

**JANUARY 14, 2010**

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***DEPARTMENT OF LABOR RELEASES MODEL NOTICES***

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The Department of Labor (DOL) has finally released its model notices for the extension provisions of the 2010 Department of Defense Appropriations Act. Employers who utilize COBRA Administrators such as COBRAGuard, Infinisource or BASIC need to do nothing. Those who are administering their own plans, the following information may be of interest to you.

**To download the model notices [click here](#).**

There are three forms being made available from the DOL, a [General Notice](#), a [Premium Assistance Extension Notice](#), and an [Updated Alternative Notice](#).

The Department of Labor describes the differences and the uses for each of them:

**UPDATED GENERAL NOTICE**

Plans subject to the Federal COBRA provisions must provide the updated General Notice to all qualified beneficiaries (not just covered employees) who experienced a qualifying event at any time from September 1, 2008 through February 28, 2010, regardless of the type of qualifying event, and who have not yet been provided an election notice. This model notice includes updated information on the premium reduction as well as information required in a COBRA election notice.

*Note: Individuals who experienced a qualifying event (that was a termination of employment) in December 2009 but who were not eligible for COBRA coverage until January 2010 were likely not provided proper notice. These individuals should get the updated General Notice AND the full 60 days from the date the updated notice is provided to make a COBRA election.*

**PREMIUM ASSISTANCE EXTENSION NOTICE**

Plan administrators must provide notice to certain individuals who have already been provided a COBRA election notice that did not include information regarding ARRA, as amended. This model Premium Assistance Extension Notice includes information about the changes made to the premium reduction provisions of ARRA by the 2010 DOD Act. Listed below are the affected individuals and the associated timing requirements.

- ❖ Individuals who were "assistance eligible individuals" as of October 31, 2009 (unless they are in a transition period - see below), and individuals who experienced a termination of employment on or after October 31, 2009 and lost health coverage (unless they were already provided a timely, updated General Notice) must be provided notice of the changes made to the premium reduction provisions of ARRA by the 2010 DOD Act by February 17, 2010;

- ❖ Individuals who are in a "transition period" must be provided this notice within 60 days of the first day of the transition period. An individual's "transition period" is the period that begins immediately after the end of the maximum number of months (generally nine) of premium reduction available under ARRA prior to its amendment. An individual is in a transition period only if the premium reduction provisions would continue to apply due to the extension from nine to 15 months and they otherwise remain eligible for the premium reduction.

*Note: To some extent, the groups listed above overlap - creating a situation where an individual may be entitled to multiple notices. Providing the Premium Assistance Extension Notice by the earliest date required will satisfy the notice requirement(s).*

### **UPDATED ALTERNATIVE NOTICE**

Insurance issuers that provide group health insurance coverage must send the updated Alternative Notice to persons who became eligible for continuation coverage under a State law.



### **QUESTIONS:**

If you have any questions regarding COBRA administration or the COBRA subsidy please contact your COBRA Administrator. For general questions please contact your Account Manager at **248.355.9600** or email me at [russ@jsclarkagency.com](mailto:russ@jsclarkagency.com).

*The source information for this communication release was provided from the Department of Labor's website - <http://www.dol.gov/ebsa/COBRAmodeInotice.html>.*

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