



DOL ISSUES MODEL NOTICES FOR “SECOND CHANCE” COBRA ELECTION AND SUBSIDY

On March 19, 2009, the U.S. Department of Labor (“DOL”) issued several model notices to cover a variety of COBRA situations impacted by the American Recovery and Reinvestment Act (the recent stimulus law). First and foremost, employees who were involuntarily terminated on or after September 1, 2008, and who are not currently covered under COBRA, may have a second chance to elect COBRA. They must be notified of their new COBRA rights and the new 65% COBRA subsidy by April 18, 2009. The DOL has provided a model notice for that purpose. Employers should provide such notice as soon as possible because former employees have 60 days from the date the notice is provided to exercise their second chance election rights, and employers will want to start the clock running.

The DOL has also provided model notices for notifying current COBRA participants of the potential availability of the COBRA subsidy, and for notifying qualified beneficiaries of their general COBRA rights as well as the potential subsidy during the remainder of 2009.

The model notices are available at <http://www.dol.gov/ebsa/COBRAmodeNotice.html>.

The DOL and Internal Revenue Service have indicated that they will continue to provide clarifying information regarding the COBRA provisions of the stimulus law on their websites: <http://www.dol.gov/ebsa/cobra.html> and <http://www.irs.gov/newsroom/article/0,,id=204505,00.html>.

For more information regarding the recent COBRA changes, please see our recent E*Bulletin, available online at <http://www.joneswalker.com/attachment.html/1366/benefits022009.pdf>.

– *Timothy P. Brechtel*



Remember that these legal principles may change and vary widely in their application to specific factual circumstances. You should consult with counsel about your individual circumstances. For further information regarding these issues, contact:

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