



April 2009

## Employee Benefits

### Alert



## DOL Issues Model COBRA Notices

Plan administrators must notify participants and beneficiaries about the new COBRA premium subsidy under the stimulus package. The Department of Labor (DOL) recently issued four model COBRA notices to help plan administrators comply with these requirements. Each notice is designed for a particular group of qualified beneficiaries. We have provided links to the notices and explanations below. The details of the COBRA premium subsidy were reported in an earlier Williams Mullen Employee Benefits article ([Stimulus Bill Includes Significant Changes to COBRA](#)).

[General Notice \(Full Version\)](#). Plan sponsors should send this notice to any qualified beneficiary who experienced any qualifying event between September 1, 2008 and December 31, 2009 if the (i) the qualified beneficiary has not received a COBRA election notice; or (ii) the election notice provided to the qualified beneficiary did not describe the COBRA premium subsidy. This notice describes the subsidy and includes the information required in a COBRA election notice.

[General Notice \(Abbreviated Version\)](#). Plan sponsors should send this notice to individuals who currently have COBRA coverage and experienced a qualifying event on or after September 1, 2008. This notice only includes information about the COBRA premium subsidy.

[Alternative Notice](#). Insurers who provide group health insurance coverage must send out this notice to individuals who become eligible for continuation coverage under state law. The notice includes continuation coverage election materials and subsidy information. The DOL noted that insurers should modify this notice as necessary to conform to applicable state law.

[Notice in Connection with Extended Election Periods](#). Plan sponsors should send this notice to anyone who would be eligible for the subsidy, but either did not elect COBRA, or dropped COBRA coverage before February 17, 2009. This notice includes COBRA election and premium subsidy information.

It is likely that a plan sponsor will have to modify the model notice to match their plan's design. In addition, plan sponsors may choose to allow assistance eligible individuals to elect a lower-cost health plan option that is available to active employees.

*Please contact a member of the Williams Mullen Employee Benefits Group for assistance drafting your notice.*

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