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[Continuing  
Extension Act  
of 2010](#)



# Hot Topic!

April 2010



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## Continuing Extension Act of 2010

*The latest COBRA legislation extends the ARRA premium subsidy by two more months to May 31, 2010.*

### CHANGES TO THE LAW

On April 15, 2010, President Obama signed [H.R. 4851, the Continuing Extension Act of 2010](#) which extends the eligibility period for the COBRA subsidy provided to employees who are involuntarily terminated by two additional months--through May 31, 2010. The bill also provides transition relief for individuals who lost their jobs between March 31, 2010 (the previous cutoff date), and the date of enactment.

#### Reduction in Hours + Involuntary Termination = Subsidy

The provisions of this law also apply to those who first experience a reduction in hours of employment (on or after September 1, 2008) followed by an involuntary termination of employment occurring between March 2, 2010 and May 31, 2010 (also previously March 31, 2010).

### WHAT YOU NEED TO KNOW

- ◆ PBS is revising our COBRA Qualified Event Notices to include the newly updated eligibility period.
- ◆ PBS will ensure that all beneficiaries with a termination of employment occurring April 1- May 31, 2010 are sent a Qualified Event Notice including the new extension date.
- ◆ **Reminder--Due April 23!** All PBS employers should have received a report (if applicable) from their COBRA Account Managers indicating all Qualifying Event Notices sent to your employees who experienced a loss of coverage due to a reduction in hours beginning 9/1/08\* or later.

**We ask that you review the report (if you received one) and indicate whether any of the employees were subsequently**

**involuntarily terminated March 2, 2010 through March 31, 2010. Please return this report by April 23, 2010 so PBS may send the required Special Enrollment Notice to these individuals.**

PBS will handle the printing, mailing and customer services related to these additional Special Notices at no additional cost to our employers.

In addition, PBS will work with our employers regarding the ongoing tracking of eligible individuals due to reduction in hours with subsequent involuntary terminations. Watch for more information to come on this topic.

As always, PBS will incorporate these new COBRA regulations into our standard administrative practices and keep your plan in compliance. Questions? Please give us a call—we're here to help!

*\* Note! Employers who began using PBS after 9/1/08 will be responsible for obtaining this information from another source.*