

April 23, 2010

COBRA Subsidy Extended Through May 31, 2010

On April 15, 2010, President Obama signed legislation extending through May 31, 2010, the eligibility period for the COBRA premium subsidy program created by the American Recovery and Reinvestment Act of 2009 (ARRA). Before this latest extension, the eligibility period for the COBRA subsidy expired on March 31, 2010. The new extension applies retroactively to cover any employee who has been involuntarily terminated since April 1, 2010.

Under the ARRA and amendments, eligible individuals may maintain COBRA health insurance coverage for up to 15 months at 35% of the normal COBRA premium amount. For background information on the COBRA subsidy, see our [February 25, 2009](#) and [February 2, 2010](#) alerts.

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We expect that the U.S. Department of Labor (DOL) will revise its model notices and guidance on the COBRA subsidy program in light of this extension; check the [DOL's website](#) for updates. Also, employers should anticipate that there will likely be further extensions of the COBRA subsidy in 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) or Carolyn Rashby (cr@millerlawgroup.com), or call 415-464-4300.

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