SCHOOL AND COLLEGE LEGAL SERVICES
of California

A Joint Powers Authority serving school and college districts throughout the state with offices in Eureka, Hayward, Santa Cruz, San Rafael and Santa Rosa

General Counsel
Margaret M. Merchat

Attorneys
Janna L. Lambert
Nancy L. Klein
Marko H. Fong
Carl D. Corbin
Patrick C. Wilson
Virginia A. Riegel
Loren W. Soukup
Frank Zotter, Jr.

Reply to:
Santa Rosa Office
5350 Skylane Blvd.
Santa Rosa, CA 95403
(707) 524-2690
(707)-578-0517 Fax

Employer-Employee Relations Coordinator
Robert S. Latchaw

Of Counsel
Susanne K. Reed

LEGAL UPDATE

May 13, 2010

To: **Superintendents, Member School Districts (K-12)**

From: **Marko Fong, Assistant General Counsel** MF

Subject: **Extension of COBRA Subsidy to May 31, 2010**
Memo No. 14-2010

On April 15, 2010, the President signed The Continuing Extension Act of 2010 (H.R. 4851) ,[1] which extends the 65% Federal fifteen month COBRA subsidy for recently laid off and terminated employees[2]. This extension only covers employees whose last day of paid service is on or before May 31, 2010 as opposed to the last day an individual receives health benefits. Districts and County Offices must provide qualifying employees[3] with a notice of their right to the subsidy within sixty (60) days of the last day of service, but we recommend that districts provide the model notice on the day of separation, when possible.

A model notice can be found at the website of the US Department of Labor[4]. Please note that there are three different notices. One is for all employees who left service between September 1, 2008 and May 31, 2010. The second is for employees who lost benefits due to a reduction of hours in their position who subsequently were laid off or terminated between March 02, 2010 and May 31, 2010. The third is for former employees who are currently enrolled in COBRA.

The current COBRA subsidy will not apply to employees whose last day of paid employment comes after May 31, 2010. Congress has extended the COBRA subsidy twice in the last year. We will notify you if the law is extended a third time.

Please contact our office if you have any questions or need further assistance.

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[1] http://www.dol.gov/ebsa/pdf/HR4851.pdf
[2] 01-2010 – Extension of COBRA Subsidy
11-2009 – COBRA Subsidy for Invol. Termin. Ees.
[3] The Act does not cover former employees who have alternate forms of coverage, individuals who make more than $125,000/year, or individuals terminated for criminal acts.
[4] http://www.dol.gov/ebsa/COBRAmodelnotice.html