



March 9, 2009

## MEMORANDUM

**To:** All Payroll Locations

**From:** State Health Benefit Plan (SHBP)

**Subject:** COBRA Premium Reduction

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SHBP is currently awaiting guidance from the U.S. Department of Treasury regarding the implementation of the American Recovery and Reinvestment Act (ARRA) for the COBRA premium reduction (also called the COBRA subsidy). The U.S. Department of Labor is developing the model notifications with the requirements that must be included in the notification.

SHBP will advise all payroll locations of the new policy and procedures for administering the COBRA premium reduction once guidance is received. In the meantime, SHBP has received frequently asked questions (FAQ) from the House Committees on Education & Labor, Ways & Means, and Energy & Commerce Senate Committees on Finance and Health, Education, Labor and Pensions dated February 26, 2009. These FAQs provide basic information regarding the COBRA Premium Reduction portion of the ARRA.

If you have any questions, please contact Bill Tierney at [btierney@dch.ga.gov](mailto:btierney@dch.ga.gov).