



COBRA Subsidy for Trade-Affected Workers

Q. What is the Health Care Tax Credit (HCTC) program?

A. HCTC helps certain trade-affected workers, retirees, and their families pay their health insurance premiums. The HCTC makes health coverage more affordable by paying 65% of health insurance premiums for individuals who are eligible for the tax credit.

HCTC is a refundable tax credit - it is paid in full no matter how much federal income tax an eligible individual owes. HCTC is available on a monthly basis to help individuals pay their health insurance costs as they become due or on a yearly basis when they file their federal tax return.

Q. I heard that the HCTC tax credit is increasing. How much and when?

A. The tax credit is increasing from 65% to 80% of qualified health insurance premiums. If you are a monthly HCTC participant, the 80% tax credit amount will be reflected on your HCTC invoice beginning in April 2009.

Q. I am covered under the Health Care Tax Credit (HCTC) program for TAA eligible individuals. If I take the COBRA subsidy will anything change?

A. If you receive a 65% COBRA Subsidy through your former employer - a new program established by the economic stimulus bill - you will not be eligible to receive HCTC during that same month.

You may be better off under HCTC since, under the stimulus plan, HCTC will pay a greater portion of your health insurance costs. The tax credit is increasing from 65% to 80% of qualified health insurance premiums. If you are a monthly HCTC participant, the 80% tax credit amount will be reflected on your HCTC invoice beginning in April 2009.

Q. Are there other changes in HCTC?

A. Newly-enrolled participants will soon be able to receive a credit on their HCTC account for qualified health insurance payments they paid in 2009 while enrolling in the monthly HCTC Program. The HCTC Program will begin offering this option in August 2009.

HCTC will be available to your family members for a longer period of time. Beginning in January 2010, qualified family mem-

bers may continue receiving HCTC for up to 24 months (but not beyond December 31, 2010) after the primary eligible individual experiences certain life events, including: enrollment in Medicare, divorce, or death.

Training and waiver requirements have changed for TAA recipients, making it easier to be eligible for the HCTC. Certain individuals who are receiving unemployment compensation (whether or not they meet TAA training requirements) and certain individuals who have a break from training, are now eligible for HCTC.

Q. Can I receive COBRA and HCTC?

A. The stimulus plan temporarily extended COBRA benefits for certain TAA-eligible individuals (including eligible TAA recipients and eligible ATAA recipients) and Pension Benefit Guarantee Corporation (PBGC) benefit recipients.

TAA-eligible individuals can receive COBRA for as long as they continue to meet the definition of TAA-eligible individuals.

PBGC benefit recipients can receive COBRA as a lifetime benefit, and in the event of the benefit recipient's death, their surviving spouse and dependents can receive COBRA for an additional 24 months.

COBRA Health Insurance Continuation Premium Subsidies make individuals ineligible for the HCTC during the same month. If you receive a 65% COBRA Subsidy through your employer -- a new program established by the economic stimulus bill - you will not be eligible to receive the HCTC during that same month.

Q. Does the New York State Department of Labor handle the COBRA coverage?

A. No. In general, the Employee Benefits Security Administration of the United States Department of Labor oversees COBRA coverage. You can get information by telephone or their website. Employers with less than 20 employees are covered under New York's mini-COBRA law, and information is available from the New York State Department of Insurance.

US DOL: 1-866-444-3272 or <http://www.dol.gov/cobra>
NYS DOI: 1-800-342-3736 or <http://www.ins.state.ny.us>