

PLANNED BENEFIT
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Here's a link to
the Temporary
Extension Act of
2010 if you wish
to read more:

[http://
frwebgate.
access.gpo.gov/
cgi-bin/
getdoc.cgi?
dbname=111
cong_bills&
docid=f:h4691enr.t
xt.pdf.](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h4691enr.txt.pdf)



Hot Topic!

March 2010



Planned
Benefit
Systems

Temporary Extension Act of 2010

The latest COBRA legislation extends the ARRA premium subsidy by one month and adds a new category of Assistant Eligible Individuals.

CHANGES TO THE LAW

On Mar. 2, 2010, President Obama signed the Temporary Extension Act of 2010 (TEA). This new act once again makes changes to the COBRA premium subsidy program created by the American Recovery and Reinvestment Act of 2009 (ARRA).

TEA extends the eligibility period for the COBRA subsidy provided to employees who are involuntarily terminated by an additional month--through March 31, 2010. (The previous cut-off date was February 28, 2010.)

TEA also created a new Assistance Eligible Individual (AEI) that may be eligible for COBRA subsidy. The new AEI category covers employees who experienced a COBRA Qualifying Event due to a reduction in hours (think going from full-time to part-time and losing benefit eligibility) between September 1, 2008 and March 31, 2010 and is subsequently involuntarily terminated between March 2, 2010 and March 31, 2010, is now eligible for subsidized COBRA coverage.

WHAT YOU NEED TO KNOW

- ◆ The Qualified Event Notice PBS sends to all COBRA Qualified Beneficiaries has already been updated to include the new premium subsidy eligibility date of 3/31/2010.
- ◆ PBS will provide our clients with a report indicating all Qualifying Event Notices sent to your employees who experienced a loss of coverage due to a reduction in hours between 9/1/08 and 3/31/10*.
- ◆ Watch for your report to arrive via email the week of April 5, 2010, from your PBS COBRA Account Manager.
- ◆ Each employer must review the report and indicate which employees subsequently experienced an involuntary termination during the month of March (3/2/10 – 3/31/10) and report those employees to your PBS Account Manager no later than Friday, April 23, 2010.
- ◆ PBS will send a Special Enrollment Notice to those individuals providing the opportunity to enroll in COBRA coverage and receive the subsidy (note that the original COBRA Qualifying Event Date from the loss of coverage due to reduction in hours will be used to determine the 18 month maximum COBRA coverage period).
- ◆ PBS will not charge any additional fees to our clients for providing the report and/or sending the Special Enrollment Notices.

PBS believes we will see further extension of the COBRA subsidy. In fact, HR 4213 is currently under consideration and would extend the program until December 31, 2010.

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

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