

April 21, 2010



Special Bulletin

Keller»Benefit
Services

New Temporary Extension of COBRA Subsidy

On April 15, 2010, President Obama signed into law a two month extension of the COBRA subsidy program. Under the extension, employees involuntarily terminated through **May 31, 2010** will be able to qualify for the 15 month COBRA subsidy. The extension also applies to small group plans subject to state continuation.

For individuals involuntarily terminated on or after April 1, 2010, you will need to send an updated COBRA subsidy election form. If you have already sent a non-subsidy COBRA election form, we have prepared a [sample letter](#) that you can send with the new subsidy election materials explaining the subsidy extension.

If you administer COBRA in-house, you can amend the ending date for subsidy eligibility from March 31, 2010 to May 31, 2010. You may also contact your Keller consultant for an updated COBRA kit.

As always, we will continue to keep you updated as additional legislative changes are made to the COBRA subsidy program. Please contact your Keller consultant if you need assistance.

Virginia Small Employer Extension (less than 20 employees)

On March 1, 2010, Virginia extended the maximum duration of continuation coverage for assistance-eligible individuals to 15 months (from 9 months). Assistance-eligible individuals enrolled in continuation coverage on or after March 1st are automatically eligible for up to 15 months of coverage. If you are a Virginia employer with less than 20 employees, please contact your Keller consultant with any questions.

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