WORKFORCE 3ONE

TRANSCRIPT OF WEBINAR

EBSA, COBRA And THE COBRA PROVISIONS IN THE AMERICAN RECOVERY And REINVESTMENT ACT OF 2009

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BRIAN KEATING: All right. Very good. With that I'm going to go ahead and turn things over to Michael Harding. He's the e-tool unit chief with the Office of Workforce Investment Employment and Training Administration. Michael, take it away.

MICHAEL HARDING: Thank you very much, Brian. Welcome to our webinar. The objective of our webinar today is to discuss how the provisions of the Consolidated Omnibus Budget Reconciliation Act – more shortly known as COBRA – has been impacted by the February 2009 recovery act.

As you know, the unemployment rate now exceeds 10 percent and the impact obviously goes beyond the loss of the job. Half or less of those seeking work possess no health insurance.

Since 1985 COBRA has enabled many individuals to retain health insurance even after losing their jobs. Enacted as part of a huge budget law, COBRA allowed them to continue with their former employer's group health insurance plan, typically for up to 18 months. However, under COBRA such unemployed individuals were responsible for the entire premium amount. Normally an employer would typically pay more than half of the premium.

Nevertheless, COBRA is still a good deal because the individuals purchasing their own health insurance directly would usually pay much more. By paying the entire annual premium – pardon me. But paying the annual premium is costly, nearly $5,000 for an individual and nearly $14,000 for family coverage. However, not all of the eligible individuals take advantage of the COBRA benefit.

However, in February 2009 the recovery act made extra help available. It made the COBRA benefit temporarily much more generous to ease hardship during the current recession. For up to nine months, individuals who individually – involuntarily lose their jobs only have to pay 35 percent of the premium. This subsidy is available to individuals laid off between September 2009 and the end of this year. However, there is legislation pending which may extend the deadline to June 30, 2010.

DOL has an outreach campaign and the Employment and Training Administration and EBSA are working together on that outreach plan. And the plan is to tell laid off workers that this new benefit can save them nearly two-thirds of their health insurance premiums under COBRA, obviously a potential savings of thousands of dollars.

The Department of Labor's Employee Benefits Security Administration – EBSA – which has a subject – which has a role of a subject matter expertise, leads this outreach effort. But ETA also has a role. In partnership with EBSA ETA has issued two training and employment notices and is conducting this webinar to encourage the workforce system to disseminate the information about the COBRA subsidy.

Let me assure you that it is not the intent of this webinar to make you an expert on COBRA or on how ARRA impacts COBRA, but rather to give you enough background information to enable you to share some of the basics with those who come into your offices for assistance. Also, we want to make you aware of the resources you can share with your customers who need additional help and information.

As Brian told you earlier in the webinar, this entire PowerPoint presentation is available for you to download. And as we went our way through here you'll see links to Web sites and links to other resources that you're probably going to want to make a note of.

DOL strongly encourages the workforce system to become informed about this vitally important COBRA premium reduction, to read the TEN and to visit the Web site at www.dol.gov/ebsa/cobra. DOL strongly also encourages the workforce system to spread the word to those who have lost or about to lose their jobs and to have these materials handy to provide to individuals, so as to maximize COBRA participation rates.

Before I turn the remainder of the time over to Debra Golding, the deputy director for education and outreach, we have conducted a couple of polls. Brian, can you bring those back up on the screen?

MR. KEATING: Absolutely. Let me just go ahead and pull those up for you. And just give me one sec to go ahead and bring those back.

So the first question was, "Have you read TEN 14-09 or TEN 42-08?" It looks like more no than yes.

MR. HARDING: All right. And for those of you who don't know what a TEN is, let me tell you that it's a training and employment notice put out by the Employment and Training Administration. It's a way that ETA communicates information from the Frances Perkins Building here in Washington, D.C., throughout the workforce system.

Thank you, Brian. Next question.

MR. KEATING: And the other question – polling question – is, "What organization do you represent?" It looks like there was mostly state workforce agency and One-Stop Career Centers represented today.

MR. HARDING: All right. Thank you very much, Brian.

MR. KEATING: You're very welcome.

MR. HARDING: Debra, at this time we turn the controls over to you.

DEBRA GOLDING: Okay. Thank you very much, Mike. I'm very glad to be here today to join you to talk a little bit about the COBRA premium reduction provisions that were included as part of the American Recovery and Reinvestment Act. I know some call it the recovery act, some call it ARRA, so I might interchange them throughout the presentation but they both are the same act, the one that was enacted February 17, 2009.

Before we actually get into the meat of the provisions, I wanted to just spend a minute giving you a little background on who EBSA is so you can see how we're involved with the COBRA provisions. Basically, our agency is responsible for the federal laws and in that responsibility provides education and assistance along with regulatory interpretation and enforcement for the laws that govern private retirement benefit plans and health benefit plans. And we work to help employees and their families understand the laws as well as employers and other plan officials so that the plans can be carried out in compliance with the law and the employees can get the benefits that they are entitled to.

Now, as Mike said, today we're going to be going through a lot of different provisions. And the goal is not to make you an expert; it's really just to kind of make you aware of some of the provisions that exist and let you know where to go for further information. So as Mike said, there are a number of slides that give Web addresses and links to different resources.

There's also another resource. Our agency has customer service units through all of our regional offices. And here is a picture of – we have 10 regions and within the 10 regions there are five district offices. And there are customer service units in each of those regions that are there to assist the public and can help you if you have any questions. And later on we'll get to the toll-free number that we have that can be used to call to reach one of our regional offices. And if you call that number it will automatically take you to the regional office that services where you're calling from.

A little bit more about who we are. There are a number of federal laws that relate to benefits that are provided through private sector employment. Some of them you might have heard of. ERISA deals not only with retirement plans – as the name might indicate – but also health plans as well. There's COBRA.

Another law that we get a lot of questions on – and we'll talk in a minute about how that is related to COBRA – is the Health Insurance Portability and Accountability Act, or

HIPAA. The one thing I would just note here is that we don't deal with the privacy provisions in HIPAA; that's actually HHS. But there are other provisions that deal with pre-existing condition exclusions, wellness programs, nondiscrimination and health status; those are the provisions that EBSA works on.

There are a number of other laws, as you can see on the screen. And then Congress keeps adding to this list. We have now – we just issued rules on the Genetic Information Nondiscrimination Act and there is another mental health law that was passed that we're working on rules on as well. So if you go to the Web site that we'll provide later, we have more information if you ever have any questions on these provisions.

One other one I'll just note is you might be involved – or have dealings with the CHIP Reauthorization Act. There was a provision added in there that gives children who are losing their rights under CHIP the ability to enroll in their parents' plan at the time when they are losing their – the health coverage under CHIP. So that's something else just to keep in mind.

Okay. On to COBRA. Before we actually get into the premium reduction provisions I just wanted to take a couple minutes to go over some of the basics of how COBRA itself works so that then the premium reduction provisions will make a little bit more sense.

Now, as Mike noted, COBRA was enacted to allow employees and their families who would otherwise lose group health coverage because of different events in their life, such as leaving a job or a divorce or a child who ages out of dependant status, to lose their coverage under the employer's group health plan – and it allows them to continue that coverage for a certain period of time.

Now, this is – the thing to keep in mind is it's not only important for people who currently need health coverage, but another reason why it's important for people to think about COBRA is going back to the HIPAA provisions I mentioned a minute ago, that under HIPAA if someone has a break in health coverage for 63 days or more then they can be subject to a pre-existing condition exclusion when they join a new health plan. So the COBRA is one way to avoid that break in health coverage when someone's between jobs or – that's usually the most common situation and kind of related to the events of what we're talking about today.

This is just a quick slide to show that it's actually not only the Department of Labor that addresses COBRA but also the IRS and then HHS deals with COBRA for state and other government plans.

And this is just a quick definition of what COBRA is. We've kind of – it allows people to continue coverage under a group health plan and it's offered to qualified beneficiaries. That's what the individuals who are entitled to COBRA are called; it's the employee or their spouse or dependant, whoever has the event that causes them to be eligible. And the event that would give them the rights to COBRA coverage is called the qualifying event.

It can be a termination of employment; it can be a divorce, as we said; or the death of a covered employee.

Now, there are three basic requirements in terms of being entitled to COBRA coverage. The first is that the group health plan that the individuals were in has to be covered by COBRA. The second is that a qualifying event has to have occurred. And the last is that the individuals are qualified beneficiaries so that they're entitled to it.

And basically, in terms of what plans COBRA applies to are those sponsored by private sector employers or employee organizations, such as labor unions. And the key is that they have to have employed at least 20 employees in the prior calendar year.

There are other laws that have similar provisions for group health plans that are sponsored by the federal government and state or local governments. And also, there are some laws that are – tend to be called mini-COBRA laws that many states have that apply to private sector employer plans that have fewer than 20 employees.

Now, this chart – I'm not going to talk about a lot of it because it's really a list of all of the qualifying events that would entitle someone to being eligible for COBRA. But you'll see that – this is something that's good to keep a copy of just to kind of – if questions come up. But there are a number of different events which would cause someone to lose coverage.

And in the brackets is the length of time for which they can – they're eligible to have the COBRA coverage. As Mike mentioned, most of them are for 18 months. There are a few qualifying events that do enable the qualified beneficiary to get COBRA coverage for 36 months.

The event that we're going to be focusing on today is the first bullet; it's involuntary termination of an employee's employment for a reason other than gross misconduct. And as you can see, that does make someone else make someone eligible for 18 months of COBRA coverage.

Now, the basic way that COBRA operates is the plan administrators are required to notify qualified beneficiaries upon the qualifying event. So that would be if someone is terminated they would let someone know that they are entitled to COBRA coverage. Now, there are certain events where the qualified beneficiary has to let the plan know, such as a divorce or death. But for the most part the plan administrators are providing the notice to the qualified beneficiary.

Now, as Mike noted, qualified beneficiaries can be required to pay as much as 102 percent of the cost of coverage. So they're still getting it at a group rate but they're paying the entire portion that the employer used to pay as well as – the 2 percent is intended to cover administrative costs. And the coverage, when someone elects COBRA coverage, goes back to the date of the qualifying event, to effectively make it so that there is no loss of coverage.

(Pause.)

I'm sorry for the break, but we just noticed that there are a couple questions that came in that kind of relate to what I've already said. There are some that are coming in that relate to what I will get to, so we'll follow-up on those later.

But just to kind of go back to what I said, someone asked, "What does CHIP stand for?" And it's the Children's Health Insurance Program. And it's administered by HHS and helps to provide health coverage for low-income children. That's very, very general. But there is a Web site that HHS has that provides a lot more information. And so there's just one tiny provision that now relates to – that gives right to a private sector plan. But just wanted to note that in case someone comes to you with a question about how to get their children covered for health care.

Another question that says, "EBSA investigate and enforce discrimination due to mental health and women's health?" It all – our jurisdiction really comes from the plan. So if the plan is discriminating based on health status then – and it's related to the benefits under the plan, then we would. A lot of times there is discrimination that's related to employment or issues outside of the plan that we would not – that are outside of our jurisdiction.

I think the other questions we'll probably get to a little later. So I'll go back to just kind of starting with the COBRA subsidy. And what the recovery act did was it provided a subsidy to help qualified beneficiaries pay for the premiums under COBRA. Basically, they would only have to pay 35 percent and would be considered having paid the premium in full. And the remaining 65 percent is reimbursed to the employer or the plan of the insurer by a payroll tax credit.

Now, basically the subsidy can last for up to nine months. We'll get to the limitations in a couple slides. And it really is for periods of coverage that begin on or after February 17, 2009. So for many, that was – since a lot of health coverage is provided on a monthly basis, for a lot of plans that was effective the March 1st time period.

Now, as you can see, the recovery act also extended time periods for health coverage with respect to individuals who were having – where their retirement plan is being trusteed by the Pension Benefit Guarantee Corporation and then it also changed the Trade Adjustment Act provisions. And we'll get a little bit more into the detail of that and the impact of that.

But in terms of the relationship between EBSA and the TAA provision that allows for a health-care tax credit of 80 percent, EBSA doesn't oversee those provisions for the health-care tax credit. I know EBSA works with the IRS on those provisions. But we'll get to in a few slides – there is a connection between that credit and the subsidy that's important for someone to know in terms of making a decision about which they want.

Now, the subsidy is available for plans covered by federal COBRA as well as the state continuation laws. And it applies to all group health plans except for flexible spending plans. So it applies to vision benefit plans, dental benefit plans, health reimbursement arrangements. The only thing it really doesn't apply to are flexible spending plans.

And there was a second election period but that timeframe has really passed by at this point.

And as noted before, here is one place to go for additional information. We have set up a dedicated COBRA Web page that has all of our information. But as you can see here, there are some of the items that we have posted there. The model notices we'll be talking about in a few minutes. Those are actually for employers or the plan to provide to the employees and their families to let them know about their rights, including about the premium reduction. And then we have some frequently asked questions and other materials for employees and employers.

So this page is something that you can subscribe to so that whenever new information is posted you'll be notified of that as well. But it currently has a lot of information for employees as well, not as much as listed here but we have a fact sheet; we have frequently asked questions both on COBRA itself and on the premium reduction provision; we have a video; a number of different items including the posters and fliers we'll mention in a little bit.

Now, generally in terms of who is eligible to get the premium reduction, under the law it's called an assistance-eligible individual – or AEI, as people like to call it for short. But basically, it's someone who is a qualified beneficiary because of involuntary termination of employment from September 1, 2008 through December 31, 2009. You have to be eligible for COBRA continuation coverage during that time and they have to actually elect the COBRA coverage. And as we noted before, that the qualified beneficiaries can include the employee, their spouse and dependants.

Now, the bottom bullet is actually a question that's coming up a lot lately as we get closer to the December 31st date. And this is important. Both the involuntary termination and the loss of coverage must occur between September 1, 2008 and December 31, 2009. So that this means that the person not only has to have had the involuntary termination but their health coverage has to have terminated.

So for someone who is losing their job in December and if their health plan provides coverage through the end of December because it was paid for, for that month, then technically they will not have lost health coverage on December 31st. January 1st would actually be the date they would lose health coverage.

So this is something where there is a lot of questions coming up and is, as Mike mentioned, in terms of legislation that's pending. So I would just probably check back on that. But this really – the way the law's written now, this is how it works.

Now, one of the key terms, obviously, is what is involuntary termination? And the IRS has the jurisdiction for interpreting it and has done a lot of good guidance. But the one thing to keep in mind is the definition for the recovery act purposes for these COBRA provisions is different than how it might be interpreted in other situations. So what we're talking about here really just is for the limited purpose of the COBRA premium reduction provisions.

And so basically the definition that's – you can see the definition there. And it includes things like layoffs or failure to renew a contract if the employee would have continued the contract but for the employer not continuing it. Again, retirement where the employer would have terminated the employee's services and the employee knew it. If there's a severance or a buyout so a person leaves because of that, then that is considered involuntary. One thing to note that for layoffs or a reduction in hours, it means a reduction in hours basically to zero. It's not a partial reduction in hours.

And these are some of the types of events that would not be considered an involuntary termination. And as we said, reduction in hours is the one where most questions come up because the employee is still working some hours so it's not considered an involuntary termination.

Now, in terms of how long someone can get the premium reduction, the – basically, as I noted before, it started with the – beginning either February 17th or the first period after that, which was March 1st. And people can get the premium reduction either for nine months, or if they become eligible under other group health coverage or Medicare, or the end of the COBRA continuation period. So if that 18 months ends before the nine-month premium reduction starts then that would be the end of the premium reduction, since obviously they would have no more COBRA coverage at that point and they wouldn't be eligible for any additional COBRA coverage.

Now, the eligibility for other group coverage is a key point to remember because it's eligibility for the other coverage. It doesn't mean they actually have to have the other coverage, simply be eligible. And again, it's an employer or employee organization-sponsored plan. So it's not individual coverage. And the eligibility is counted as of the date that the person could have become covered.

So say someone gets a new job and that job would provide health coverage – the person's eligible for it. Then they would not be eligible for the premium reduction. Now, if they prefer the health plan from their former employer they still are eligible for the COBRA coverage; it's just the premium reduction that they're no longer eligible for. And the eligibility for the premium reduction would be either the – would be the date when they could become covered under the new plan. So if their new plan had some type of waiting period, then they could still get the premium reduction during the time period for that waiting period.

And also, as noted, if someone becomes eligible for Medicare then they would lose eligibility for premium reductions.

So a few last points in terms of COBRA and the premium reduction to remember. All of the qualified beneficiaries have independent elections, so that if you have an employee, their spouse, independents, they each can make an individual election. So not everyone has to elect to go with COBRA and get the premium reduction. Some might not want to get COBRA coverage or have some – or want to do something else.

Now, getting back to the health-care tax credit that someone has asked about earlier. If someone receives the premium reduction for any months during the taxable year then they can't get the health-care tax credit. And so it's important to think about that in thinking about which would be more beneficial to an individual, is to think about both of those provisions and see which would be more beneficial in terms of helping to pay for health coverage, because they both have different requirements but you can't – someone can't get both of them.

The last is just kind of a note that an employer – and this is completely up to the employer – can offer additional coverage options to those eligible for the premium reduction. They're not required to, but if they do offer additional coverage options to active employees then they can allow those under COBRA and the premium reduction to switch as well.

Now, as for COBRA itself, there are notice requirements – specific notice requirements for employers – or if the employer has hired an insurer or someone else to be providing the notice for the plan – to make sure that people are aware of the premium reduction provisions. We provided model notices to help the employers get the notice out quickly and they could amend prior – employers could amend prior notices or could include the information about the premium reduction separately. And failure to provide information about the premium reduction is treated as a failure to provide – to meet the COBRA notice requirements.

And so this slide just briefly – this full general notice is basically when an employer decides to add the premium reduction provision to the general COBRA notice that's provided for people to find out about the COBRA benefits and decide if they want to elect COBRA coverage. And so one thing to note is that – to make sure that all those eligible for the premium reduction were – receive the notice, that it goes to more than just those who were involuntarily terminated. You can see it goes to all qualified beneficiaries. So that's just to make sure that anyone who has the right to elect that is aware.

There was also an abbreviated notice that, just as an employer – (inaudible) – provide the information about the premium reduction in a separate notice that can also be done.

And finally, the department was charged with developing a model notice for states to use. And this notice we have on our Web site as well. And the thing to remember here is each of these would be individualized for the state law because the state mini-COBRA laws might vary. And so there was room for the state to add that specific information.

In terms of how the premium reduction is calculated, basically if 102 percent – if the employer or the plan is charging the individual the maximum allowed under COBRA, then 35 percent would be applied to that 102 percent. However, in some cases an employer may pay part of the premium as part of a layoff or severance arrangement and the 35 percent would apply only to that part of the premium that the individual is actually paying – the employee. And it's not affected by payments made by anyone other than the employer.

The other thing to keep in mind is sometimes the employer might pay part of the premium for a certain period of time – say, six months – and then the employee would have to pay 102 percent after that point. The premium would – the premium reduction for the first six months would apply to the reduced portion that the employee was paying. But then because the employee – if they're eligible for the nine months of the premium reduction if they don't have any other coverage or anything come up – then for the last three months it would be 35 percent of that 102 percent. So again, it's whatever portion the employee pays, that's what the 35 percent is taken out of. And it doesn't matter what the employer paid prior to the qualifying event; it's what's being paid for this coverage at this point in time.

Just some notes in terms of the tax aspects of it. The subsidy is not treated as taxable income for the qualified beneficiaries. And as noted, for employers who are interested in how they get the payroll tax reimbursement, there's IRS form 941. And we have information about that on our Web site and the IRS also has that as well. But that is the form that has been updated for purposes of the premium reduction provisions.

This is just a quick note that for individuals above a certain income level – which you can see in the third slide (sic) – 125,000 (dollars) for individuals or 250,000 (dollars) for those filing jointly – there may be a recapture of some of the subsidy if their income goes above that. So that's something to keep in mind. It may not affect too many people.

But the critical point really to keep in mind is really the first bullet. And that goes back to what we were talking about in terms of being eligible for other coverage. The burden is on the assistance-eligible individual to notify their plan when they become eligible for other coverage. And if they don't, then there's a 110 percent tax that generally can apply to the subsidies that they've received.

So it's important to make sure that people are aware of this. And there's a form that was included as part of the model notice that we developed that can be used for employees to notify their plan. And so we included that so that when the plan provides notice to the employees to begin with that they're eligible for the premium reduction, the employee would have that form in their hand and could use it if needed.

Now, the employer's not responsible for refunding the subsidies or any of the issues with the IRS because if they don't know about it then – that's really the basis behind that.

Now, another important aspect of the premium reduction is it provided for expedited review for qualified beneficiaries, should their employer or plan deny them the premium reduction. And it provides that the Department of Labor will handle appeals related to the private sector health plans. And for those plans of – governmental plans would go to the Department of Health and Human Services.

And basically, both departments are required to make determinations on the appeals within 15 business days after receiving the completed application. Now, we have created an application which I believe there have been – there's a link on the slides here. And if not, it's also on our COBRA Web site where people can submit paper copies but they're encouraged to file online, and that helps – this helps speed things along.

And the department has a huge success rate in terms of making the appeal determinations within the 15 days. I think it's 99.7 percent, something like that. So we have been successful in responding to these in a very timely basis so that people can get their health coverage if that is the determination.

So it's something to keep in mind if someone comes and asks the question so you know where to send them; or if they're not aware that they have that right, to make sure that they are aware that they have the right.

And finally, just to kind of note again some of the resources we have. There's the COBRA Web page that I mentioned that has basically everything we've done related to COBRA on it and you can subscribe to it.

The second bullet lists our toll-free number that you can call to talk to our benefits advisors – our customer service unit. They also do outreach as well. So I know a lot of them have done Rapid Response events and similar events like that. There also is, as part of that toll-free number, a publication request line where you can call and request different materials that you have, many of the materials we've mentioned here, as well as additional publications on COBRA or – we have a publication for dislocated workers in particular that we have. Those are all available through that toll-free line.

And as noted, the IRS and HHS also are involved with the premium reduction provision and we have linked from our COBRA page to their dedicated Web pages as well if people want to look for additional information on their particular provisions.

And as Mike noted, basically at this time there is legislation pending that would extend the COBRA premium reduction. There are a number of different provisions in play, both extending eligibility past December 31st as well as – (inaudible) – changing the nine-month timeframe. But at this time it's all pending. What I probably would recommend is to subscribe to our COBRA Web page or to check it periodically because we will be updating that whenever there are updates, as well as the different materials that we have, from the fact sheets to FAQs, et cetera, will all be updated for any future changes that – if they should occur.

And I believe there is also – yes. Included in the PowerPoints are some of the posters and fliers that we've created that are available and we can get you copies of. We had mailed out packets. I don't know if they got there because we – maybe the addresses were – there was a mistake in the address or a mistake in the contact person. But we did try to mail a packet to all of you One-Stops and have been trying to follow-up and call so that if we haven't reached you, please feel free to call us to request materials, or they are available on the COBRA Web page.

This is the poster – the "Job Loss?" poster. It also can be printed out in flier size. But it also includes retirement issues, so it tries to address all the benefit issues.

This is a flier for employees, just to make them aware of the COBRA premium reduction.

This is a flier for employers, to make them aware so that they know that they have some new responsibilities to follow-up on.

And this is basically a flier that just makes people aware of the appeal process and where to go to file an appeal if they do wish to do that.

And we have most of these materials available – actually, all of the posters and fliers are available in Spanish as well. And a lot of the – (inaudible) – materials are available in Spanish as well.

MR. HARDING: Also, let me add that all of the fliers that Debra has just reviewed with you in the last two to three minutes, if you go to page four of the TEN 14-09 you'll see that there are links embedded in the TEN where you can go to get all of the marketing collateral that Debra's just reviewed with you.

MS. GOLDING: That's basically all I had to say. I guess –

MR. HARDING: All right. Well, thank you, Debra, very much. We've got about 15 minutes left in the webinar. We have 26 questions. We'll wend our way through these as quickly as we can. I'm going to start from the most recent question that we received and work backwards.

And that question was, "Is there a poster available?" And yes, there is a poster available and we just talked about that.

The next question says, "In determining the premium reduction can the cost basis increase after the qualifying event because of a change in beneficiaries? For example, single individual becomes a family plan."

MS. GOLDING: Yes. There can be changes over time for a number of different reasons. Another situation is where someone had a – the employer paying part and then that switched, but – or it could be if the employer offers different health plan options and someone were to choose another option that costs a little more. So it can change and the bottom line is that basically the 35 percent is based upon whatever the employee is paying.

MR. HARDING: All right. Thank you.

MS. GOLDING: Now, the one thing I would just keep in mind is just remember that the person has to be a qualified beneficiary. So just make sure in determining that that the – it is individuals who would be considered a qualified beneficiary.

MR. HARDING: All right. The next question is, "How does this impact individuals on SSI and Medicaid? Are they eligible if they have a QE that results in a loss of employment?"

MS. GOLDING: That probably is more a question for HHS – (pause) – because – (inaudible) – specific in terms of Medicare. I can try and follow-up on that question if there's a way to get back to someone through this. But I think that's more an HHS question.

MR. HARDING: Could you simply add that to your Q&A's on the COBRA Web site?

MS. GOLDING: Let me follow-up and see what we can do. But, yeah, I'm sorry about that.

MR. HARDING: So keep your eye on the Q&A's on the COBRA Web site for that particular question when we get an answer.

MS. GOLDING: Or I mean – or, if you want a more immediate answer you can call and we can get –

MR. : (Off mike.)

MS. GOLDING: Right. You can call that toll-free number and I'll give a heads-up – I'll get the answer and make sure that we have that.

MR. HARDING: All right. The next question is, "Can you speak to the 20/80 split with HCTC and the TAA program?"

(Pause.)

We're just scrolling down to the bottom of the list of questions here for a moment.

(Pause.)

MR. KEATING: And keep in mind, questions are still rolling in. We do have a few more minutes to today's webinar so please feel free to ask your question if you have not already. If you have, we have that question and looks like we're reviewing that now.

MS. GOLDING: Well, as I noticed, the health-care tax credit really is outside of EBSA's jurisdiction. We kind of have some information about it with respect to – because of the overlap, so that if someone were to take the premium reduction they couldn't take the health-care tax credit.

We do have information on our COBRA page that goes into more detail – a little bit more detail. We worked with some of the ETA and IRS staff to kind of develop some information to give more background so that people would have that to consider. But there is from our Web site also a link to the IRS page that goes into a lot more detail on the changes to the health-care tax credit. So I probably would refer you to that to kind of get a lot more of the background.

We just really want to make sure and call to people's attention that when they are looking at the premium reduction to make sure before they take it that they've looked at the health-care tax credit to see if that would not be a better option so that they can make sure they're getting the most help for paying for health coverage.

MR. HARDING: All right. The next question is regarding part-time employment and the continuation of COBRA. "While obtaining COBRA benefits and you obtain part-time employment would COBRA continue?"

MS. GOLDING: Well, COBRA would definitely continue; the question is the premium reduction. And it would all depend on whether they are eligible for health coverage under a part-time job. I mean, usually the situation is more likely they would not be. And so, as long as they're not eligible for coverage under that part-time employment situation then they could still get the premium reduction as well.

MR. HARDING: All right. A question regarding plan administrators. "Plan administrators are required to notify qualified beneficiaries. Who are the plan administrators?"

MS. GOLDING: Well, that is actually – it's an official term under ERISA but it can be anyone from the employer themselves – it might be if they have HR staff. A lot of times employers hire out and hire a third party administrator to help run the plan and that would – they would be – have a plan administrator status. Or they have an insured plan sometimes it's officials of the insurance company.

The key is to – you can check the plan document because the plan administrator will be identified because employees need to be able to know who to contact if they have questions about their plan.

MR. HARDING: All right. And we did get an e-mail address to send that e-mail response to on the question that you're going to do some research on.

MS. GOLDING: Okay.

MR. HARDING: That was from Kay Hadden (ph) in Florida.

Let's see.

MS. GOLDING: Okay. We will definitely follow-up on that. I'm sorry about that.

MR. HARDING: Okay. Question regarding the duration of the benefits. "Why are the benefits only for nine of the 18 months?"

MS. GOLDING: Well, that is really more of an issue for Congress. I think it really had more to do with the cost of the subsidy. That's why, as I noted, that the pending legislation there's some – some of the proposals have proposed to change the nine months. But I think it was – that was just really something that was part of the legislative drafting. It's not tied to any specific COBRA provision.

MR. HARDING: All right. The next question is regarding a temporary job. "I have a customer who is on COBRA. She is taking a six-month temp job and will be receiving health insurance for that job. When the job is over does she pick up the former COBRA or on the new plan?"

MS. GOLDING: It would be on the new plan.

MR. HARDING: On the new plan. All right. A question regarding printing the fliers from the TEN. Quite honestly, I don't know if that is a hot link in the TEN; it will actually take to the Web site or not. But if not, you certainly can just cut and paste that out of the TEN and put it into a browser and it should take you to the fliers to be posted in your offices.

MS. GOLDING: Or if people do want, they can call us and we can send them copies, especially of the poster or for any of the fliers. We can get them copies in the quantities that they want for any of the materials.

MR. HARDING: All right, Debra. We have a question about transitioning from an ARRA subsidy to an HCTC eligibility. How does that happen?

MS. GOLDING: Well, I think the one thing to keep in mind is if they've gotten the premium reduction for a period of time during that taxable year, they won't be eligible for the health-care tax credit. So I think – but after a certain period of time they might be eligible for the health-care tax credit. But that's why we're really trying to – the point we're really trying to make is to make sure that people think about both of those benefits before they make a decision versus afterwards when they might have gone for the premium reduction and find out that the health-care tax credit might have been more beneficial.

MR. HARDING: Right. Thank you.

MS. GOLDING: But like I said, I mean, there is more information on the health-care tax credit as well through our COBRA Web page. And that has links to the IRS Web site that has additional information, since they actually administer the health-care tax credit, working with ETA I know.

MR. HARDING: All right. Next question is regarding, "What happens if a person declines COBRA initially because they're not aware of the subsidy? Do they have the opportunity to access the premium reduction and sign up for COBRA after the initial window has passed?"

MS. GOLDING: Well, if their employer didn't provide them adequate notice – the notice didn't include information about the premium subsidy – then they would have another opportunity. If the employer did provide the notice and they weren't aware of it, I think that they would not have a second chance.

Now, this is talking now. There was a – when the – (inaudible) – was originally passed it allowed a second bite of the apple, so to speak. But that time period has basically passed.

MR. HARDING: All right. Next question, Debra, has to do with, "Health insurance is available through a spouse's employer; however, the household elects COBRA coverage from the terminated employee's plan because it has better coverage. How does that work?"

MS. GOLDING: Well, they can elect coverage through the terminated employee's plan. The question is really about the premium reduction because as long as they're eligible for the spouse's health plan they can't get a premium reduction. Even if they're not in that plan they can't get the premium reduction. But they certainly can – would be eligible for COBRA coverage.

MR. HARDING: Okay. Thank you. Let's see. (Pause.) I think that that is all of the questions that I have here.

Let's see. Oh, "How is COBRA being addressed in the House and Senate health bills presently under consideration in Congress?"

MS. GOLDING: Well, as I noted, there are a number of proposals and they're looking at different provisions. We don't know how it might end up. As Mike noted, there are some that are looking at extending the December 31st date for eligibility for the premium subsidy and then there are others that are looking at changing other provisions such as the nine months, to extend that.

So there are a number of different proposals that are out there right now and, like I said, we are tracking it. And I would just – if you want, you can just subscribe to our COBRA page and as soon as there is any final action we will be updating that Web page very quickly to make sure that the latest information is provided.

MR. HARDING: All right. Thank you. There is another question. The question is, "Is this retroactive for those employees that have been paying full COBRA since February '09?"

MS. GOLDING: It would go back to – if – it would just go back to premiums since enactment of the recovery act. It does not go back – if someone lost their job in, say, last October and was paying COBRA prior to enactment of the recovery act, it would not cover the premiums for those months. But if someone is paying for the premiums and – it would go back to the date of enactment.

MR. HARDING: Okay. We have another question from someone that appears to be in a Rapid Response office. "What information would you suggest should be given to dislocated workers at Rapid Response meetings on this subject without getting too complicated?"

MS. GOLDING: Well, I mean, we have – we actually have a – what a lot of people call the red book that is questions and answers for dislocated workers. We have updated that book in English and Spanish to include information on the premium reduction. So those are available if someone wants that. We can send you copies.

The other thing is if you want something just on the premium reduction and not on COBRA and HIPAA and the other information, we can get you the – we have a fact sheet that would provide a good overview of the premium reduction provision for people if they want to have something that's just a shorter piece.

MR. HARDING: All right. As I'm scrolling through the questions we've – I believe that we've addressed all of the questions either directly or indirectly. If for some reason we have missed one, you can refer to the PowerPoint presentation and contact one of your regional offices. Also, we point you to pages 41 and 42 for other COBRA resources that you may find useful.

And Brian, we turn the time back over to you.

MR. KEATING: All right. Very good. Thank you so much. And thanks, everybody, for participating today in our question-and-answer period. And thanks to our presenter and moderator for helping us out today with that.

All right. Well, we're going to be wrapping up today's webinar. We do have some additional resources here and I'm just going to flash these on-screen right now, but keep in mind you can download the PowerPoint slides. The link to do so is in the chat window. So if you scroll up to the top of the chat window you can actually download these PowerPoint slides as well as the TEN handout which we had referenced earlier.

And I'm actually going to repost that link so it's fresh at the bottom of your chat window. But feel free to go ahead – all you'll need to do is log into Workforce3One. You can access those resources directly.

And when you download those slides you'll have access to these links and information, so you don't have to hurry to write them down right now. But you can see that we do have some additional resources available to you here. And in addition there are some more links here that you can feel free to check out for additional information.

All right. And as we wrap up I just want to talk a little bit about Workforce3One. As you can tell, lots of resources on today's webinar. Workforce3One is a tool built for you and by you, encouraging peer-to-peer learning and engagement among our multiple communities of practice and the different areas. And the success of Workforce3One really depends upon you and your contributions. So we encourage you to share your ideas, innovations and more with others; and we really look forward to suggestions for documents to share, programs to feature and any relevant news or information you'd like to exchange with your colleagues.

So if you'd like to submit some content for us to post right on Workforce3One as a resource, just go ahead log into Workforce3One, look for a Share Content link located right there on the right-hand side of the home page. And you can also send us an e-mail directly at submissions@workforce3one.org. So please feel free to submit your resources at any time.

And in addition, we did talk about this earlier but we have recorded today's webinar. The webinar recording as well as the written transcript are going to be made available in about two business days. The PowerPoint slides as well as the handout are available now. There's a direct link, as we had said. You can also just log into Workforce3One, as you see on your screen. When you do that you're going to automatically be brought to your My Dashboard page. At that point you'll see the title of today's webinar showing up in an Attended Events section. You can just click that link and it'll bring you to a resource page where you can access those resources.

Again, the PowerPoint slides and the handout are available to download now. The webinar recording as well as the transcript will be available in about two business days. So keep on the lookout for that.

Also, I just want to let you know about a couple other resources that are available on Workforce3One. As previously mentioned, you can learn more and stay connected with trends and innovations by connecting to one of our communities of practice, which we have on several different areas, such as: re-employment, regional innovation grants, lots of different communities of practice. So check that out.

Also, for additional resources on the American Recovery and Reinvestment Act and learning about what's happening with that, how it might affect you, we have a whole Recovery Clearinghouse section of Workforce3One. So all these links are clickable. You can click on that right now and visit that area to get additional resources on that act and what's going on with it.

Also, if you're a visitor today you might want to go ahead and register for an additional live upcoming webinar. And we've got literally years of archived webinars, so please feel free to visit – either view a recording from a past webinar or register for another upcoming webinar which is publicly available.

Also, we have podcasts for you to listen to. You can listen to right on your computer. You can even download it to an mp3 player if you're on the go. And then we also have a monthly newsletter that links out to a lot of these different resources. So you can either update your account if you're not receiving that monthly newsletter, or you can register for an account to receive it.

So we really encourage you to find out more about Workforce3One as it's a powerful tool funded by ETA and powered by you. We've got literally thousands of resources for you to enjoy, so please feel free to investigate and poke around. We've got a database, many of which were supplied by you, the Workforce3One community.

And of course, if you'd like more information about the workforce investment system you can always visit careeronestop.org or give us a call at 877-US2-JOBS.

All right. And with that I'm going to go ahead and wrap things up. Once again, thanks to all of you for participating and for taking time out of your day to join us today. Thanks for our moderator and our presenter. And we look forward to seeing you on future Workforce3One webinars.

Thanks so much, everybody. Have a great day.

(END)