

Attention Employers and Benefit Administrators!

Due to the recent passing of the Federal American Recovery & Reinvestment Act (ARRA), several changes have been made to COBRA Benefits. As an employer, you are responsible for coordinating and providing applicable COBRA benefits to your employees. The subsidy applies to all health plans covered by COBRA and to similar health care coverage continuation programs under state laws (e.g. New York's mini-COBRA). Therefore the Act applies to small Employers with under 20 employees, as well as larger employers with over 20 employees. Some of the major changes include:

- An assistance eligible individual ("Eligible Individual") is a person who becomes eligible for COBRA between September 1, 2008 and May 31, 2010 due to a covered employee's involuntary termination of employment. The subsidy applies to spouses and dependents that are eligible for COBRA coverage as well.
- An "assistance eligible individual" will only be required to pay 35% of his or her COBRA premium. The remaining 65% of the COBRA premium will be reimbursed by means of a payroll tax credit to the employer (in the case of a self-funded plan), the plan (in the case of a multiemployer plan), or the insurer (in the case of an insured plan).
- The Individual's annual salary cannot exceed \$125,000 and a couple's annual salary cannot exceed \$250,000 in order to qualify for the full subsidy. A reduced subsidy is available if the individual's modified adjusted gross income is between \$125,000 and \$145,000 (\$250,000 and \$290,000 for joint filers).

As a courtesy Atlantis has provided the following links which may provide up to date information and further clarification that is applicable to you:

- US Department of Labor – www.dol.gov
- White House – www.whitehouse.gov
- NY State Department of Insurance – www.ins.state.ny.us