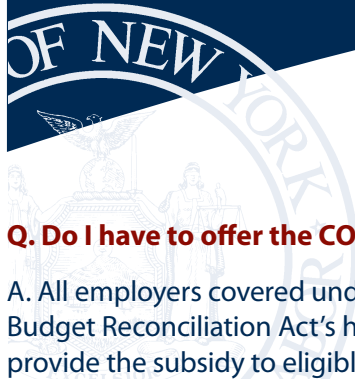


Fact SHEET



COBRA Subsidy Information for Employers

Q. Do I have to offer the COBRA subsidy?

A. All employers covered under the Consolidated Omnibus Budget Reconciliation Act's health benefit provisions must provide the subsidy to eligible individuals.

Q. I am a small employer (less than 20 employees) and COBRA doesn't seem to apply to me. Must I participate/What should I do?

A. The subsidy plan applies to you as you are likely covered under New York State's mini-COBRA law. You should contact the New York State Department of Insurance for guidance.

NYS DOI: 1-800-342-3736 or <http://www.ins.state.ny.us>

Q. Do I have to up-front the money for 65% of the premium?

A. Yes. You will then take a credit against future tax payments via your quarterly Form 941 filed with the Internal Revenue Service.

Q. What if the taxes indicated on the Form 941 are insufficient to cover the premiums?

A. You may request a credit against future returns or a refund of the amount overpaid.

Q. Where can I get a copy of the notice that I am supposed to be sending?

A. The United States Department of Labor, Internal Revenue Service, and the Department of Health and Human Services are required to establish model notices. Model notices have been published and are available at: <http://www.dol.gov/ebsa/COBRAModelNotice.html>.

Q. I understand that these subsidies are only available to involuntarily terminated employees. How is involuntary termination defined?

A. The Internal Revenue Service has issued guidance on the definition of involuntary termination in its Notice 2009-27. You may contact them in this regard:

US DOL: 1-866-444-3272 or <http://www.dol.gov/cobra>
IRS FAQ: <http://www.irs.gov/pub/irs-drop/n-09-27.pdf>

Q. Does the New York State Department of Labor handle the COBRA coverage?

A. No. In general, the Employee Benefits Security Administration of the United States Department of Labor oversees COBRA coverage. You can get information by telephone or their website. Employers with less than 20 employees are covered under New York's mini-COBRA law, and information is available from the New York State Department of Insurance.

US DOL: 1-866-444-3272 or <http://www.dol.gov/cobra>
NYS DOI: 1-800-342-3736 or <http://www.ins.state.ny.us>

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