

## ARRA Subsidy Extended – Eligibility Expanded

The Temporary Extension Act of 2010 ([HR 4691](#)) was signed into law late on March 2, 2010, effective immediately. This Act extends unemployment insurance benefits and includes, among other provisions, an extension of the COBRA subsidy eligibility period initially authorized under ARRA to March 31, 2010. The changes noted below affect continuation coverage offered under COBRA and any comparable state law.

- **Eligibility Sunset Date Extension:** The COBRA subsidy eligibility period, which had expired on February 28, 2010, is extended (for Qualifying Events on or after September 1, 2008) through March 31, 2010. Only Assistance Eligible Individuals (AEIs) qualify for the subsidy of a 65 percent discount off the regular COBRA premium for up to 15 months.
- **Eligibility Expanded:** An additional group of Qualified Beneficiaries now qualify for the subsidy under this law. Eligibility is now extended to individuals experiencing a reduction in hours followed by an involuntary termination of employment that occurs on or after March 2, 2010. This clarification in the Extension Act is included in the amendment because, under the normal rules, a termination of employment would not be considered a COBRA qualifying event if it followed a reduction in hours that was itself a qualifying event.

This provision would apply to:

1. Individuals who had previously experienced a qualifying event of a Reduction in Hours, and
2. Either had elected COBRA or were still in their 60 day Election Period, and
3. Subsequently, terminate employment on or after March 2, 2010, but prior to the subsidy's expiration date.

The new law does not change the length of the COBRA maximum coverage period. It is still based on the original Reduction in Hours Qualifying Event date. This law does not provide them with more COBRA coverage simply because they were involuntarily terminated during the March 2-31, 2010, time frame. The subsidy period (up to 15 months) is based on the first coverage period after the March 2, 2010, date of enactment (i.e., April 1, 2010, for most plans).

- **Protection for Employers Making Determinations on Involuntary Termination:** If an employer makes a reasonable interpretation that an employee was involuntarily terminated and maintains supporting documentation, including a written attestation of the involuntary termination (Request for Treatment as an Assistance Eligible Individual), the employer is protected for purposes of premium reimbursement by the IRS.

7 a.m. – 5 p.m.

Monday – Friday  
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1-800-727-0182

Contact us:

- **Penalties for ARRA Denials:** If the DOL has ruled that a subsidy request should be approved and a plan sponsor or insurance carrier continues to deny the subsidy request, up to \$110 per day penalty may be issued, starting 10 days after receipt of the DOL's determination. These new enforcement provisions are effective March 2, 2010 and are not retroactive.

Congress is considering extending the subsidy further. HR 4213 would extend the program until December 31, 2010, and establish another transition period for the retroactive payment of premiums. Tri-Star's Qualifying Event Notice has been updated to accommodate the temporary provisions of HR 4691. We will keep you informed of further updates as they are signed into law.

## New Website Navigation & Features

New navigation features now provide participants multiple avenues for accessing their account. All avenues take the participant to the login screen, they just have the option of taking different paths to get there. Please visit our [web site](#) to familiarize yourself with our new menu structure. Participants may now 1) select the relocated "My Account" button, 2) select the Login link under the Participant tab, or 3) may use the right hand side accordion to expand the Participant tab, select the My Account tab and Login.

Please direct your participants to the new Participant How-To Guides for assistance in managing their account. Additional information on our Claims Approval Timing, Payment Rules, the Benny Card and the Grace Period are also documented for applicable plans.

These enhancements were added to make information more easily accessible and to provide additional information to our participants. New participants should now be able to navigate, manage account payments and review their account with little or no assistance, any time of the day, any day of the week. Our customer service representatives are still happy to assist those needing help. This just makes our services even more user-friendly!