

# Benefits Buzz

March 2010

WINE SERGI  
INSURANCE

*Benefits* tips brought to you by the insurance specialists at Wine Sergi & Co, LLC, 225 Smith Road, St. Charles, Illinois. For more information, please contact us at (630) 513-6600.

*Key Issues Facing Business Owners*



## Obama Signs Stopgap COBRA Subsidy Extension

An additional COBRA premium subsidy extension of 31 days was signed into law by President Obama on March 2, 2010.

Without the extension, employees terminated on or after March 1, 2010 would no longer be eligible to receive the 65% premium subsidy that the federal government provides to offset a significant portion of the employer's and employee's cost of health insurance post-termination.

Effective immediately, the subsidy extension not only expands eligibility to those terminated at any

time now through March 31, 2010, but also makes the subsidy available to employees who first lost group coverage due to reduced hours and were then terminated at any time thereafter (with certain conditions). Under either scenario, the maximum subsidy remains at 15 months.

The Department of Labor is still finalizing the latest notice information that must be provided by employers about these latest changes. We will provide more information as soon as it is released.

## Wine Sergi will continue to keep you updated!

This week the Senate will continue deliberation on legislation (H.R. 4213) that would extend the premium subsidy to employees laid off through Dec. 31, 2010, and make other legislative changes to current COBRA subsidy rules.

Wine Sergi will provide more information as it becomes available, as well as an updated Notification Timeline to ensure you are compliant with all applicable rules as they develop.

*Please contact your Wine Sergi representative with any questions.*