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DOL Publishes Model COBRA Subsidy Notices

The U.S. Department of Labor has published model notices in connection with the new COBRA subsidy created by the American Recovery and Reinvestment Act of 2009 (ARRA). Under the ARRA, which President Obama signed into law on February 17, 2009, individuals involuntarily terminated between September 1, 2008, and December 31, 2009, have the right to elect COBRA coverage and pay just 35 percent of the normal COBRA premium. Employers must pay the other 65 percent and seek reimbursement from the government.

The law requires employers to notify these individuals of the new premium subsidy, whether or not they already have elected COBRA. Qualified beneficiaries also must be notified.

The DOL has now created four model notices. The first is an expanded COBRA General Notice about election rights and the premium subsidy that can be sent to any individual experiencing a qualifying event in the applicable time period. The second is an abbreviated General Notice for individuals who already have elected COBRA, to notify them about the new reduced premium rate. A third notice is for individuals who are eligible for continuation coverage under a state law, such as Cal-COBRA. The fourth is an "extended election period" notice, to be sent to individuals terminated between September 1, 2008, and February 16, 2009, who either did not elect COBRA or elected COBRA but subsequently terminated coverage. Employers can use the model notices or create their own.

For additional information on the notices and to download them, go to <http://www.dol.gov/ebsa/COBRAmodeInotice.html>.

Miller Law Group is the leading women-owned employment law firm in California, specializing in representing management in all facets of employment litigation and counseling. If you have questions or would like further information about the new COBRA subsidy law, please contact Michele Ballard Miller (mbm@millerlawgroup.com) or Carolyn Rashby (cr@millerlawgroup.com), or call 415-464-4300.

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