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Client Alert

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Amendments to COBRA

On February 17, 2009 the American Recovery and Reinvestment Act was signed by President Obama. As part of the Act, the coverage continuation provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") were amended.

The Act provides federal assistance or subsidy for payment of COBRA premiums to eligible employees and covered family members who involuntarily lost, or will lose, their employment from September 1, 2008 to December 31, 2009. The Act provides for a federal assistance equal to 65 percent of the COBRA continuation coverage premium for a maximum of nine months with the employee paying 35 percent. It is not clear whether the employer may continue to charge an additional 2 percent to cover administrative expenses. The premium assistance is not available to the employee if they are presently required by the employer to pay 35 percent or less of the premium.

Employees involuntarily terminated on or after September 1, 2009 and who elected COBRA, are eligible to receive the assistance prospectively for the premiums due on or after

March 1, 2009. Those employees who were eligible but elected not to continue with COBRA must be given 60 days to prospectively elect COBRA with a maximum coverage period from the date that COBRA coverage could have been elected. As stated, this assistance is not retroactive and may continue for up to nine months from or after March 1, 2009.

The federal COBRA premium assistance act requires the employer to advance the premium to be reimbursed to the employer through the federal quarterly payroll tax payments. This is an offset to its federal payroll tax liability. "Payroll taxes" include the sums to be withheld for federal income taxes and the employer as well as the employee portions of FICA, Social Security and Medicare taxes.

The Department of Labor, Treasury and Health & Human Services must develop a model Notice.

If you have any questions or need additional information, please contact any of the following attorneys:

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Going Green
Remember this...



Solid Waste Authority Recycling Requirements



The Puerto Rico Solid Waste Reduction and Recycling Act, as amended, establishes the Island's public policy on solid waste management, reduction and recycling and proposes strategies aimed at addressing the diminishing capacity of sanitary landfills in Puerto Rico to receive solid wastes for disposal. Most importantly, this Act calls upon the private sector to assume an active role in the government's efforts to reach the statutory recycling rate for solid wastes of 35 percent. In order to achieve this goal, the Solid Waste Management Authority (S.W.M.A.) was charged with managing the mandatory Recycling Plan program where it is the responsibility of each individual, state agency and public corporation on the Island to recycle its solid wastes. As a result, any public and/or private

industrial, commercial, educational, or tourism operation, having ten (10) or more employees, is required to have a Recycling Plan in place which should have been submitted to the S.W.M.A. on or before July 1, 2001.

The S.W.M.A. appears to have made the mandatory Recycling Plan a priority, as evidenced by the adoption of new guidelines and recent outreach initiatives with industries in the various areas. Many autonomous municipalities have also followed suit and promulgated ordinances relating to these plans and implemented inspection schedules aimed at monitoring compliance with the Municipal and S.W.M.A. standards. Companies found in non-compliance are required to correct the deficiencies as early as ten (10) days from receipt of the notice of deficiency, and may be found liable for any non-compliance identified.

Goldman Antonetti & Córdova, P.S.C. stands ready to assist its clients in preparing a Recycling Plan which conforms to the S.W.M.A.'s and your municipality's guidelines. If you need additional information or wish to discuss the applicability of the solid waste recycling amendments to your operation, do not hesitate to contact any of the following members of our Environmental Law Practice Group:

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