



North Carolina Law Life

COBRA Subsidies Extended: Employers Revise Your Notices

By: Donna Ray Chmura. *This was posted Thursday, March 4th, 2010*

President Obama signed an extension to the Temporary Extension Act of 2010 on Tuesday, extending the [COBRA](#) subsidy program enacted under the [American Recovery and Reinvestment Act](#) (i.e., the Stimulus) and extending unemployment benefits through April 5, 2010.

The extension:

- Extends eligibility for the federal 15-month, 65% COBRA premium subsidy to individuals terminated from employment through March 31, 2010. Otherwise, employees terminated or laid off after February 28 would not be eligible for the subsidy.
- Allows employees to be eligible for the subsidy if they first lost group coverage due to a reduction in hours and then were terminated after enactment of the original Act.

The Temporary Act also extends the time periods in which qualifying individuals may file for [Emergency Unemployment Insurance](#) (EUC) or [Federal Additional Compensation](#) to April 5, 2010.

A further extension of the COBRA subsidy and unemployment benefits (possibly until December 31, 2010) is expected to be debated in the coming months.

Employers and other health plan sponsors should revise their COBRA notices to reflect the new March 31, 2010 subsidy eligibility expiration date.

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