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LEGAL UPDATE

January 5, 2010

To: Superintendents/Presidents, Member Community College Districts *MF*

From: Marko H. Fong, Assistant General Counsel

Subject: Extension of COBRA Subsidy
Memo No. 01-2010 (CC)

The Consolidated Omnibus Budget Reconciliation Act (COBRA) subsidy¹ for qualifying workers who are laid off or terminated from their positions was extended on December 19, 2009, as part of the Defense Appropriations Act of 2010.² Congress extended eligibility for the COBRA subsidy to February 28, 2010, and lengthened the period of the subsidy from nine months to fifteen months for eligible former employees. The fifteen month period also applies to individuals who were eligible for the original nine month subsidy. As a result, community college districts must notify individuals who would have been eligible for such assistance on or after October 31, 2009 of the changes to the available benefits and benefit period within 60 days of December 19, 2009.

It is possible that Congress will extend the February 28, 2010 eligibility date in a second bill early in 2010. We will update you if and when that occurs.

Please contact any attorney in our offices if you have further questions.

¹ Legal Update 7-2009 described the subsidy eligibility and parameters – essentially a 65% COBRA premium subsidy if the former employee elects to accept COBRA and pays 35% of the premium.

² Section 1010 of Defense Appropriations Act for 2010 aka HR 3326