

## COBRA Subsidy Program Extended

The Continuing Extension Act of 2010 (the Act) was signed into law by President Obama on Thursday, April 15, 2010. The Act extends the COBRA subsidy eligibility period originally introduced under the American Recovery and Reinvestment Act of 2009 (ARRA), as amended by the Department of Defense Appropriations Act, 2010 (2010 DoD Act) and the Temporary Extension Act of 2010 (TEA).

### Subsidy Extension

The Act extends the eligibility period for the COBRA subsidy program until May 31, 2010. Individuals that experience an involuntary termination of employment through May 31, 2010 are eligible for the subsidy available under ARRA.

### Required Actions

Election notices and procedures must be modified to reflect this new sunset date. Any individuals that experienced a termination of employment on or after April 1, 2010 who received a notice without this new sunset date must receive a new notice and an extended election period (60 days from the date the revised notice is provided).

### TEA Eligible Individuals

Under TEA, individuals who experience a COBRA qualifying event that is a reduction in hours of employment (occurring on or after September 1, 2008) that is followed by a subsequent termination of employment (as defined by ARRA) between March 2 and March 31, 2010 are eligible for the subsidy if they are otherwise an assistance eligible individual (AEI). The Act extends this termination of employment period from March 31 to May 31, 2010.

TEA eligible individuals that experience an involuntary termination of employment on or after March 2 and by May 31, 2010 must receive notice of their rights under TEA, as amended by the Act. For more information on TEA, including the right to a second election period for certain individuals, visit our TEA information page [here](#).

**NOTE:** The Act does not provide an additional, or extended, election opportunity to individuals that fail to take advantage of the second opportunity available under TEA.

### Additional Information

CONEXIS will continue to monitor developments related to COBRA and the subsidy program and will provide additional information, including additional guidance issued by the Treasury or DOL, as it becomes available.