

June 1, 2010



Special Bulletin

Keller»Benefit
Services

COBRA Subsidy Program Expired May 31, 2010

Eligibility for the COBRA subsidy program ended May 31, 2010. Beginning June 1, 2010, involuntarily terminated individuals will not be eligible for the COBRA subsidy. Individuals already receiving the subsidy (who experienced an involuntary termination of employment through May 31, 2010) will continue to receive the subsidy for up to 15 months, if they continue to meet the eligibility criteria.

At this time, it is unclear whether or not Congress will extend the subsidy program. Although Congress had previously considered extending the program through the end of this year, the most recent jobs legislation passed by the House on Friday eliminated the COBRA subsidy extension. The Senate will consider this House version after they return from a weeklong recess. The legislation is not final until the House and Senate come to agreement.

If you administer COBRA in-house, you should begin using your pre-subsidy COBRA election notice and forms for any qualifying events beginning June 1, 2010. If you do not have the pre-subsidy notices, Keller can provide you with a sample COBRA kit.

We will keep you updated on any legislative developments. If you have any questions, please contact your Keller consultant.