



eBenefits Alert: DOL Issues Model COBRA Notices for ARRA Compliance

March 19, 2009

The Department of Labor (DOL) has posted Model Notices for use in complying with the new COBRA requirements under the American Recovery and Reinvestment Act of 2009 (ARRA). [Click here](#) for further information on the new COBRA requirements under ARRA.

The ARRA required the DOL to issue its Model Notice within 30 days of the enactment of ARRA, which is today, March 19, 2009.

The DOL has provided the notice information in five separate notice documents:

- Notice of Availability of Model Notices—generally describing the Model Notices and indicating that they are available electronically on the DOL Web site in a form that can be modified for use by employers

- A "full" General Notice—combining the ARRA required information on premium reduction with the general COBRA notice requirements

- A "supplemental" General Notice—providing the ARRA required information on premium reduction, but not the general COBRA election and notice requirements

- An Alternative Notice—providing ARRA required information for continuation coverage required under state law

- A Notice in Connection with Extended Election Periods—providing the ARRA required information for individuals eligible for a second election opportunity

Copies of the notice forms are available on the DOL Web site. The Model Notices also contain election forms to be used: (i) for individuals to elect to be treated as an Assistance Eligible Individual for purposes of



being permitted to pay the reduced COBRA premium, (ii) for individuals to avail themselves of the additional election period, and (iii) for individuals to elect other coverage options under an employer's plan, if the employer has other options that qualify and chooses to allow that election.

The notices provide helpful information and election forms for employers to use in satisfying the new ARRA provisions, which require employers to provide certain information to employees who have experienced or do experience a COBRA qualifying event between September 1, 2008 and December 21, 2009.

In addition, the DOL issued two separate Q & A pieces, one for employees and one for employers that provide additional clarifying information about ARRA's new COBRA requirements. The Q & A are available on the DOL Web site, which you can access by clicking [here](#) (employer Q&A) or [here](#) (employee Q&A).

The Model Notices and FAQs do not provide any significant new information to help employers determine which termination situations qualify as "involuntary" for purposes of premium assistance and special election rights. Additional DOL guidance in this area would be welcome.

For help complying with the new COBRA requirements under ARRA or other employee benefits issues, please contact Kathi Wright at 612.632.3384 or any of the Employee Benefits and Executive Compensation attorneys at Gray Plant Mooty by calling 612.632.3000.

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