



AMERICAN BENEFITS
COUNCIL

Revised February 9, 2009

COMPARISON OF KEY HOUSE AND SENATE COBRA PROVISIONS

Issue	House Bill	Senate Bill
1. Qualifying event for premium subsidy	Loss of health coverage due to involuntary loss of employment between 9/1/2008 and 12/31/2009	Same
2. Amount of subsidy	Individual pays 35% of COBRA premium and 65% of premium is subsidized by employer (which the employer may then claim as a credit against wage withholdings and payroll taxes)	Individual pays 50% of COBRA premium and 50% of premium is subsidized by employer (which the employer may then claim as a credit against wage withholdings and payroll taxes)
3. Duration of subsidized COBRA coverage	Maximum of 12 months, followed by unsubsidized coverage for up to 6 more months (i.e., for up to a total of 18 months of COBRA coverage as under current law)	Same
4. Effective date of subsidy	Subsidy effective for "periods of coverage beginning on or after date of enactment". (e.g., if legislation is enacted by mid-February 2009, subsidy would be effective for coverage periods as of March 1, 2009)	Subsidy effective for "a period of coverage beginning on or after the date of enactment...". (e.g., if legislation is enacted by mid-February 2009, subsidy would be effective for coverage as of March 1, 2009). Includes a 60-day special rule for refunds or credits to COBRA beneficiaries for any premium overpayments that occur after March 1, 2009.
5. Special election period	60 day special election required for those eligible for the subsidy if they had not previously elected COBRA	Same
6. Option to change	No provision. (Subsidy would apply to the continuation of the same	Individuals who are eligible for the COBRA premium subsidy would be

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coverage	health plan option in which the individual was enrolled as an active employee.)	allowed to elect any health plan option offered by their employer to active employees which has the same or lower premium as the individual's previous coverage option.
7. Payroll tax credit	Employers may claim tax credit against periodic deposits for wage withholdings and FICA payroll taxes for the portion of COBRA premium not paid by individual. If the employer's claims for COBRA subsidy payments exceed the amount of wage withholdings or FICA payroll taxes reported by the employer, Treasury is directed to reimburse the employer directly for the excess amount.	Same.
8. Extended COBRA coverage for certain individuals	Individuals who are 55 or older or have 10 or more years of service with an employer could remain on COBRA coverage until eligible for coverage under Medicare or another employer group health plan. This extended COBRA period would apply to eligible individuals (55 or 10 years of service rule) who lose health coverage due to loss of employment (due to an involuntary or voluntary termination) or a reduction of hours resulting in loss of coverage.	No similar provision