


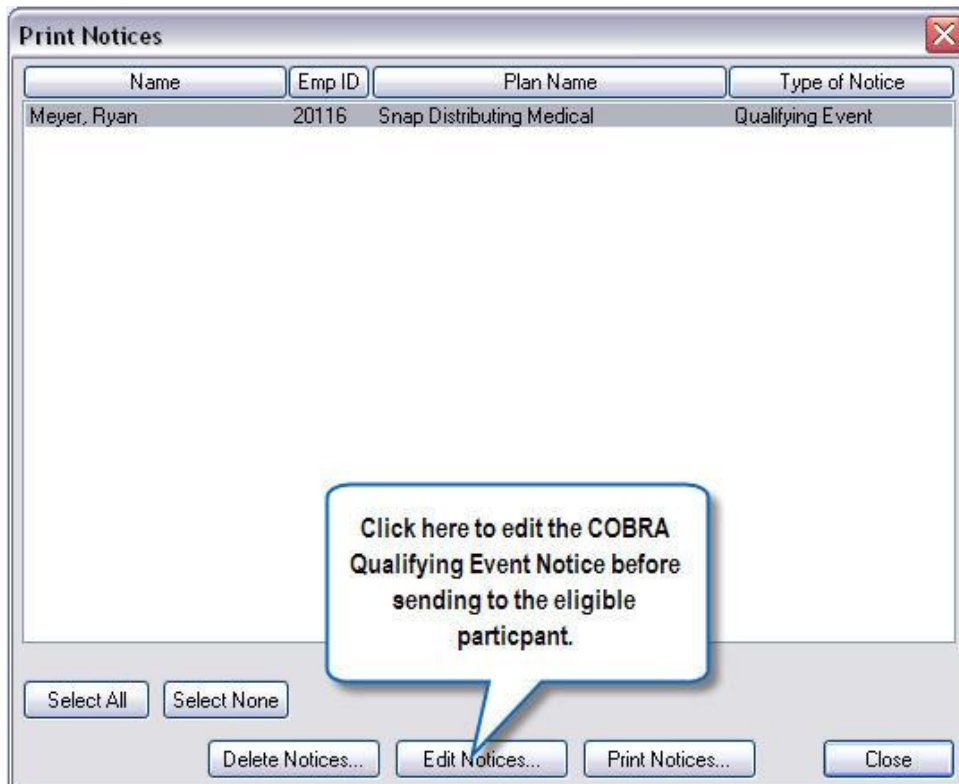
Handling 2009 COBRA Amendments in Ascentis HR

The American Recovery and Reinvestment Act (ARRA) of 2009 was signed into law on February 17th. The ARRA includes temporary, but significant changes to the employer's COBRA responsibilities. The ARRA will necessitate making changes to the *COBRA Qualifying Event* and *COBRA Payment Reminder* notices for Ascentis HR customers administering COBRA. Lastly, the ARRA will require employers to notify former employees, terminated on or after September 1, 2008 who did not elect COBRA, of an additional 60-day window to elect under the new guidelines.

COBRA Qualifying Event Notice

The ARRA offers eligible COBRA participants a temporary subsidy paid by the employer (employer is credited by the federal government) of 65% of the premium amount for up to 9 months after election. *(NOTE: Employees who voluntarily resign or who earn \$145,000 individually or \$290,000 joint are ineligible for this subsidy)*

For employees matching the eligibility criteria, the COBRA Qualifying Event Notice in Ascentis HR will need to be adjusted to reflect two sets of rates (one set with the 65% subsidy, and one after the subsidy expires after 9 months of coverage) before it is printed. To do this, click on the  button on the "Print COBRA Notices" screen. See screenshot below for an example.



Dear Tanisha Jones:

This notice contains important information about your right to continue your health care coverage in the
Snap Distributing Medical

Please read the information contained in this notice very carefully.

To elect COBRA continuation coverage, follow the instructions on the next page to complete the enclosed Election Form and submit it to us.

If you do not elect COBRA continuation coverage, your coverage under the Plan will end on 2/28/2009 due to:
Termination of Employment

Each person ("qualified beneficiary") in the categories checked below is entitled to elect COBRA continuation coverage, which will continue group health care coverage under the Plan for up to 18 months:

- Employee or former employee
- Spouse or former spouse
- Dependent child(ren) covered under the Plan on the day before the event that caused the loss of coverage

If elected, COBRA continuation coverage will begin on 3/1/2009 and can last until 9/1/2010.
 COBRA continuation coverage will cost:

Snap Distributing Medical

From 3/1/2009 to 12/1/2009:

Employee Only	\$77.47
Employee + 1 Dependent	\$124.59
Employee + 2 or more Dependents	\$176.72
1 Dependent	\$47.12
2 or more Dependents	\$99.25

From 12/2/2009 to 9/1/2010:

Employee Only	\$221.34
Employee + 1 Dependent	\$355.98
Employee + 2 or more Dependents	\$504.90
1 Dependent	\$134.64
2 or more Dependents	\$283.56

Include two sets of rates in the Qualifying Event Notice. The 65% employer match is only applicable for the first 9 months of coverage. COBRA participants pay 100% after 9 months of COBRA coverage.

The addition of the second set of rates will need to be performed on a case-by-case basis as not all employees may qualify for the subsidy. Please click [here](#) for full eligibility information.

COBRA Payment Reminder

The COBRA Payment Reminder notice has a premium amount within the document that may need to be adjusted based on eligibility and entitlement period. See screenshot below.

Tanisha Jones
 120 1st Ave
 Apt #1101
 Seattle, WA 98104

To Tanisha Jones:

Please adjust the Premium Amount here based on COBRA participant eligibility and subsidy entitlement period.

As shown below, we have not received your premium payment for COBRA continuation coverage.

Period of Coverage	Premium	Due Date	Grace Period Ends
03-1-2009	\$77.47	03-22-2009	03-22-2009

This amount will also need to be adjusted on a case-by-case basis.

If payment is not made by the Grace Period ending date shown, coverage will be terminated at the end of the last fully-paid period. If your coverage is canceled due to non-payment of premium, there will be no reinstatement of coverage.

If full payment has been made, please disregard this notice.

Former Employee Notification

Run a COBRA Eligibility Report under Report Wizard > COBRA & Continuation for a date range beginning on 9/1/2008 and ending on today's date. This report will generate all employees who were marked as being eligible for COBRA benefits upon termination of coverage. Of these employees, you will need to identify any that waived COBRA coverage, and alert them of the new provisions in the ARRA. You can also attach the modified COBRA Qualifying Event notice with this correspondence in case they wish to elect COBRA under the new provisions.

For questions on how to edit COBRA notices or generating a list of eligible participants, please contact Ascentis Technical Support at support@ascentis.com or 1-800-229-2713 x8.

NOTE: Knowing COBRA and how to administer it is your responsibility. Ascentis HR provides you with tools to help manage COBRA and Continuation of Coverage, but Ascentis Corporation assumes no liability. COBRA regulations change frequently and are subject to interpretation. The penalty for not following COBRA regulations is severe. If you are not well versed in COBRA requirements, please seek professional assistance.