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Important Information for Laid Off Steelworkers: *Key Changes Make COBRA Health Care Continuation More Accessible*

Healthcare is a critical issue for anyone in a job loss situation, and finding affordable coverage is often incredibly difficult. Federal law allows workers who experience certain types of job loss – including a layoff – the right to continue an employer’s group health benefits under a program called COBRA. Individuals normally have to pick up the cost of the entire premium. For this reason, COBRA is often out-of-reach for people getting by on an unemployment check. A new change in the law is making COBRA more accessible.

Key Change in Recently-Passed Economic Recovery Act Makes COBRA More Affordable

The federal government will pay 65 percent of COBRA premiums for individuals (and their eligible dependents) who (1) are eligible due to an involuntary job loss occurring between September 1, 2008 and December 31, 2009, and (2) make less than \$125,000 a year. Those who elect COBRA must pay the remaining 35 percent (the employer collects) and include the value of the 65 percent subsidy in their taxable income. The subsidy will last nine months, ending sooner if the individual becomes eligible under another group plan or Medicare.

How Do Individuals Take Advantage of the Subsidy?

Employers must notify eligible individuals who lose or lost their jobs between September 1, 2008 and December 31, 2009 of the new COBRA information and provide eligibility forms. Notices should be sent out before mid-April. Individuals who did not elect COBRA coverage when they first lost their jobs or who stopped making premium payments and lost coverage will be given another 60-day period to elect COBRA after the notice arrives.

Are There Any Special Circumstances?

Yes. For instance, if an employer went out of business and terminated the health care plan, leaving employees ineligible for COBRA, those individuals still would not be eligible. Or, if a laid-off individual’s spouse has family coverage, the individual could still elect COBRA, but would not be eligible for the subsidy. For more information on these circumstances and other details on the subsidy, please see the “COBRA Subsidy Info” section on the Make Our Future Work site at www.makeourfuturework.org.

Other Resources Available for Laid Off Workers

For an updated version of the **Resource Guide for Laid Off Steelworkers** visit the Make Our Future Work site at www.makeourfuturework.org.