

Employee Benefits Security Administration

News Statement

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Statement of Phyllis C. Borzi on COBRA subsidy extension

Washington, DC – Phyllis C. Borzi, Assistant Secretary of the Employee Benefits Security Administration (EBSA) today released the following statement regarding the Consolidated Omnibus Budget Reconciliation Act (COBRA) and the recent extension of the premium reduction under the American Recovery and Reinvestment Act (ARRA):

"I am pleased Congress has acted and the President has signed the Fiscal Year 2010 Defense Appropriations Act. The act extends the eligibility period for the COBRA premium reduction for an additional two months (through Feb. 28, 2010) and the maximum period for receiving the subsidy for an additional six months (from nine to 15 months). Millions of unemployed Americans and their families will be better able to afford and keep their health benefit coverage because of this new law.

"Individuals who had reached the end of the reduced premium period before the legislation extended it to 15 months will have additional time to pay the reduced premiums related to the extension. To continue their coverage they must pay the 35% of premium costs by (60 days after date of enactment) or, if later, 30 days after notice of the extension is provided by their plan administrator.

"We encourage you to subscribe to our COBRA Web site, www.dol.gov/cobra, to get information on new notice requirements, updated guidance, fact sheets, and frequently asked questions as they become available.

"Individuals should contact their plan or health insurance provider for information regarding the extension under their health plan. If you need further assistance contact an EBSA Benefits Advisor toll-free at 1-866-444-3272."

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