



Additional Changes to COBRA Notification Requirements Under ARRA

The U.S. Department of Labor's website has made a revision to the instructions regarding the new COBRA notices contained in the American Recovery and Reinvestment Act of 2009 (ARRA).

The change is significant as it alters the notification requirements for individuals who terminated employment between September 1, 2008 and February 17, 2009, as well as for those who terminated on or after February 17, 2009 but have not yet received a COBRA notification.

Previously, the notice requirements suggested the new General Notice was to be sent to all qualified beneficiaries regardless of the qualifying event.

The updated paragraph now reads:

“General Notice (Full version) Plans subject to the Federal COBRA provisions must send the General Notice to all qualified beneficiaries, not just covered employees, who experienced a qualifying event at any time from September 1, 2008 through December 31, 2009, regardless of the type of qualifying event, AND who either have not yet been provided an election notice or who were provided an election notice on or after February 17, 2009 that did not include the additional information required by ARRA. This full version includes information on the premium reduction as well as information required in a COBRA election notice.” (source: <http://www.dol.gov/ebsa/COBRAmodeInotice.html>).

The new addition on the website is the statement – *“AND who either have not yet been provided an election notice or who were provided an election notice on or after February 17, 2009 that did not include the additional information required by ARRA. This full version includes information on the premium reduction as well as information required in a COBRA election notice.”*

Accordingly, under this revision, individuals who were terminated between September 1, 2008 and February 16, 2009, and have already received an election notice, now only need to be provided with the new “Notice in Connection with Extended Election Periods”. As a reminder, this notice must be provided no later than April 18, 2009.

Individuals who were terminated on or after February 17, 2009 and *received a COBRA election notice in use prior to the ARRA*, may still need to receive the “General Notice, Full Version” in order to apprise them of the new rules. Individuals terminated between September 1, 2008 and February 17, 2009 who have not yet received an election notice would still need to receive both the “General Notice, Full Version” and the “Notice in Connection with Extended Election Periods”.

We understand the changes in this law and the requirements have been somewhat confusing since the first day they were announced. The Department of Labor made this most recent change without a public notification. However, Clark-Mortenson monitors these types of changes on a daily basis in order to bring you the most up to date information on federal and state compliance issues. We hope you find the information from Clark-Mortenson helpful in keeping up to date .

If you have any questions on this change or the COBRA requirements contained in ARRA, please don't hesitate to contact your Clark-Mortenson representative or visit the Department of Labor website at www.dol.gov.

****Clark-Mortenson is providing this information solely as general guidance and this should not be considered legal advice. We are *only* offering assistance from a risk management perspective. Any legal issues should be reviewed by your legal counsel to apply the laws to the particular facts of your situation.**



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