

INFORMATION NOTICE

WORKFORCE SERVICES

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TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: ARRA COBRA SUBSIDY

The purpose of this notice is to provide information about the American Recovery and Reinvestment Act (ARRA) of 2009 subsidies for health benefits under the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985. The ARRA provides for premium reductions and additional election opportunities for health benefits under COBRA. Eligible individuals would pay only 35 percent of their COBRA premiums and the remaining 65 percent would be reimbursed to the coverage provider through a tax credit. This premium reduction applies to periods of health coverage beginning on or after February 17, 2009 and lasts up to nine months for those eligible for COBRA during the period beginning September 1, 2008 and ending December 31, 2009. This premium reduction applies whenever an involuntary termination of employment occurred during this period.

There is wide-spread interest in making sure that people who have lost their jobs are aware of the benefits available to them under the COBRA subsidy. As such, the Employment Development Department (EDD) is placing informational posters and fact sheets within each of its local offices where they'll be visible to the public, employees, and to employers throughout the area. The posters can be accessed by clicking on the following link: www.dol.gov/ebsa/cobra.html. Individuals receiving reemployment services and attending various workshops will also be made aware of the COBRA subsidy through an informational fact sheet which will be provided with additional information about the subsidy.

The EDD and other One-Stop Career Center staffs are not expected to be experts about COBRA; however, they should have general program knowledge and be available to direct people to additional information online or via the Department of Labor Employee Benefits Security Administration office at 1-866-444-EBSA (3272).

/S/ BOB HERMSMEIER
Chief
Workforce Services Division