



Employer *Bulletin*

Employer Communication Center (608) 264-7900 Toll free: 1-888-681-3952 <http://etf.wi.gov>

COBRA Subsidy Extension through May 2010

The “Continuing Extension Act of 2010 (H.R. 4851)” (CEA) was signed into law on April 15, 2010. The law extends the eligibility period for the premium subsidy for coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) that is provided under the American Recovery and Reinvestment Act of 2009 (ARRA), as amended by the Federal Department of Defense Appropriations Act, 2010. For information on ARRA, refer to the *Employer Bulletins* issued on March 31, 2009, February 5, 2010 and March 11, 2010.

Notable changes that take immediate effect and are retroactive to April 1, 2010, include:

- The time period in which the qualifying event (i.e., involuntary termination) must occur has been extended from March 31, 2010, to May 31, 2010.
- An involuntary termination of employment that occurs on or after April 1, 2010, through May 31, 2010, and follows a qualifying event that was a reduction of hours that occurred at any time from September 1, 2008 through May 31, 2010, is also a qualifying event for purposes of ARRA.

As described below, employers are required to provide notice to certain individuals regarding ARRA, as amended by CEA. The Department of Employee Trust Funds (ETF) will be updating a notice to meet these requirements and will have the notice available on ETF’s Internet site, under the Employer Menu. Note that you will need to fill-in information in the notice and print the first page on your letterhead before issuing. Pursuant to CEA, you must issue this notice to:

- All qualified beneficiaries (not just covered employees) who experienced a qualifying event at any time from April 1, 2010 through May 31, 2010, regardless of the type of qualifying event, and who have not yet been provided an election notice.
- Individuals who did not make (or who made and discontinued) an election of COBRA on the basis of the reduction of hours of employment who have an involuntary termination of employment that occurs on or after April 1, 2010 but by May 31, 2010. Notice must be provided during the 60-day period beginning on the date of such individual’s involuntary termination of employment and describe the new election period.

Note that Federal legislation has been introduced to extend the COBRA premium subsidy for involuntarily terminated workers through December 31, 2010. ETF will continue to alert employers of COBRA premium subsidy extensions and changes through *Employer Bulletins*.

For more information about COBRA, please refer to the United States Department of Labor web site at www.dol.gov/COBRA, including FAQs on the premium reduction extension.

For questions regarding this *Employer Bulletin*, please contact the Employer Communication Center at (608) 264-7900, toll free at (888) 681-3952 or via e-mail at etf.descomm@etf.state.wi.us.

The Department of Employee Trust Funds does not discriminate on the basis of disability in the provision of programs, services, or employment. If you are speech, hearing or visually impaired and need assistance, call the Wisconsin Relay Service at 7-1-1 or 1-800-947-3529 (English) 1-800-833-7813 (Español). We will try to find another way to get the information to you in a usable form.

This ***Employer Bulletin*** is published by the Wisconsin Department of Employee Trust Funds. Questions should be directed to contact persons listed in the Bulletin, or to the Division of Retirement Services (DRS). Call Jean Gilding, DRS administrator, at (608) 266-1210. Employer agents may copy this Bulletin for further distribution to other payroll offices, subunits or individuals who may need the information. Copies of the most recent Employer Bulletins are available on our Internet site at the following URL: <http://etf.wi.gov/employers.htm>

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