

ABCO Payroll Services, Inc.

COBRA SUBSIDY WORKSHEET

Client #: _____

Client Name: _____

EMPLOYEE NAME	SSN	TERM DATE **	AMT OF CREDIT (65% OF COBRA PAID BY EMPLOYER)	35% (EMPLOYEE PORTION) OF PREMIUM RECEIVED? (Y/N) *

This worksheet should be submitted with a regular payroll. It is for the reporting of assistance eligible individuals** only.

* Please note: per IRS guidelines, the subsidy cannot be claimed until the eligible employee has remitted their 35% of the premium.

** The IRS defines "assistance eligible individuals" as:

- An assistance-eligible individual can be any COBRA qualified beneficiary associated with the related covered employee, such as a dependent child of an employee, who is covered immediately prior to the qualifying event. The qualifying event for purposes of eligibility for the subsidy is involuntary termination of the covered employee's employment that occurs during the period beginning Sept. 1, 2008, and ending Dec. 31, 2009. The individual must also be eligible for COBRA coverage, or similar state coverage, during this period.

More information from the IRS Website: (Links to additional information can be found at www.abcopayroll.com)

No additional information relating to the COBRA subsidy is to be submitted with the Form 941, either electronically or in paper form. However, those claiming the credit must maintain supporting documentation for the credit claimed. Such documentation includes:

- Information on the receipt, including dates and amounts, of the assistance eligible individuals' 35% share of the premium.
- In the case of an insured plan, copy of invoice or other supporting statement from the insurance carrier and proof of timely payment of the full premium to the insurance carrier required under COBRA.
- In the case of a self-insured plan, proof of the premium amount and proof of the coverage provided to the assistance eligible individuals.
- Attestation of involuntary termination, including the date of the involuntary termination (which must be during the period from Sept. 1, 2008, to Dec. 31, 2009), for each covered employee whose involuntary termination is the basis for eligibility for the subsidy.
- Proof of each assistance eligible individual's eligibility for COBRA coverage at any time during the period from Sept. 1, 2008, to Dec. 31, 2009, and election of COBRA coverage.
- A record of the SSN's of all covered employees, the amount of the subsidy reimbursed with respect to each covered employee, and whether the subsidy was for one individual or two or more individuals.

Signed: _____

Date: _____

Print: _____

Title: _____

COBRA Questions and Answers: Reporting and Documentation

From IRS website

RD-1

Q. What other information relating to the COBRA subsidy must be submitted with the Form 941 besides the entries on Lines 12a and 12b?

A. No additional information relating to the COBRA subsidy is to be submitted with the Form 941, either electronically or in paper form. However, those claiming the credit must maintain supporting documentation for the credit claimed. Such documentation includes:

- Information on the receipt, including dates and amounts, of the assistance eligible individuals' 35% share of the premium.
- In the case of an insured plan, copy of invoice or other supporting statement from the insurance carrier and proof of timely payment of the full premium to the insurance carrier required under COBRA.
- In the case of a self-insured plan, proof of the premium amount and proof of the coverage provided to the assistance eligible individuals.
- Attestation of involuntary termination, including the date of the involuntary termination (which must be during the period from Sept. 1, 2008, to Dec. 31, 2009), for each covered employee whose involuntary termination is the basis for eligibility for the subsidy.
- Proof of each assistance eligible individual's eligibility for COBRA coverage at any time during the period from Sept. 1, 2008, to Dec. 31, 2009, and election of COBRA coverage.
- A record of the SSN's of all covered employees, the amount of the subsidy reimbursed with respect to each covered employee, and whether the subsidy was for one individual or two or more individuals.

Other documents necessary to verify the correct amount of reimbursement. (02/26/09)