

January 2010

COBRA Subsidy Extended

Columbus, Ohio – On Dec. 19, 2009, President Obama signed the Department of Defense Appropriations Act, 2010, which extended the COBRA subsidy enacted in early 2009. Initially enacted as part of the stimulus package - the American Recovery and Reinvestment Act of 2009 - the COBRA subsidy enabled individuals who were involuntarily terminated by Dec. 31, 2009 to obtain COBRA health care continuation coverage for up to nine months at 35 percent of the cost.

The extension adds two months to the eligibility period and up to six months to the subsidy period. Individuals who are terminated by Feb. 28, 2010 may now be eligible, and the subsidy period has been extended from nine to fifteen months.

Individuals who had reached the end of their nine month subsidy period and stopped paying their COBRA premiums will be given a period of time to make up those premiums on a subsidized basis and regain their COBRA coverage for a total of up to 15 months following their termination.

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