

April 27, 2009

To: All Local Presidents, Legacy SBC
Fr: Kristie Darling, CWA Rep
Subj: COBRA ? FOR Laid Off Members
President Obama?s Stimulus Plan
[American Recovery and Reinvestment Act]

Members Laid Off between Sept 1, 2008 ? Dec 31, 2009 should be eligible for 9 months of reduced COBRA premiums. If the Co subsidizes (pays) for any part of this time period; the time paid-for runs concurrent with the 18 month COBRA law AND the 9 month of reduction. The normal unsubsidized cost of Cobra is 100% of what would be the premium. Under the President?s stimulus plan; the reduced cost is 35% of that rate.

Example: ?If? a laid off employee was covered under our contract for 6 months of Medical coverage they would have an additional 3 months at 35% of the cost. Then? beginning with the 10th month (continuing thru the 18th month); the cost would be 100%.

We have discovered that some of our members are not getting the benefit of the new Stimulus COBRA Rules. Have your Benefit rep co ntact your members and have them call the Enrollment/Eligibility Vendor [Hewitt] to be sure their COBRA rates are being treated appropriately. Though the number has not changed; you will shortly receive the new telephone number ?Contact List? via email.

Please let me know via email whether the Company was noncompliant with the new law. I will need the members name, ssn, date of termination/lay off, and a copy of their elected COBRA papers for each time the Co was not complying with the law.

Cc: Seth Rosen, VP
Linda Hinton, AVP
D-4 Staff
SBR?s