



Congress Pushes COBRA Subsidy Availability to May 31, 2010

April 16, 2010

After a week of partisan politics, Congress once again amended the American Recovery and Reinvestment Act of 2009, as previously amended, to extend subsidy benefits to COBRA Qualified Beneficiaries whose COBRA rights emanated from an involuntary termination occurring on or before May 31, 2010. Congress continues these temporary fixes while it continues its debate on a permanent change in the COBRA subsidy benefit.

Individuals who underwent an involuntary termination between April 1, 2010 and April 15, 2010 (date of enactment) also benefit from the extension of the COBRA premium subsidy. It's important to note that this same legislation ([H.R. 4851](#), known as the Continuing Extension Act) extends eligibility for unemployment benefits to eligible individuals through June 2, 2010.

We will provide you with more information on this legislation as it becomes available. At present, it is our understanding that the new legislation contains no other substantive changes to the current COBRA subsidy protocol.

Copyright © 2010 Alfred B. Fowler, Attorney at Law.

All Rights Reserved. Reprint with permission only.

This legislative update is published as an information source for our clients and colleagues. It is general in its nature and is no substitute for legal advice or opinion in any particular case.

mike@abferisa.com

IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any tax advice contained in this communication, unless expressly stated otherwise, was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any tax-related matter(s) addressed herein.