



BENEFIT NEWS BRIEFS

DOL Updates FAQs for Employers; Clarifies Who Receives What Notices When

With all the attention given to recently released IRS *Notice 2009-27*, the *Frequently Asked Questions (FAQs)* updated by the Department of Labor (DOL) on April 2 have not received much attention. The DOL is the agency responsible for guidance on the COBRA Notices. The updated *FAQs* modify the answer to *FAQ 6* (addressing the new notice rules) by adding *FAQs 14-16* about the General Notice. *FAQs 18-19* discuss the Notice in Connection with Extended Election Periods. *FAQs 20-26* contain helpful examples using different dates for qualifying events and elections to illustrate who should get what *Notice* in what circumstances.

FAQs 23 and 24 are of special interest as they use fact patterns that would entitle the qualified beneficiary to TWO election notices.

The *FAQs* are found on the DOL's COBRA Subsidy webpage at <http://www.dol.gov/ebsa/faqs/faq-cobra-premiumreductionER.html>. A specially prepared version with a Table of Contents is available by "[clicking here](#)."

Individuals involved with preparing and distributing the COBRA premium subsidy Notices should **CAREFULLY** review the new DOL *FAQs*, especially the new *FAQs 14-26*.

In considering how to distribute the Notices, one should remember that "*Unless specifically modified by ARRA, the existing COBRA notice manner and timing requirements continue to apply.*" <http://www.dol.gov/ebsa/faqs/faq-cobra-premiumreductionER.html>, Q&A 6, paragraph 2.

The COBRA Notice regulations at *ERISA* Reg. 2590.606-4 allow the requirement to furnish EACH Qualified Beneficiary an Election Notice to be fulfilled by sending a single notice. If, on the basis of the most recent information available to the plan, the covered employee's spouse resides at the same location as the covered employee, this single Notice may be addressed to both the covered employee and the covered employee's spouse. Addressing the Notice to the employee satisfies the requirement to furnish the Notice to dependents.

A brief summary of who gets what Notice in light of the updated DOL FAQs is available by "[clicking here.](#)" A one-page chart with the highlights of the summary is available by "[clicking here.](#)"

***The Notice in Connection with Extended Election
Periods must to be mailed by April 18, 2009.***

At the April 6, 2009 DOL/IRS COBRA premium subsidy webcast, entities responsible for sending out the new notices were encouraged to send out the Abbreviated General Notice around the same time.

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