

March 10, 2010

## COBRA Subsidy Extended Through March 31, 2010

On March 2, 2010, President Obama signed legislation once more extending the COBRA premium subsidy program first created last year by the American Recovery and Reinvestment Act of 2009 (ARRA). Now, individuals involuntarily terminated between September 1, 2008 and March 31, 2010 are eligible to receive the COBRA premium subsidy. The new legislation also clarifies that individuals who experienced a COBRA-qualifying reduction of hours after September 1, 2008 and who are involuntarily terminated between March 2, 2010 and March 31, 2010 are eligible for the COBRA subsidy.

Originally, under the ARRA, the 65 percent COBRA premium subsidy was only available to individuals involuntarily terminated between September 1, 2008 and December 31, 2009 and was only available for up to nine months. Then, in December 2009, the ARRA eligibility period was extended through February 28, 2010, and the assistance period was increased from nine to 15 months. (For background information on the COBRA subsidy, see our [February 25, 2009](#) and [February 2, 2010](#) alerts.)

It is expected that the U.S. Department of Labor (DOL) will revise its model notices and guidance on the COBRA subsidy program to reflect the new provisions; check the [DOL's website](#) for updated information. Employers should also note that there could be further extensions of the subsidy during 2010.

For over a decade, Miller Law Group has devoted its practice exclusively to representing business in all aspects of California employment law and related litigation. If you have questions about these new developments or your workplace obligations, please contact Michele Ballard Miller ([mbm@millerlawgroup.com](mailto:mbm@millerlawgroup.com)) or Carolyn Rashby ([cr@millerlawgroup.com](mailto:cr@millerlawgroup.com)), or call 415-464-4300.

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