

Section 6: American Recovery and Reinvestment Act

American Recovery and Reinvestment Act (ARRA), State Continuation and COBRA Additional Information

American Recovery and Reinvestment Act (ARRA)

This new law provides eligible individuals a 65 percent reduction for COBRA or State Continuation premiums for up to 9 months. To qualify, individuals must have been involuntarily terminated between September 1, 2008 and December 31, 2009, must meet certain income limits, must not be eligible for other group health coverage or Medicare, and must be eligible for COBRA or State Continuation coverage. Employees terminated for gross misconduct are not eligible for the subsidy. Spouses and eligible dependents may also be eligible for the subsidy. If you would like more information on the law, please go to www.dol.gov/COBRA or www.irs.gov. There are some differences between COBRA and State Continuation requirements.