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CLIENT ALERT

COBRA CONTINUATION COVERAGE

On December 19, 2009, as part of the Department of Defense Appropriations Act, the COBRA premium reductions for health benefits was extended to cover involuntary termination that occur during the period that began September 1, 2008 and ends on February 28, 2010. Eligible individuals pay only 35 percent of their COBRA premiums and the remaining 65 percent is reimbursed to the employer 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 premium reduction applies to periods of health coverage that began on or after February 17, 2009 and lasts for up to 15 months.

January 20, 2010

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