



compliance alert

DOL Assistance for COBRA Compliance

February 5, 2010

The US Department of Labor (DOL) offers a website to help employers and former workers understand their rights and responsibilities under COBRA, including the recent changes in the “COBRA Subsidy”.

Model notices, fact sheets, FAQs, flyers and more can be found at www.dol.gov/ebsa/cobra.html. Many of the materials are available in both English and Spanish. The most frequently used items are:

Job Poster: One-page summary for employers to post at worksites. <http://www.dol.gov/ebsa/pdf/joblossposter2.pdf>

FAQs: Detailed information about COBRA and the Subsidy, including reinstating former workers whose original Subsidy expired in late 2009. <http://www.dol.gov/ebsa/faqs/faq-cobra-premiumreductionEE.html>

Notices: Model notices to help employers notify workers who are or were eligible for COBRA. Notices must be mailed by certain deadlines. <http://www.dol.gov/ebsa/COBRAmodelnotice.html>

DOL ENFORCEMENT ACTIVITIES!

The DOL enforces COBRA compliance and is actively engaged in helping laid-off workers exercise their rights.

The DOL offers “Expedited Review” for workers who believe they are being denied eligibility by their former employer or health plan. The DOL typically contacts the employer within 15 days to investigate complaints. Employers may be required to provide employment and health coverage records, along with proof that the employer’s administration process is compliant.

More Changes Expected from Congress

The original nine-month COBRA Subsidy, enacted under last year’s Stimulus bill, applied to eligible workers if laid off by November 30, 2009. Then the 2010 DOD Act, enacted December 2009, changed the Subsidy period to 15 months and extended the eligibility date through February 28, 2010. *What’s next?*

At this printing, there are several bills pending in Congress to extend new eligibility for the COBRA Subsidy beyond February.

- A US House bill (HR 2847) would extend eligibility through June 30, 2010. Laid-off workers would receive the Subsidy for up to 15 months from their eligibility date.
- Yesterday, the US Senate leadership indicated support for extending the Subsidy, though details were not provided.
- Earlier this week, the Obama Administration sent its budget proposal to Congress including a provision to extend new eligibility for the Subsidy through December 31, 2010. In this case, workers losing health coverage due to involuntary termination, **or reduction in work hours**, occurring March 1 through December 31 would receive a 12-month Subsidy.

We’ll keep you posted on legislative updates.

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