

LEGAL UPDATES

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Services

Employee Benefits &
Executive
Compensation
Labor & Employment

Professionals

RUTH HAYS
ST. LOUIS:
314.480.1609
RUTH.HAYS@
HUSCHBLACKWELL.COM

ALAN H. KANDEL
ST. LOUIS:
314.345.6463
ALAN.KANDEL@
HUSCHBLACKWELL.COM

HILLARY L. KLEIN
CHATTANOOGA:
423.757.5950
HILLARY.KLEIN@
HUSCHBLACKWELL.COM

CRAIG A. KOVARIK
KANSAS CITY:
816.983.8249
CRAIG.KOVARIK@
HUSCHBLACKWELL.COM

MARK D. WEIKER

COBRA Subsidy Sunset and Model COBRA Notices Posted by DOL

The Federal COBRA subsidy available to employees who are involuntarily terminated has not been extended beyond May 31, 2010 (the statutory sunset date). Eligible employees who were involuntarily terminated prior to June 1, 2010 may continue to receive the COBRA subsidy for up to 15 months, as long as they are not eligible for another group health plan or Medicare. Summaries of the COBRA subsidy as set forth in the American Recovery and Reinvestment Act of 2009 can be found here. A summary of the COBRA subsidy made by the Department of Defense Appropriations Act for Fiscal Year 2010 can be found here. A summary of the changes to the COBRA subsidy made by the Temporary Extension Act of 2010 can be found here.

The Employee Benefits Security Administration (EBSA) recently posted updated model COBRA notices for use with employees (and their covered dependents) who terminate employment on or after June 1, 2010. The updated notices may be found here:

COBRA Model General Notice, in English

COBRA Model General Notice, in Spanish

COBRA Model Election Notice, in English

COBRA Model Election Notice, in Spanish

What This Means To You

Eligible employees who terminate on or after June 1, 2010, should receive COBRA notices based on the updated DOL model COBRA notices unless the statutory sunset date is extended by Congress.

Contact Info

HUSCH BLACKWELL

If you have any questions about this or any other employee benefits and executive compensation matter, please contact your Husch Blackwell Sanders attorney.

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