

Additional Guidance: American Recovery and Reinvestment Act of 2009 (ARRA) COBRA Subsidy Requirements

Additional FAQs for employers on the COBRA premium reduction were released today and are available through the Department of Labor (DOL) web site at www.dol.gov/cobra or through the link below. The DOL and Department of Treasury and the IRS continue to add documents and update FAQs previously posted to provide additional clarification. Following are some critical links:

- [DOL COBRA Premium Reduction Fact Sheet](#)
- [IRS News Release IR-2009-15](#)
- [IRS Notice 2009-27](#)
- [Notice of Availability of the Model Health Care Continuation Coverage Notices Required by ARRA](#)
- [FAQs for Employers on the COBRA Premium Reduction](#)
- [FAQs for Employees on the COBRA Premium Reduction](#)
- [FAQs for Employees on General COBRA Provisions](#)
- 3/24/09 DOL [Webcast](#)
- 4/06/09 DOL [Webcast](#) registration (recording to follow)
- Updated [Form 941](#), including [Instructions for Form 941](#)

The guidance includes 4 [Model Notices](#)

- General Notice (Full version)
- General Notice (Abbreviated version)
- Alternative Notice
- Notice in Connection with Extended Election Periods

Additional Guidance Summary

ARRA was enacted on 2/17/09 and affects Qualified Beneficiaries (QB) with Qualifying Events (QE) occurring any time between September 1, 2008 and December 31, 2009. Only QBs who's QE is Involuntary Termination of Employment that caused eligibility for COBRA are eligible for the ARRA premium subsidy. **The enactment date of 2/17/09 is significant in determining which notice should be sent to which QB.** Below is a brief description of each notice and a summary of which QBs should receive each.

General Notice (Full version) is the new model notice of COBRA rights, Qualifying Event Notice (QEN), that should be used for individuals who have a QE on or after 2/17/09 or whose first notice of continuation rights is sent on or after that date. This new notice should go to all QBs regardless of the QE. It is a revision of the previously issued DOL model notice, updated for ARRA rights and also includes a DOL ARRA Summary, Request for Treatment as an Assistance Eligible Individual Form and the form for notifying the plan administrator that an Assistance Eligible Individual is no longer eligible for the premium subsidy.

- If during the period between 2/17/09 and the time the use of the new model language (issued by DOL on 3/18) is adopted, a good faith effort to add the information required by ARRA was made that included all of the required information, we believe that it would be unnecessary to send a second notice to QBs who are not identified as an Assistance Eligible Individual (AEI), but that the full model notice including forms should be sent to any QB identified as an AEI (Involuntary Termination of Employment). Of course, a more conservative approach would be to resend a notice to all QBs during that period.

7 a.m. – 5 p.m.

Monday – Friday

www.tri-starsystems.com

1-800-727-0182

Contact us:

BENEFITS BRIEFING

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General Notice (Abbreviated Version) is intended for individuals who have had a Qualifying Event after 9/1/08 and have already elected and are currently on COBRA. This notice should go out to all QBs currently on COBRA regardless of the original QE.

- If during the period between 2/17/09 and the time the use of the new model language (issued by DOL on 3/18) is adopted, a good faith effort to add the information required by ARRA was made that included all of the required information, we believe that it would be unnecessary to send a second notice to QBs who are not identified as an AEI, but that the full model notice including forms should be sent to any QB identified as an AEI (Involuntary Termination of Employment). Of course, a more conservative approach would be to resend a notice to all QBs during that period.

Alternative Notice is intended to be used by employer not subject to COBRA, but subject to state continuation laws.

Notice in Connection with Extended Election Periods is intended for Assistance Eligible Individuals (AEIs) who had a QE between 9/1/08 and 2/16/09 and who did not elect COBRA or who discontinued COBRA coverage.

- We believe that DOL has given consistent guidance indicating this notice need only go to QBs who's QE is Involuntary Termination of Employment during that period. This is again confirmed in the new FAQs (Q18) for Employers released today.

We anticipate further guidance to be issued by both the Department of Labor and Treasury – particularly on the definition of Involuntary Termination and the appeals process for those individuals denied status as an AEI who believe they qualify for the subsidy. We will be vigilant in monitoring their actions and share future developments.

Email Address Changes

Effective **Monday, April 6, 2009** the following Tri-Star individual email addresses below will be replaced with group email addresses. Contacts not listed remain unchanged at this time. Please replace your email contact information with the appropriate group address for any of the following associates:

Replaced	New
stephanie.latina@tri-starsystems.com	Admin@tri-Starsystems.com
grace.lee@tri-starsystems.com	Claims@tri-starsystems.com
ellen.sappington@tri-starsystems.com	
lisa.juneau@tri-starsystems.com	
krista.adams@tri-starsystems.com	COBRA@tri-starsystems.com
pat.moehl@tri-starsystems.com	
gloria.simms@tri-starsystems.com	HSBS@tri-starsystems.com

This change will allow the appropriate customer service associate access to important daily communications from each of our clients and participants. It is important for us to be responsive to each and every email to best serve you!