

## SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT 1995 SUBMISSIONS

### A. Justification

1. *Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.*

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) provides that under certain circumstances participants and beneficiaries of group health plans that satisfy the definition of “qualified beneficiaries” under COBRA may elect to continue group health coverage temporarily following events known as “qualifying events” that would otherwise result in loss of coverage. COBRA provides that the Secretary of Labor (the Secretary) has the authority under section 608 of the Employee Retirement Income Security Act of 1974 (ERISA) to carry out the provisions of Part 6 of title I of ERISA. The Conference Report that accompanied COBRA authorized the Secretary to issue regulations implementing the notice and disclosure requirements of COBRA.

The Department has implemented the Notice Requirements of Section 606 of ERISA (regulations) because the provision of timely and adequate notifications regarding COBRA rights and responsibilities is critical to a qualified beneficiary’s ability to obtain health continuation coverage. In addition, in the Department’s view, regulatory guidance was necessary to establish clearer standards for administering and processing COBRA notices.

### **American Recovery and Reinvestment Act of 2009 Revision**

On February 17, 2009, the President signed the American Recovery and Reinvestment Act of 2009 (the “ARRA”). ARRA provides for premium reduction and expanded eligibility for health benefits under COBRA. This premium reduction is not paid directly to the covered employee or the qualified beneficiary, but instead is in the form of a tax credit for the health plan, the employer, or the insurer. An individual must be an “assistance eligible assistance individual” to be eligible for the premium assistance. If eligible, these individuals pay only 35% of their COBRA premiums to the plan and the remaining 65% is paid through the tax credit. Eligible individuals can start getting the premium reduction as of the first period of coverage beginning on or after February 17, 2009.

An “assistance eligible individual” is an individual who meets the following requirements:

- Is eligible for COBRA continuation coverage at any time during the period beginning September 1, 2008 and ending December 31, 2009;
- Elects COBRA coverage; and
- Has a qualifying event for COBRA coverage that is the employee's involuntary termination that occurs during the period beginning September 1, 2008 and ending December 31, 2009.

As required by ARRA, the Secretary of Labor (the Secretary) consulted with the Secretaries of Treasury and Health and Human Services to develop model COBRA notices reflecting the ARRA amendments. Three notices were developed – a “General Notice,” an “Alternative Notice,” and a “Notice in Connection with Extended Election Periods,” and OMB approved the notices as a revision to OMB Control Number 1210-0123 on November 6, 2009.

On December 19, 2009, President Obama signed the Department of Defense Appropriations Act of 2010 (Pub. L. 111-118), which extends the availability of the health care continuation coverage premium reduction provided for COBRA and other health care continuation coverage as required by the American Recovery and Reinvestment Act (ARRA) of 2009 (Pub. L. 111-5). Assistance eligible individuals now can be eligible for the subsidy if they incur an involuntary termination of employment triggering a COBRA election opportunity by February 28, 2010. The length of the premium assistance period also is extended from 9 months to 15 months.

ARRA, as amended, retained the requirement that the Secretary of Labor (the Secretary), in consultation with the Secretaries of the Treasury and Health and Human Services, develop model notices. These models are for use by group health plans and other entities that, pursuant to ARRA, as amended, must provide notices of the availability of premium reductions and additional election periods for health care continuation coverage. The Department has developed three model notices to reflect the amended AARA provisions – a “General Notice,” and “Updated Alternative Model Notice,” and a “Model Premium Assistance Extension Notice.” The contents of each notice are discussed below.

## 1. General Notice

The amended General Notice is required to be sent by plans that are subject to the COBRA continuation provisions under Federal law.<sup>1</sup> It must include the information

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<sup>1</sup> Under ARRA, as amended, the Secretary generally is responsible for developing all of the model notices with the exception of model notices relating to Temporary Continuation Coverage under 5 U.S.C. 8905a, which is the responsibility of the Office of Personnel Management (OPM).

described above and be provided to ALL qualified beneficiaries, not just covered employees, who experience a qualifying event through February 28, 2010.<sup>2</sup> The Department has updated the earlier version of this model notice so that it includes all of the information related to the premium reduction and other rights and obligations under ARRA, as amended. This model also includes all of the information required in an election notice required pursuant to the Department's final COBRA notice regulations under 29 CFR 2590.606-4(b).<sup>3</sup> Using this model to provide notice to individuals who have experienced any qualifying event from September 1, 2008 through February 28, 2010 will satisfy the Department's existing requirements for the content of the COBRA election notice as well as those imposed by ARRA, as amended.

## 2. Alternative Notice

The amended Alternative Notice is required to be sent by issuers that offer group health insurance coverage that is subject to comparable continuation coverage requirements imposed by State law. The Alternative Notice must include the information described above and be provided to ALL qualified beneficiaries, not just covered employees, who have experienced a qualifying event through February 28, 2010.<sup>4</sup> Continuation coverage requirements vary among States. The Department updated the earlier version of this model notice. It should be modified to reflect the requirements of the applicable State law. Issuers of group health insurance coverage subject to this notice requirement should feel free to use the model Alternative Notice or the model General Notice (as appropriate).

## 3. Premium Assistance Extension Notice

The Premium Assistance Extension Notice is required to be sent by plans and other entities that are subject to continuation of health coverage provisions under either Federal or State law. This notice serves several purposes. It serves as a notice of the extension of the premium assistance from nine to 15 months for individuals who were receiving premium assistance as of October 31, 2009. It also provides this information to individuals who became Assistance Eligible Individuals, or who experienced a qualifying

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In developing these notices, the Department consulted with the Departments of the Treasury and Health and Human Services, OPM, the National Association of Insurance Commissioners, and plan administrators and other entities responsible for providing COBRA continuation coverage.

<sup>2</sup> In the event of a qualifying event that occurs prior to this model becoming available, this notice need not be provided to the extent that proper notice has already been provided. However, in cases where the qualifying event was a termination of employment, the Premium Assistance Extension Notice may be used to satisfy the statutory requirement to notify individuals of their new rights under ARRA, as amended.

<sup>3</sup> The 60-day period for electing COBRA continuation coverage is measured from when a complete notice is provided. ARRA provides that COBRA election notices provided for qualifying events that are related to a termination occurring during the effective dates of the premium reduction period are not complete if they fail to include information on the availability of the premium reduction.

<sup>4</sup> See note 3 above.

event that was the termination of a covered employee's employment, on or after October 31, 2009, but who were provided a notice that did not include the information required by ARRA, as amended by the Department of Defense Appropriations Act, 2010.<sup>5</sup> Notices for these individuals must be provided within 60 days of the date of enactment, February 17, 2010. Additionally, this notice may be used to notify individuals who are in a "transition period" of their new right to make a retroactive, reduced payment. The transition period is the first period of coverage that began prior to the date of enactment for which the premium assistance would apply due to the extension from nine to 15 months. These individuals have received the full nine months of premium assistance required under ARRA and either did not make any payment for subsequent periods of coverage or made payment of the full premium otherwise required to maintain coverage absent the subsidy. The notice must be provided to these individuals within the first 60 days of their transition period. The Department has created a single model notice that can be used in any of the above circumstances.

*2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.*

The provision of timely and adequate notifications is critical for the effective exercise of COBRA rights. As such, plan administrators, group health plan insurers, and other service providers to the healthcare industry have indicated to the Department that additional guidance on notification and disclosure under COBRA would be welcome. Failure on the part of a plan administrator to meet notice requirements might result in a qualified beneficiary's losing out on continuation coverage, assessment of fines on a plan administrator, or other adverse consequences.

Under the regulatory guidelines, plan administrators are required to distribute notices as follows: a general notice to be distributed to all participants in group health plans subject to COBRA; an employer notice that must be completed by the employer upon the occurrence of a qualifying event; a notice and election form to be sent to a participant upon the occurrence of a qualifying event that might cause the participant to lose group health coverage; an employee notice that may be completed by a qualified beneficiary upon the occurrence of certain qualifying events such as divorce or disability; and, two other notices, one of early termination and the other a notice of unavailability. Also included in the ICR are two model notices that the Department believes will help reduce costs for service providers in preparing and delivering notices to comply with the regulations.

### **American Recovery and Reinvestment Act of 2009 Revision**

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<sup>5</sup> Generally, individuals do not need to receive two notices; if they are one of two classes of individuals described in this paragraph and receive the Premium Assistance Extension Notice, they do not need to receive the General Notice as well.

ARRA provides that a failure to provide the notices required under the Act, which are described in Item 1 above, is treated as a failure to satisfy meet the COBRA notice requirements, which would subject a plan or an employer to a penalty of up to \$110 per day under ERISA section 502(c)(1). Therefore, the Department expects the plans and employers will use the model notices to satisfy the new COBRA notification requirements imposed by the ARRA.

*3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration for using information technology to reduce burden.*

Under 29 C.F.R. § 2520.104b-1(b) of ERISA, “where certain material, including reports, statements, and documents, is required under Part I of the Act and this part to be furnished either by direct operation of law or an individual request, the plan administrator shall use measures reasonably calculated to ensure actual receipt of the material by plan participants and beneficiaries.” Section 2520.104b-1(c) establishes the manner in which disclosures under Title I of ERISA made through electronic media will be deemed to satisfy the requirement of § 2520.104b-1(b). Section 2520-107.1 establishes standards concerning the use of electronic media for maintenance and retention of records. Under these rules, all pension and welfare plans covered under Title I of ERISA may use electronic media to satisfy disclosure and recordkeeping obligations, subject to specific safeguards.

The Government Paperwork Elimination Act (GPEA) requires agencies to allow customers the option to submit information or transact with the government electronically, when practicable. Where feasible, and subject to resource availability and resolution of legal issues, EBSA has implemented the electronic acceptance of information submitted by customers to the federal government.

*4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.*

There is no duplication of information under the regulations. The regulations address the content, timing, and distribution requirements for notices that are required to be sent under COBRA. Because COBRA has been in effect since 1984, most plans will likely continue to use notices that they have developed and that already satisfy the requirements of the regulations. This information is not duplicated elsewhere.

5. *If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.*

The information collection does not impact small businesses or entities. The information provided in the regulations will assist all plans in fulfilling the statutory notice requirements under COBRA. Plan administrators of small plans will have confidence that a plan's COBRA notices are in compliance and that they are less likely to be subject to penalties or costly litigation because they are not complete or not distributed in a timely manner. In addition, with proper notification, qualified beneficiaries of small group health plans that may have previously been denied coverage under COBRA will have improved opportunities to elect less expensive continuation coverage under an employer's group health plan. Because most group health plans are small plans, the cost to small plans is distributed among a greater number of plans (\$7-\$14 per plan) and is therefore less than the cost to large plans (\$242-\$484 per plan). For the foregoing reasons, the Department believes that the rule will not have a significant impact on small plans.

6. *Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.*

Under section 606(a)(1) of ERISA, general notices must be distributed when coverage under the group health plan commences for an employee and his or her spouse and certain other notices are required to be sent upon the occurrence of a qualifying event. Because of COBRA's statutory requirements, the collection of information cannot be conducted at any other time or less frequently.

### **American Recovery and Reinvestment Act of 2009 Revision**

Due to the notifications requirements in the ARRA as amended, the collection of information cannot be conducted at any time or less frequently.

7. *Explain any special circumstances that would cause an information collection to be conducted in a manner:*

- *requiring respondents to report information to the agency more often than quarterly;*
- *requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;*
- *requiring respondents to submit more than an original and two copies of any document;*

- *requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;*
- *in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;*
- *requiring the use of a statistical data classification that has not been reviewed and approved by OMB;*
- *that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or*
- *requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.*

None.

8. *If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.*

*Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.*

*Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.*

The Department's Federal Register Notice, required by 5 CFR 1320.8(d), soliciting comments on the proposed extension of information collection was published in the Federal Register on April 9, 2007 (72 FR 17588), and provides the public with 60 days to comment. No comments were received.

### **American Recovery and Reinvestment Act ("ARRA") Revision**

The public will have an opportunity to comment on the burden associated with the information collection pursuant to the Department's Federal Notice announcing its submission of the ICR to OMB under the PRA emergency clearance procedures under 5 CFR 1320.13. In drafting the model notices, the Department consulted with the Department of Treasury, Internal Revenue Service, and Department of Health and Human Services to receive their input on the format of and data elements required for the

model notices and to ensure that burden of the information collection on respondents is minimized.

9. *Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.*

None.

10. *Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.*

None.

11. *Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.*

Not applicable.

12. *Provide estimates of the hour burden of the collection of information. The statement should indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.*

- *If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.*
- *Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.*
- *The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.*

Because of the expertise required in the administration of COBRA, group health plans generally make use of an outside service provider to handle such tasks as elections by qualified beneficiaries, payment, notification, and distribution of notices. These service providers contract with a large number of plans and have established procedures and standardized documents, including notices and other forms, for use by plan participants



and administrators. Plans are therefore expected to incur a cost for using a service provider to prepare and distribute notices. As such, the burden for the regulations is accounted for as a cost and is reported in Question 13, below.

13. *Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 or 14).*

The Department estimates that approximately 593,000 plans with 52.8 million participants are subject to notification requirements under COBRA.<sup>6</sup> The on-going costs of this regulation are limited to the completion and mailing costs of notices. Completion costs are further limited to plan administrator election notices and early termination notices, as employer and qualified beneficiary notices require information that would be provided in the normal course of business. In addition, no cost has been included for the completion of the notice of unavailability of continuation coverage because there is currently no basis for determining the number of these notices that might be sent. The Department has assumed however, that due to the clear and consistent information provided in the general notice, plan administrators will distribute a limited number of unavailability notices annually, and that the associated cost will be very small.

Because general notices are included in most Summary Plan Descriptions (SPDs), only those dependents living outside the home of new workers offered group health coverage require a separate notice to be sent.<sup>7</sup> Employer notices include employees holding insurance that leave their job,<sup>8</sup> die,<sup>9</sup> or become eligible for Medicare.<sup>10</sup> Qualified beneficiary notices include notices for divorce or separation,<sup>11</sup> a dependent aging out of the plan,<sup>12</sup> and those on COBRA experiencing a second qualifying event.<sup>13</sup> Plan administration notices are the sums of employer and qualified beneficiary notices.

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6 EBSA estimates based on the 2004 Medical Expenditure Panel Survey, Insurance Component (MEPS-IC)

7 EBSA estimates for job starters offered insurance are based on the 2002 Medical Expenditure Panel Survey, Household Component (MEPS-HC) and the 2006 March Supplement of the Current Population Survey (CPS).

8 EBSA estimates for insurance holders leaving their job is based on the 2003 Medical Expenditure Panel Survey, Household Component (MEPS-HC).

9 Mortality rates for the working population based on the 2004 *National Vital Statistics Report*, Vol 54, No. 19 Table 1.

10 EBSA estimates of the share of policy holders that become Medicare eligible is based on the 2006 March Supplement of the CPS.

11 EBSA estimates based on the divorce rate as reported in the CDC's 2006 *Vital Statistics*, Vol 54, No. 20.

12 EBSA estimates based on the 2006 March Supplement of the CPS.

13 EBSA estimates of COBRA enrollees are based on the 2006 March Supplement of the CPS. The share experiencing a second qualifying event is based on the previously reported share of the population experiencing divorce or aging out, and the assumption from the previous COBRA PRA that 1 percent of the COBRA population is disabled.

Finally, termination notices are based on the number of COBRA enrollees that leave COBRA before they exhaust their benefit.<sup>14</sup>

The Department assumes that service providers would make use of an administrative assistant to complete the plan administrator’s notice and the notice of early termination with the appropriate information about a qualified beneficiary’s coverage. It is estimated that an assistant will require 4 minutes at \$25 per hour,<sup>15</sup> to complete 7.0 million plan administrator notices (\$11.5 million), and one minute to complete 1 million notices of early termination (\$.5 million), for a total cost of \$12.0 million.

As explained in Question 3, plan administrators are not precluded from using electronic disclosure methods. No assumption has been made as to the number of these notices that will be distributed electronically. The costs for materials and postage for 15.2 million notices have been estimated at \$.42 per mailing for a total of \$6.4 million and are described below.

Notice Type	Total	Labor Hours	Labor Cost	Mailing Cost	Total Cost
<i>General Notices</i>	86,499	0	\$0	\$36,330	\$36,330
<i>Employer Notices</i>	5,368,223	0	\$0	\$2,254,654	\$2,254,654
<i>Qualified Beneficiary Notice</i>	1,657,506	0	\$0	\$696,152	\$696,152
<i>Plan Administrator Election Notice</i>	7,025,729	468,382	\$11,536,247	\$2,950,806	\$14,487,053
<i>Termination Notice</i>	1,100,000	18,333	\$451,550	\$462,000	\$913,550
Total	15,237,957	486,715	\$11,987,797	\$6,399,942	\$18,387,739

The total on-going cost for the regulation is \$18.4 million.

### **American Recovery and Reinvestment Act of 2009 Revision**

As stated in Item 1 above, Congress amended the COBRA ARRA provisions as part of the Department of Defense Appropriations Act, 2010. Based on these revisions, the Department estimates that approximately 2.7 millions plans covering 62.6 million individuals and their families are subject to the ARRA’s COBRA notification

<sup>14</sup> EBSA estimates of the share of COBRA enrollees exiting COBRA early during a year are based on raw, unpublished average duration of COBRA coverage data provided by the Spencer Group in 2006.

<sup>15</sup> Labor costs are National Occupational Employment and Wage Estimates from the *Occupational Employment Survey* of the Bureau of Labor Statistics, May 2005

requirements outlined in the response to Item 1 above.<sup>16</sup> The costs of this information collection are limited to the completion and mailing costs of notices, because the Department has provided model notices plans may use to comply with the ARRA notice requirements, and most plans are expected to use the model notices.

The Department has assumed that service providers will use an administrative assistant to complete all but the General Notices, which are assumed only to require information that would be provided in the normal course of business when employment is terminated. It is estimated that an assistant will require 1 minute at about \$26 per hour<sup>17</sup> to complete each of the 5.7 million Premium Assistance Extension Notices. Because the Alternative Notice requires additional information regarding state mini-COBRA laws and the individuals remaining eligibility for coverage, the Department presumes that an assistant would require 2 minutes at about \$26 per hour to complete each of the 1.1 million alternative notices. These are all additional notices required by ARRA; therefore, the total labor cost associated with the information collection associated with the information collection is estimated to be approximately \$3.4 million.

As explained in Question 3, plan administrators are not precluded from using electronic disclosure methods. However, the Department has taken a conservative approach of assuming that no notices will be sent electronically, because it does not have sufficient data to make an assumption regarding the number of notices that will be distributed electronically, especially with respect to the population targeted for premium reduction – individuals that are involuntarily terminated during hard bad economic times and their spouses and dependents.

The costs for materials and postage for the 8.5 million notices varies by the length of the notice. Mailing Costs are the sum of first-class postage as of December 2009 (.44 or .61 depending on weight) and costs attributed to other materials (.01). Gross mailing costs are estimated to be \$4.1 million; however, because a General Notice is required to be sent under the pre-ARRA COBRA provisions of ERISA, the net mailing costs for the notifications to comply with ARRA are estimated at \$3.3 million.

In sum, the total net annual cost for this information collection is estimated to be approximately \$6.8 million as shown in the following table.

COBRA PRA Calculations with Stimulus Provisions, 2010 (in millions)

Notice Types	Number	Net	Net	Total
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<sup>16</sup> EBSA estimates based on the 2006 Medical Expenditure Panel Survey, Insurance Component (MEPS-IC)

<sup>17</sup> Labor costs are National Occupational Employment and Wage Estimates from the *Occupational Employment Survey* of the Bureau of Labor Statistics, May 2007

Revised Notice Requirements of the  
Health Care Continuation Coverage Provisions  
American Recovery and Reinvestment Act of 2009  
OMB #1210-0123  
December 2009

	of Notices	Labor Cost	Mailing Costs	Net Cost s
<i>General Notices</i>				
Qualifying event Feb 17 - Dec. 31, 2009	1.7	\$0.0	\$0.3	\$0.3
<i>Premium Assistance Extension Notice</i>				
Enrolled in COBRA for qualifying event occurring Feb. 17 2009 thru Dec. 31 2010	5.7	\$2.5	\$2.5	\$5.0
<i>Alternative Notice</i>				
Non-ERISA COBRA plans	1.1	\$1.0	\$0.5	\$1.4
<b>Total</b>	<b>8.5</b>	<b>\$3.4</b>	<b>\$3.3</b>	<b>\$6.8</b>

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

There is no cost to the Federal government associated with this information collection.

15. Explain the reasons for any program changes or adjustments reporting in Items 13 or 14 of the OMB Form 83-I.

Most of the adjustments to the PRA burden are relatively minor and are due to updates in costs (both labor and mailing), the use of more recent data to reflect shifts in demographics and insurance coverage, and the absence of start-up costs. Hourly labor costs actually declined since the last PRA, due to the absence of start-up costs and the hourly rate of an administrative assistant in the DC-metro area being substantially lower (\$25 per hour as compared to \$34 per hour) than previously reported. In addition, the previous PRA assumed a much lower termination rate (less than half) for insured workers than recent data indicates is appropriate. Adjusting this assumption more than doubled the number of Employer Notices and increased Plan Administrator Election Notices by roughly fifty percent. Finally, the previous PRA mistakenly included only small plan participants in its statement regarding the number of participants subject to COBRA notification. This error did not affect any of the subsequent calculations.

**American Recovery and Reinvestment Act of 2009 Revision**

As discussed in Item 13 above, the Department has adjusted the cost burden to reflect increased net costs for plans and other entities to satisfy the additional notification requirements imposed by the ARRA as amended.

16. *For collections of information whose results will be published, outline plans for tabulation, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.*

There are no plans to publish the results of this collection of information.

17. *If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.*

The expiration date will be published in the Federal Register following OMB approval.

18. *Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submission," of OMB 83-I.*

None.

**B. Collections of Information Employing Statistical Methods**

Not applicable.