



This update is sent periodically to keep you informed of employee benefit plan issues that may impact your organization.



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## **ADDITIONAL CHANGES TO COBRA PREMIUM SUBSIDY**

Effective immediately, the COBRA premium subsidy is available for individuals who were involuntarily terminated through March 31, 2010. This affects employers with twenty or more employees during the previous calendar year.

**March 2, 2010 President Obama signed the Temporary Extension Act of 2010 (H.R. 4691).** This act extends the COBRA premium subsidy eligibility (for the third time). Effective immediately, the COBRA premium subsidy is available for eligible individuals terminated through March 31, 2010. This has no effect on the maximum COBRA premium subsidy time period, which remains at 15 months, although it does affect the class of individuals who are eligible for the subsidy.

The eligibility rules remain the same in reference to the former employee's termination in that the involuntary termination is a qualifying event giving employees access to the COBRA premium subsidy. There is a change for those employees who experienced a reduction in hours and then were involuntarily terminated. In the past this situation did not qualify for the subsidy. This new Act allows employees who experienced a reduction in hours followed by an involuntary termination of employment to receive the COBRA premium subsidy. So if the original COBRA qualifying event was the result of a reduction in hours between September 1, 2008 and March 31, 2010 and was followed by an involuntary termination of employment on or after March 2, 2010 this employee and family members is eligible for the COBRA premium subsidy on the date of the involuntary termination.

This new Act has also added a provision allowing an individual to file suit against the employer for not complying with the new COBRA rules. Therefore it is even more imperative that the rules are followed.

For additional information - <http://www.dol.gov/ebsa/cobra.html>

## **Additional Changes to Ohio's Mini-COBRA Law**

**On February 25, 2010 Governor Strickland signed a temporary amendment to Ohio's Mini-COBRA Law affecting employers with less than twenty employees during the previous calendar year.**

The temporary Mini COBRA rules extend the premium subsidy up to 15 months and as long as an individual meets the Federal Premium Subsidy guidelines (as stated above) coverage can continue under Ohio Mini-COBRA.

Group plans affected by this change are those that are issued, delivered or renewed on or after February 25, 2010. For example, if you are a small employer with a group health plan that renewed on January 1, 2010 the new temporary rules would not apply until January 1, 2011.

For additional information - <http://www.insurance.ohio.gov/legal/bulletins/documents/2010-01.pdf>

\*\*We will continue to keep you informed as additional changes occur.

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