

COBRA Continuation Coverage – Further Extension of Premium Assistance (Updated March 2010)

The American Recovery and Reinvestment Act of 2009 (ARRA), as amended on March 2, 2010 by the Temporary Extension Act of 2010, provides for premium reductions for health benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, commonly called COBRA. Eligible individuals pay only 35 percent of their COBRA premiums and the remaining 65 percent is paid by the Welfare Plan and reimbursed to the coverage provider through a tax credit.

To qualify, individuals must experience a COBRA qualifying event that is the involuntary termination of a covered employee's employment. The involuntary termination must generally occur during the period that began September 1, 2008 and ends on March 31, 2010. (An involuntary termination of employment that occurs on or after March 2, 2010 but by March 31, 2010 and follows a qualifying event that was a reduction of hours that occurred at any time from September 1, 2008 through March 31, 2010 is also a qualifying event for purposes of ARRA.) The premium reduction applies to periods of health coverage that began on or after February 17, 2009 and lasts for up to 15 months.

If you have experienced a loss of health coverage that is due to an involuntary termination of employment that occurred during the period on or after March 2, 2010 and on or before March 31, 2010 AND you were eligible for COBRA due to a reduction of hours that occurred during the period from September 1, 2008 through March 31, 2010, you may be eligible for a second COBRA election opportunity and temporary premium reduction for up to 15 months. It does not matter whether you have COBRA continuation coverage (either because you never elected the coverage or because you elected but later discontinued the coverage) during the period September 1, 2008 and March 31, 2010 due to a reduction of hours.

If you believe you meet the criteria for the premium reduction, contact the COBRA Administrator, San Francisco Electrical Workers Health & Welfare Plan, 720 Market Street, Suite 700, San Francisco, CA 94102.