

COBRA Subsidy Signed Into Law

COBRA Subsidy and UI Extension Signed Into Law

On March 2, 2010, the U.S. Senate passed [**H.R. 4691**](#), the Temporary Extension Act of 2010 by a vote of 78-19. This Senate action follows House passage of H.R. 4691 on February 25, 2010. The President immediately signed this bill into law on March 2, 2010.

The Temporary Extension Act:

1. Extends the COBRA subsidy program that was enacted under the American Recovery and Reinvestment Act and
2. Extends unemployment benefits through April 5, 2010.

COBRA

The law's COBRA provisions:

- Extend the eligibility period for the 15-month 65 percent premium subsidy to those involuntarily terminated from March 1 through March 31, 2010.
- Allow employees to receive the subsidy if they first lost group coverage due to a reduction in hours and then were terminated after enactment of the bill.

Unemployment Insurance

The law's unemployment insurance benefit provisions:

- Extend the period during which individuals may file applications for Federal Emergency Unemployment Compensation (EUC) from the current end date of February 28, 2010 to April 5, 2010 and the period during which individuals may claim and be paid EUC is extended from July 31, 2010 to September 4, 2010.

- Extend the period during which individuals may qualify for the Federal Additional Compensation (FAC), the extra \$25 weekly benefit amount on state and federal unemployment compensation, from the current end date of February 28, 2010 to April 5, 2010 with weekly payment provided during the phase out period for weeks ending October 5, 2010 instead of August 31, 2010.
- Extend the period during which 100% federal reimbursement for weeks of regular federal extended benefit payments to April 5, 2010, with the state option to continue the extended period from July 31, 2010 to September 4, 2010.

Additional Extension

These “short-term” extensions of the COBRA subsidy and unemployment benefits are intended to give Congress more time to consider legislation to extend these programs through 2010. Under H.R. 4213, a bill the Senate is currently debating, both the COBRA subsidy program and unemployment benefits would be extended through December 31, 2010.

As always, if you have any questions about the COBRA subsidy program or other employment related issues please contact the labor and employment attorneys at Robison, Curphey & O’Connell.

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