

## President Obama Extends COBRA Subsidy Until May 31

April 20, 2010

Last week, President Obama signed into law the Continuing Extension Act of 2010, which among other provisions, provides for another extension of the federal COBRA subsidy created by the American Recovery and Reinvestment Act of 2009 (“ARRA”). Under ARRA, employees who were involuntarily terminated between September 1, 2008 and December 31, 2009 are entitled to a government subsidy of 65% of the premium cost for health care continuation coverage under COBRA. In December 2009, the 2010 Department of Defense Appropriations Act extended coverage to employees who lost their jobs between December 31, 2009 and February 28, 2010. Last month, the Temporary Extension Act of 2010 extended this deadline to March 31, 2010. The Continuing Extension Act of 2010 further extends this deadline to May 31, 2010, meaning that employees who are involuntarily terminated between March 31 and May 31 are eligible for the subsidy.

ARRA originally provided for a subsidy period of nine months. However, the Department of Defense Appropriations Act expanded the total allowable time during which an individual may receive the COBRA subsidy from nine months to fifteen months.

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