

**LAW ALERT: Department Of Labor Issues Model Notices  
For The Extended COBRA Subsidy  
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On January 19, 2010, the Department of Labor ("DOL") issued model notices to help plan administrators and employers comply with COBRA notice requirements as dictated by the American Recovery and Reinvestment Act ("ARRA"), as amended by the Department of Defense Appropriation Act, 2010 ("2010 DOD Act").

There are three DOL model notices that plan administrators and employers can utilize: 1) the Updated General Notice; 2) the Premium Assistance Extension Notice; and 3) the Updated Alternative Notice. Below is a brief summary of the DOL's explanation of the notice requirements in connection with the extended COBRA subsidy and which model notices should be used.

**1. Updated General Notice**

Plans subject to the Federal COBRA provisions must provide the Updated General Notice to all qualified beneficiaries (not just covered employees) who experienced a qualifying event at any time from September 1, 2008 through February 28, 2010, regardless of the type of qualifying event, and who have not yet been provided an election notice. This model notice includes updated information on the premium reduction as well as information required in a COBRA election notice.

**2. Premium Assistance Extension Notice**

Plan administrators must provide notice to certain individuals who have already been provided a COBRA election notice that did not include information regarding ARRA, as amended. The model Premium Assistance Extension Notice includes information about the changes made to the premium reduction provisions of ARRA by the 2010 DOD Act. Listed below are the affected individuals and the associated timing requirements.

- Individuals who were "assistance eligible individuals" as of October 31, 2009 (unless they are in a transition period - see *below*), and individuals who experienced a termination of employment on or after October 31, 2009 and lost health coverage (unless they were already provided a timely, Updated General Notice) must be provided notice of the changes made to the premium reduction provisions of ARRA by the 2010 DOD Act by February 17, 2010;
- Individuals who are in a "transition period" must be provided this notice within 60 days of the first day of the transition period. An individual's "transition period" is the period that begins immediately after the end of the maximum number of months (generally nine) of

premium reduction available under ARRA prior to its amendment. An individual is in a transition period only if the premium reduction provisions would continue to apply due to the extension from 9 to 15 months and they otherwise remain eligible for the premium reduction.

### 3. Updated Alternative Notice

Insurance issuers that provide group health insurance coverage must send the Updated Alternative Notice to persons who became eligible for continuation coverage under a State law. Continuation coverage requirements vary among States and issuers should modify the model notice as necessary to conform it to the applicable State law. Issuers may also find the model Premium Assistance Extension Notice or the updated model General Notice appropriate for use in certain situations.

The model notices can be obtained at the DOL website:

[www.dol.gov/ebsa/COBRAModelNotice.html](http://www.dol.gov/ebsa/COBRAModelNotice.html).

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