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Labor & Employment Alert March 2010

COBRA Subsidy Extended

For a discussion of these and other issues, please visit the update on our website at www.mhtl.com/law. To receive mailings via email, please email information@mhtl.com.

On March 2, 2010, President Obama signed into law the Temporary Extension Act of 2010. This legislation extends the period for the COBRA premium subsidy until March 31, 2010. Now, anyone who loses health insurance coverage due to an involuntary termination on or before March 31, 2010 will be eligible for the 65% COBRA premium subsidy. The bill also allows certain individuals who lose coverage due to a reduction in hours and are subsequently involuntarily terminated to claim the subsidy. This temporary extension will give Congress time as it considers legislation that would provide a possible further extension of the COBRA subsidy through the end of 2010. The House has passed this bill, and it is currently under consideration in the Senate.

We will continue to keep you updated on any further developments with this proposed legislation.

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For questions about pending or proposed laws or regulatory enforcement priorities, and how they will affect your operations, please contact Katherine Hesse or Brian Fox or the attorney assigned to your account.

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