We will continue to monitor the issue and will keep you updated.



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Please contact us if you have any questions regarding the content of this document.

601 Union St
Suite 1000
Seattle, WA 98101
206.441.6300
kpc.com

700 NE Multnomah
Suite 1300
Portland, OR 97232
503.224.8390
usinw.usi.biz

1255 Treat Boulevard
Suite 300
Walnut Creek, CA 94597
925.472.6770
usi.biz

2021 W March Lane
3rd Floor
Stockton, CA 95207
209.957.6800
usi.biz