



COBRA SUBSIDY EXTENDED AGAIN. . . AND AGAIN

On April 15, 2010, Congress passed, and the President signed, the Continuing Extension Act of 2010. The Continuing Extension Act of 2010 extends the existing 65% COBRA premium subsidy for employees who are involuntarily terminated through May 31, 2010. The subsidy was originally provided through December 31, 2009, under the American Recovery and Reinvestment Act (“ARRA”), and was previously extended through February 28, 2010, and then March 31, 2010, via the 2010 Department of Defense Appropriations Act and the Temporary Extension Act of 2010, respectively. *For information regarding the original COBRA subsidy and the previous extensions, please see our archived E*Bulletins from [March 2010](#), [January 2010](#), [March 2009](#), and [February 2009](#).*

Employees who were involuntarily terminated after March 31, 2010, and before the adoption of the current extension on April 15, 2010, are also eligible for the subsidy. They should be notified of the existence of the subsidy, and updates provided if COBRA notices have already been provided that did not inform them of the availability of the subsidy, or included the previous subsidy expiration date of March 31, 2010. This most recent extension does not provide additional rights to current COBRA participants, so additional notices are not required to be provided to employees who were involuntarily terminated prior to April 1, 2010 (assuming they were adequately notified prior to the latest extension).

Employers’ current COBRA forms should already reflect the availability of the subsidy and other recent changes to COBRA coverage, though the forms should be updated to reflect the new time periods. A model General COBRA Notice and an updated model Premium Assistance Extension Notice are available at: <http://www.dol.gov/ebsa/cobra.html>.

We will continue to provide updates regarding COBRA as events warrant. For additional information and questions regarding these issues, please contact one of the members of our Employee Benefits, ERISA & Executive Compensation practice group listed below or your Jones Walker relationship attorney.

—[Anita B. Curran](#)



Remember that these legal principles may change and vary widely in their application to specific factual circumstances. You should consult with counsel about your individual circumstances. For further information regarding these issues, contact:

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