

# ClientAlert

January 11, 2010

## DOL and IRS Issue Guidance on COBRA Subsidy Extension

In December 2009, eligibility for the COBRA premium subsidy was extended to individuals who terminated employment involuntarily between September 1, 2008 and February 28, 2010, and the COBRA premium subsidy period was extended from a maximum of nine months to a maximum of 15 months. For more information on the extension, see our prior [Client Alert](#). The Department of Labor ("DOL") and Internal Revenue Service ("IRS") have now issued additional guidance on the COBRA premium subsidy extension.

The DOL has updated its "[Premium Reduction Fact Sheet](#)," and has posted new "[Premium Reduction Extension FAQs](#)." The IRS has updated its [Q&A on form preparation](#) for the COBRA premium subsidy. These documents help both employers and employees understand how the COBRA premium subsidy extension works.

The DOL has also released [draft model notices](#) that are available for [public comment](#). These draft model notices, updated to reflect the COBRA premium subsidy extension, include a General Notice, Alternative Notice, and a new "Model Premium Assistance Extension Notice." Although these model notices have not yet been formalized, the recently issued guidance makes clear that certain individuals must receive updated notices by February 17, 2010.

**Our client alerts are for general informational purposes and should not be regarded as legal advice. If you would like additional information or have any questions, please contact:**

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