

Continuing Extension Act of 2010 Extends the COBRA Premium Subsidy

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On April 16, 2010, President Obama signed the Continuing Extension Act of 2010. This act again extends the COBRA premium subsidy (that had expired on March 31, 2010) until May 31, 2010 and includes the same transition rules for individuals who terminated between March 31 and April 16. This means that employers will again be required to revise their COBRA notices in a process that is becoming familiar. Fortunately, there were no other changes to the subsidy structure that will require changes to the processes you have established.

Note that legislation to further extend the premium subsidy until December 31, 2010 is still pending and continued extension has broad support in Congress.

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