

116TH CONGRESS
2D SESSION

S. 4329

To provide premium assistance for COBRA continuation coverage, church plan continuation coverage, and furloughed continuation coverage for individuals and their families.

IN THE SENATE OF THE UNITED STATES

JULY 27, 2020

Ms. MCSALLY (for herself, Mr. DAINES, Mr. CORNYN, and Mr. SULLIVAN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide premium assistance for COBRA continuation coverage, church plan continuation coverage, and furloughed continuation coverage for individuals and their families.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Continuous Health
5 Coverage for Workers Act”.

6 **SEC. 2. PRESERVING HEALTH BENEFITS FOR WORKERS.**

7 (a) PROVISION OF PREMIUM ASSISTANCE.—

8 (1) REDUCTION OF PREMIUMS PAYABLE.—

1 (A) COBRA CONTINUATION COVERAGE.—

2 In the case of any premium for a period of cov-
3 erage during the period beginning on the first
4 day of the first month that begins after the
5 date of enactment of this Act and ending on
6 December 31, 2020, for COBRA continuation
7 coverage with respect to any assistance eligible
8 individual described in subsection (c)(1), such
9 individual shall be treated for purposes of any
10 COBRA continuation provision as having paid
11 the amount of such premium if such individual
12 pays (and any person other than such individ-
13 ual's employer pays on behalf of such indi-
14 vidual) the greater of 15 percent of the amount
15 of such premium owed by such individual (as
16 determined without regard to this subsection)
17 or the amount of the premium that a similarly
18 situated individual enrolled in the plan who is
19 not an assistance eligible individual is (or would
20 be, if so enrolled) required to pay with respect
21 to the plan (after any employer contribution).

22 (B) CHURCH PLANS.—In the case of any
23 premium for a period of coverage during the pe-
24 riod beginning on the first day of the first
25 month that begins after the date of enactment

1 of this Act and ending on December 31, 2020,
2 for coverage under a church plan with respect
3 to any assistance eligible individual described in
4 subsection (c)(2), such individual shall be treat-
5 ed for purposes of the individual's coverage
6 under such plan as having paid the amount of
7 such premium if such individual pays (and any
8 person other than such individual's employer
9 pays on behalf of such individual) the greater of
10 15 percent of the amount of such premium
11 owed by such individual (as determined without
12 regard to this subsection) or the amount of the
13 premium that a similarly situated individual en-
14 rolled in the plan who is not an assistance eligi-
15 ble individual is (or would be, if so enrolled) re-
16 quired to pay with respect to the plan (after
17 any employer contribution).

18 (C) FURLOUGHED CONTINUATION COV-
19 ERAGE.—In the case of any premium for a pe-
20 riod of coverage during the period beginning on
21 the first day of the first month that begins
22 after the date of enactment of this Act and end-
23 ing on December 31, 2020, for coverage under
24 a group health plan with respect to any assist-
25 ance eligible individual described in subsection

1 (c)(3), such individual shall be treated for pur-
2 poses of the individual's coverage under such
3 plan as having paid the amount of such pre-
4 mium if such individual pays (and any person
5 other than such individual's employer pays on
6 behalf of such individual) the greater of 15 per-
7 cent of the amount of such premium owed by
8 such individual (as determined without regard
9 to this subsection) or the amount of the pre-
10 mium that a similarly situated individual en-
11 rolled in the plan who is not an assistance eligi-
12 ble individual is (or would be, if so enrolled) re-
13 quired to pay with respect to the plan (after
14 any employer contribution).

15 (2) PLAN ENROLLMENT OPTION.—

16 (A) IN GENERAL.—Any assistance eligible
17 individual who is enrolled in a group health
18 plan offered by a plan sponsor may, not later
19 than 90 days after the date of notice of the
20 plan enrollment option described in this para-
21 graph, elect to enroll in coverage under a plan
22 offered by such plan sponsor that is different
23 than coverage under the plan in which such in-
24 dividual was enrolled at the time—

1 (i) in the case of any assistance eligi-
2 ble individual described in subsection
3 (c)(1), the qualifying event specified in sec-
4 tion 603(2) of the Employee Retirement
5 Income Security Act of 1974, section
6 4980B(f)(3)(B) of the Internal Revenue
7 Code of 1986, section 2203(2) of the Pub-
8 lic Health Service Act, or section 8905a of
9 title 5, United States Code (except for the
10 voluntary termination of such individual's
11 employment by such individual), occurred,
12 and such coverage shall be treated as
13 COBRA continuation coverage for pur-
14 poses of the applicable COBRA continu-
15 ation provision;

16 (ii) in the case of an assistance eligi-
17 ble individual described in subsection
18 (c)(2), the termination or reduction of
19 hours of employment of such individual oc-
20 curred; or

21 (iii) in the case of any assistance eligi-
22 ble individual described in subsection
23 (c)(3), the furlough period began with re-
24 spect to such individual.

1 (B) REQUIREMENTS.—Any assistance eli-
2 gible individual may elect to enroll in different
3 coverage as described in subparagraph (A) only
4 if—

5 (i) the employer involved has made a
6 determination that such employer will per-
7 mit such assistance eligible individual to
8 enroll in different coverage as provided
9 under this paragraph;

10 (ii) the premium for such different
11 coverage does not exceed the premium for
12 coverage in which such individual was en-
13 rolled at the time such qualifying event oc-
14 curred or immediately before such furlough
15 began;

16 (iii) the different coverage in which
17 the individual elects to enroll is coverage
18 that is also offered to the active employees
19 of the employer, who are not in a furlough
20 period, at the time at which such election
21 is made; and

22 (iv) the different coverage in which
23 the individual elects to enroll is not—

24 (I) coverage that provides only
25 dental, vision, counseling, or referral

1 services (or a combination of such
2 services);

3 (II) a qualified small employer
4 health reimbursement arrangement
5 (as defined in section 9831(d)(2) of
6 the Internal Revenue Code of 1986);

7 (III) a flexible spending arrange-
8 ment (as defined in section 106(e)(2)
9 of the Internal Revenue Code of
10 1986); or

11 (IV) benefits that provide cov-
12 erage for services or treatments fur-
13 nished in an on-site medical facility
14 maintained by the employer and that
15 consists primarily of first-aid services,
16 prevention and wellness care, or simi-
17 lar care (or a combination of such
18 care).

19 (3) PREMIUM REIMBURSEMENT.—For provi-
20 sions providing the payment of such premium, see
21 section 6432 of the Internal Revenue Code of 1986,
22 as added by section 3(a).

23 (b) LIMITATION OF PERIOD OF PREMIUM ASSIST-
24 ANCE.—

1 (1) ELIGIBILITY FOR ADDITIONAL COV-
2 ERAGE.—Subsection (a)(1) shall not apply with re-
3 spect to—

4 (A) any assistance eligible individual de-
5 scribed in subsection (c)(1) for months of cov-
6 erage beginning on or after the earlier of—

7 (i) the first date that such individual
8 is eligible for coverage under any other
9 group health plan (other than coverage
10 consisting of only dental, vision, coun-
11 seling, or referral services (or a combina-
12 tion thereof), coverage under a flexible
13 spending arrangement (as defined in sec-
14 tion 106(c)(2) of the Internal Revenue
15 Code of 1986), coverage of treatment that
16 is furnished in an on-site medical facility
17 maintained by the employer and that con-
18 sists primarily of first-aid services, preven-
19 tion and wellness care, or similar care (or
20 a combination thereof)), or eligible for ben-
21 efits under the Medicare program under
22 title XVIII of the Social Security Act; or
23 (ii) the earlier of—

24 (I) the date following the expira-
25 tion of the maximum period of con-

1 continuation coverage required under the
2 applicable COBRA continuation cov-
3 erage provision; or

4 (II) the date following the expira-
5 tion of the period of continuation cov-
6 erage allowed under subsection
7 (d)(2)(B);

8 (B) any assistance eligible individual de-
9 scribed in subsection (c)(2) for months of cov-
10 erage beginning on or after the earlier of—

11 (i) the first date that such individual
12 is eligible for coverage under any other
13 group health plan (other than coverage
14 consisting of only dental, vision, coun-
15 seling, or referral services (or a combina-
16 tion thereof), coverage under a flexible
17 spending arrangement (as defined in sec-
18 tion 106(c)(2) of the Internal Revenue
19 Code of 1986), coverage of treatment that
20 is furnished in an on-site medical facility
21 maintained by the employer and that con-
22 sists primarily of first-aid services, preven-
23 tion and wellness care, or similar care (or
24 a combination thereof)), or eligible for ben-

1 efits under the Medicare program under
2 title XVIII of the Social Security Act; or

3 (ii) the first date on which the church
4 plan is no longer available to such indi-
5 vidual; or

6 (C) any assistance eligible individual de-
7 scribed in paragraph (3)(C) for months of cov-
8 erage beginning on or after the earlier of—

9 (i) the first date that such individual
10 is eligible for coverage under any other
11 group health plan (other than coverage
12 consisting of only dental, vision, coun-
13 seling, or referral services (or a combina-
14 tion thereof), coverage under a flexible
15 spending arrangement (as defined in sec-
16 tion 106(c)(2) of the Internal Revenue
17 Code of 1986), coverage of treatment that
18 is furnished in an on-site medical facility
19 maintained by the employer and that con-
20 sists primarily of first-aid services, preven-
21 tion and wellness care, or similar care (or
22 a combination thereof)), or eligible for ben-
23 efits under the Medicare program under
24 title XVIII of the Social Security Act; or

1 (ii) the first date that such individual
2 is no longer in the furlough period.

3 (2) NOTIFICATION REQUIREMENT.—Any assist-
4 ance eligible individual shall notify the group health
5 plan with respect to which subsection (a)(1) applies
6 if such paragraph ceases to apply by reason of sub-
7 paragraph (A)(i), (B)(i), or (C)(i) of paragraph (1)
8 (as applicable). Such notice shall be provided to the
9 group health plan in such time and manner as may
10 be specified by the Secretary of Labor.

11 (3) SPECIAL ENROLLMENT PERIOD FOLLOWING
12 EXPIRATION OF PREMIUM ASSISTANCE.—Notwith-
13 standing section 1311 of the Patient Protection and
14 Affordable Care Act (42 U.S.C. 18031), the expira-
15 tion of premium assistance pursuant to a limitation
16 specified under paragraph (1) shall be treated as a
17 qualifying event for which any assistance eligible in-
18 dividual is eligible to enroll in a qualified health plan
19 offered through an Exchange under title I of such
20 Act (42 U.S.C. 18001 et seq.) during a special en-
21 rollment period.

22 (c) ASSISTANCE ELIGIBLE INDIVIDUAL.—For pur-
23 poses of this section, the term “assistance eligible indi-
24 vidual” means, with respect to a period of coverage during
25 the period beginning on the first day of the first month

1 that begins after the date of enactment of this Act and
2 ending on December 31, 2020—

3 (1) any individual that is a qualified beneficiary
4 that—

5 (A) is eligible for COBRA continuation
6 coverage by reason of a qualifying event speci-
7 fied in section 603(2) of the Employee Retire-
8 ment Income Security Act of 1974, section
9 4980B(f)(3)(B) of the Internal Revenue Code
10 of 1986, section 2203(2) of the Public Health
11 Service Act, or section 8905a of title 5, United
12 States Code (except for the voluntary termi-
13 nation of such individual’s employment by such
14 individual); and

15 (B) elects such coverage;

16 (2) any individual who—

17 (A) is terminated from (other than by rea-
18 son of such employee’s gross misconduct or vol-
19 untary termination), or is subject to a reduction
20 in hours with respect to, employment with an
21 employer who offers a church plan, if the em-
22 ployer voluntarily offers coverage under such
23 plan to such individual after the termination or
24 reduction of hours, or is a beneficiary of such
25 an individual who is terminated or subject to a

1 reduction of hours, if the employer voluntarily
2 offers coverage under such plan to such bene-
3 ficiary; and

4 (B) elects such coverage; or

5 (3) any covered employee that is in a furlough
6 period that remains eligible for coverage under a
7 group health plan offered by the employer of such
8 covered employee.

9 (d) EXTENSION OF ELECTION PERIOD AND EFFECT
10 ON COVERAGE.—

11 (1) IN GENERAL.—For purposes of applying
12 section 605(a) of the Employee Retirement Income
13 Security Act of 1974, section 4980B(f)(5)(A) of the
14 Internal Revenue Code of 1986, section 2205(a) of
15 the Public Health Service Act, and section
16 8905a(c)(2) of title 5, United States Code, in the
17 case of—

18 (A) an individual who does not have an
19 election of COBRA continuation coverage in ef-
20 fect on the date of the enactment of this Act
21 but who would be an assistance eligible indi-
22 vidual described in subsection (c)(1) if such
23 election were so in effect; or

24 (B) an individual who elected COBRA con-
25 tinuation coverage on or after March 1, 2020,

1 and discontinued from such coverage before the
2 date of the enactment of this Act,
3 such individual may elect the COBRA continuation
4 coverage under the COBRA continuation coverage
5 provisions containing such provisions during the pe-
6 riod beginning on the date of the enactment of this
7 Act and ending 60 days after the date on which the
8 notification required under subsection (g)(3) is pro-
9 vided to such individual.

10 (2) COMMENCEMENT OF COBRA CONTINUATION
11 COVERAGE.—Any COBRA continuation coverage
12 elected by a qualified beneficiary during an extended
13 election period under paragraph (1)—

14 (A) shall apply as if such qualified bene-
15 ficiary had been covered as of the date of a
16 qualifying event specified in section 603(2) of
17 the Employee Retirement Income Security Act
18 of 1974, section 4980B(f)(3)(B) of the Internal
19 Revenue Code of 1986, section 2203(2) of the
20 Public Health Service Act, or section 8905a of
21 title 5, United States Code, except for the vol-
22 untary termination of such beneficiary's em-
23 ployment by such beneficiary, that occurs no
24 earlier than March 1, 2020 (including the treat-
25 ment of premium payments under subsection

1 (a)(1) and any cost-sharing requirements for
2 items and services under a group health plan);
3 and

4 (B) shall not extend beyond the period of
5 COBRA continuation coverage that would have
6 been required under the applicable COBRA
7 continuation coverage provision if the coverage
8 had been elected as required under such provi-
9 sion.

10 (e) EXPEDITED REVIEW OF DENIALS OF PREMIUM
11 ASSISTANCE.—In any case in which an individual requests
12 treatment as an assistance eligible individual described in
13 paragraph (1), (2), or (3) of subsection (c) and is denied
14 such treatment by the group health plan, the Secretary
15 of Labor (or the Secretary of Health and Human Services
16 in connection with COBRA continuation coverage or a
17 church plan which is provided other than pursuant to part
18 6 of subtitle B of title I of the Employee Retirement In-
19 come Security Act of 1974), in consultation with the Sec-
20 retary of the Treasury, shall provide for expedited review
21 of such denial. An individual shall be entitled to such re-
22 view upon application to such Secretary in such form and
23 manner as shall be provided by such Secretary, in con-
24 sultation with the Secretary of the Treasury. Such Sec-
25 retary shall make a determination regarding such individ-

1 ual's eligibility within 15 business days after receipt of
 2 such individual's application for review under this sub-
 3 section. Either Secretary's determination upon review of
 4 the denial shall be de novo and shall be the final deter-
 5 mination of such Secretary. A reviewing court shall grant
 6 deference to such Secretary's determination. The provi-
 7 sions of this subsection, subsections (a) through (e), and
 8 subsections (g) through (i) shall be treated as provisions
 9 of title I of the Employee Retirement Income Security Act
 10 of 1974 for purposes of part 5 of subtitle B of such title.

11 (f) DISREGARD OF SUBSIDIES FOR PURPOSES OF
 12 FEDERAL AND STATE PROGRAMS.—Notwithstanding any
 13 other provision of law, any premium assistance with re-
 14 spect to an assistance eligible individual under this section
 15 shall not be considered income, in-kind support, or re-
 16 sources for purposes of determining the eligibility of the
 17 recipient (or the recipient's spouse or family) for benefits
 18 or assistance, or the amount or extent of benefits or assist-
 19 ance, or any other benefit provided under any Federal pro-
 20 gram or any program of a State or political subdivision
 21 thereof financed in whole or in part with Federal funds.

22 (g) COBRA-SPECIFIC NOTICE.—

23 (1) GENERAL NOTICE.—

24 (A) IN GENERAL.—In the case of notices
 25 provided under section 606(a)(4) of the Em-

1 ployee Retirement Income Security Act of 1974
2 (29 U.S.C. 1166(4)), section 4980B(f)(6)(D) of
3 the Internal Revenue Code of 1986, section
4 2206(4) of the Public Health Service Act (42
5 U.S.C. 300bb–6(4)), or section 8905a(f)(2)(A)
6 of title 5, United States Code, with respect to
7 individuals who, during the period described in
8 subsection (c), become entitled to elect COBRA
9 continuation coverage, the requirements of such
10 provisions shall not be treated as met unless
11 such notices include an additional notification
12 to the recipient, in writing, in clear and under-
13 standable language of—

14 (i) the availability of premium assist-
15 ance with respect to such coverage under
16 this section; and

17 (ii) the option to enroll in different
18 coverage if the employer permits assistance
19 eligible individuals described in subsection
20 (c)(1) to elect enrollment in different cov-
21 erage (as described in subsection (a)(2)).

22 (B) ALTERNATIVE NOTICE.—In the case of
23 COBRA continuation coverage to which the no-
24 tice provision under such sections does not
25 apply, the Secretary of Labor, in consultation

1 with the Secretary of the Treasury and the Sec-
2 retary of Health and Human Services, shall, in
3 consultation with administrators of the group
4 health plans (or other entities) that provide or
5 administer the COBRA continuation coverage
6 involved, provide rules requiring the provision of
7 such notice.

8 (C) FORM.—The requirement of the addi-
9 tional notification under this paragraph may be
10 met by amendment of existing notice forms or
11 by inclusion of a separate document with the
12 notice otherwise required.

13 (2) SPECIFIC REQUIREMENTS.—Each additional
14 notification under paragraph (1) shall include—

15 (A) the forms necessary for establishing
16 eligibility for premium assistance under this
17 section;

18 (B) the name, address, and telephone num-
19 ber necessary to contact the plan administrator
20 and any other person maintaining relevant in-
21 formation in connection with such premium as-
22 sistance;

23 (C) a description of the extended election
24 period provided for in subsection (d)(1);

1 (D) a description of the obligation of the
2 qualified beneficiary under subsection (b)(2)
3 and the penalty provided under section 6720C
4 of the Internal Revenue Code of 1986 for fail-
5 ure to carry out the obligation;

6 (E) a description, displayed in a prominent
7 manner, of the qualified beneficiary's right to a
8 reduced premium and any conditions on entitle-
9 ment to the reduced premium;

10 (F) a description of the option of the quali-
11 fied beneficiary to enroll in different coverage if
12 the employer permits such beneficiary to elect
13 to enroll in such different coverage under sub-
14 section (a)(2); and

15 (G) information regarding any Exchange
16 established under title I of the Patient Protec-
17 tion and Affordable Care Act (42 U.S.C. 18001
18 et seq.) through which a qualified beneficiary
19 may be eligible to enroll in a qualified health
20 plan, including—

21 (i) the publicly accessible internet
22 website address for such Exchange;

23 (ii) the publicly accessible internet
24 website address for the Find Local Help
25 directory maintained by the Department of

1 Health and Human Services on the
2 healthcare.gov internet website (or a suc-
3 cessor website);

4 (iii) a clear explanation that—

5 (I) an individual who is eligible
6 for continuation coverage may also be
7 eligible to enroll, with financial assist-
8 ance, in a qualified health plan offered
9 through such Exchange, but, in the
10 case that such individual elects to en-
11 roll in such continuation coverage and
12 subsequently elects to terminate such
13 continuation coverage before the pe-
14 riod of such continuation coverage ex-
15 pires, such termination does not ini-
16 tiate a special enrollment period (ab-
17 sent a qualifying event specified in
18 section 603(2) of the Employee Re-
19 tirement Income Security Act of
20 1974, section 4980B(f)(3)(B) of the
21 Internal Revenue Code of 1986, sec-
22 tion 2203(2) of the Public Health
23 Service Act, or section 8905a of title
24 5, United States Code, with respect to
25 such individual); and

1 (II) an individual who elects to
2 enroll in continuation coverage will re-
3 main eligible to enroll in a qualified
4 health plan offered through such Ex-
5 change during an open enrollment pe-
6 riod and may be eligible for financial
7 assistance with respect to enrolling in
8 such a qualified health plan;

9 (iv) information on consumer protec-
10 tions with respect to enrolling in a quali-
11 fied health plan offered through such Ex-
12 change, including the requirement for such
13 a qualified health plan to provide coverage
14 for essential health benefits (as defined in
15 section 1302(b) of such Act (42 U.S.C.
16 18022(b))) and the requirements applica-
17 ble to such a qualified health plan under
18 part A of title XXVII of the Public Health
19 Service Act (42 U.S.C. 300gg et seq.);

20 (v) information on the availability of
21 financial assistance with respect to enroll-
22 ing in a qualified health plan, including the
23 maximum income limit for eligibility for
24 the premium tax credit under section 36B
25 of the Internal Revenue Code of 1986; and

1 (vi) information on any special enroll-
2 ment periods during which any assistance
3 eligible individual described in subsection
4 (c)(1)(A) may be eligible to enroll, with fi-
5 nancial assistance, in a qualified health
6 plan offered through such Exchange (in-
7 cluding a special enrollment period for
8 which an individual may be eligible due to
9 the expiration of premium assistance pur-
10 suant to a limitation specified under sub-
11 section (b)(1)); and

12 (H) information regarding compliance with
13 the requirements of subsection (n).

14 (3) NOTICE IN CONNECTION WITH EXTENDED
15 ELECTION PERIODS.—In the case of any assistance
16 eligible individual described in subsection (c)(1) (or
17 any individual described in subsection (d)(1)) who
18 became entitled to elect COBRA continuation cov-
19 erage before the date of the enactment of this Act,
20 the administrator of the applicable group health plan
21 (or other entity) shall provide (within 60 days after
22 the date of enactment of this Act) for the additional
23 notification required to be provided under paragraph
24 (1) and failure to provide such notice shall be treat-

1 ed as a failure to meet the notice requirements
2 under the applicable COBRA continuation provision.

3 (4) MODEL NOTICES.—Not later than 30 days
4 after the date of enactment of this Act, with respect
5 to any assistance eligible individual described in sub-
6 section (c)(1)—

7 (A) the Secretary of Labor, in consultation
8 with the Secretary of the Treasury and the Sec-
9 retary of Health and Human Services, shall
10 prescribe models for the additional notification
11 required under this paragraph (other than the
12 additional notification described in subpara-
13 graph (B)); and

14 (B) in the case of any additional notifica-
15 tion provided pursuant to paragraph (1) under
16 section 8905a(f)(2)(A) of title 5, United States
17 Code, the Office of Personnel Management shall
18 prescribe a model for such additional notifica-
19 tion.

20 (h) FURLOUGH-SPECIFIC NOTICE.—

21 (1) IN GENERAL.—With respect to any assist-
22 ance eligible individual described in subsection (c)(3)
23 who, during the period described in such paragraph,
24 becomes eligible for assistance pursuant to sub-
25 section (a)(1)(C), the requirements of section

1 606(a)(4) of the Employee Retirement Income Secu-
2 rity Act of 1974 (29 U.S.C. 1166(4)), section
3 4980B(f)(6)(D) of the Internal Revenue Code of
4 1986, section 2206(4) of the Public Health Service
5 Act (42 U.S.C. 300bb-6(4)), or section
6 8905a(f)(2)(A) of title 5, United States Code, shall
7 not be treated as met unless the group health plan
8 administrator, in accordance with the timing re-
9 quirement specified under paragraph (2), provides to
10 the individual a written notice in clear and under-
11 standable language of—

12 (A) the availability of premium assistance
13 with respect to such coverage under this sec-
14 tion;

15 (B) the option of the qualified beneficiary
16 to enroll in different coverage if the employer
17 permits such beneficiary to elect to enroll in
18 such different coverage under subsection (a)(2);
19 and

20 (C) the information specified under sub-
21 section (g)(2) (as applicable).

22 (2) TIMING SPECIFIED.—For purposes of para-
23 graph (1), the timing requirement specified in this
24 paragraph is—

1 (A) with respect to such an individual who
2 is within a furlough period during the period
3 beginning on March 1, 2020, and ending on the
4 date of the enactment of this Act, 30 days after
5 the date of such enactment; and

6 (B) with respect to such an individual who
7 is within a furlough period during the period
8 beginning on the first day after the date of the
9 enactment of this Act and ending on December
10 31, 2020, 30 days after the date of the begin-
11 ning of such furlough period.

12 (3) MODEL NOTICES.—Not later than 30 days
13 after the date of enactment of this Act, with respect
14 to any assistance eligible individual described in sub-
15 section (c)(3)—

16 (A) the Secretary of Labor, in consultation
17 with the Secretary of the Treasury and the Sec-
18 retary of Health and Human Services, shall
19 prescribe models for the notification required
20 under this paragraph (other than the notifica-
21 tion described in subparagraph (B)); and

22 (B) in the case of any notification provided
23 pursuant to paragraph (1) under section
24 8905a(f)(2)(A) of title 5, United States Code,

1 the Office of Personnel Management shall pre-
2 scribe a model for such notification.

3 (i) NOTICE OF EXPIRATION OF PERIOD OF PREMIUM
4 ASSISTANCE.—

5 (1) IN GENERAL.—With respect to any assist-
6 ance eligible individual (as applicable), subject to
7 paragraph (2), the requirements of section 606(a)(4)
8 of the Employee Retirement Income Security Act of
9 1974 (29 U.S.C. 1166(4)), section 4980B(f)(6)(D)
10 of the Internal Revenue Code of 1986, section
11 2206(4) of the Public Health Service Act (42 U.S.C.
12 300bb-6(4)), or section 8905a(f)(2)(A) of title 5,
13 United States Code, shall not be treated as met un-
14 less the employer of the individual, during the period
15 specified under paragraph (3), provides to such indi-
16 vidual a written notice in clear and understandable
17 language—

18 (A) that the premium assistance for such
19 individual will expire soon and the prominent
20 identification of the date of such expiration;

21 (B) that such individual may be eligible for
22 coverage without any premium assistance
23 through—

24 (i) COBRA continuation coverage; or

1 (ii) coverage under a group health
2 plan;

3 (C) that the expiration of premium assist-
4 ance is treated as a qualifying event for which
5 any assistance eligible individual is eligible to
6 enroll in a qualified health plan offered through
7 an Exchange under title I of such Act (42
8 U.S.C. 18001 et seq.) during a special enroll-
9 ment period; and

10 (D) the information specified in subsection
11 (g)(2)(G).

12 (2) EXCEPTION.—The requirement for the
13 group health plan administrator to provide the writ-
14 ten notice under paragraph (1) shall be waived in
15 the case the premium assistance for such individual
16 expires pursuant to subparagraph (A)(i) or (C)(i) of
17 subsection (b)(1).

18 (3) PERIOD SPECIFIED.—For purposes of para-
19 graph (1), the period specified in this paragraph is,
20 with respect to the date of expiration of premium as-
21 sistance for any assistance eligible individual pursu-
22 ant to a limitation requiring a notice under this sub-
23 section, the period beginning on the day that is 45
24 days before the date of such expiration and ending

1 on the day that is 15 days before the date of such
2 expiration.

3 (4) MODEL NOTICES.—Not later than 30 days
4 after the date of enactment of this Act, with respect
5 to any assistance eligible individual—

6 (A) the Secretary of Labor, in consultation
7 with the Secretary of the Treasury and the Sec-
8 retary of Health and Human Services, shall
9 prescribe models for the notification required
10 under this subsection (other than the notifica-
11 tion described in subparagraph (B)); and

12 (B) in the case of any notification provided
13 pursuant to paragraph (1) under section
14 8905a(f)(2)(A) of title 5, United States Code,
15 the Office of Personnel Management shall pre-
16 scribe a model for such notification.

17 (j) REGULATIONS.—The Secretary of the Treasury
18 and the Secretary of Labor may jointly prescribe such reg-
19 ulations or other guidance as may be necessary or appro-
20 priate to carry out the provisions of this section, including
21 the prevention of fraud and abuse under this section, ex-
22 cept that the Secretary of Labor and the Secretary of
23 Health and Human Services may prescribe such regula-
24 tions (including interim final regulations) or other guid-

1 ance as may be necessary or appropriate to carry out the
2 provisions of subsections (e), (g), (h), (i), and (k).

3 (k) OUTREACH.—

4 (1) IN GENERAL.—The Secretary of Labor, in
5 consultation with the Secretary of the Treasury and
6 the Secretary of Health and Human Services, shall
7 provide outreach consisting of public education and
8 enrollment assistance relating to premium assistance
9 provided under this section. Such outreach shall tar-
10 get employers, group health plan administrators,
11 public assistance programs, States, insurers, and
12 other entities as determined appropriate by such
13 Secretaries. Such outreach shall include an initial
14 focus on those individuals electing continuation cov-
15 erage who are referred to in subsection (g)(3). Infor-
16 mation on such premium assistance, including en-
17 rollment, shall also be made available on websites of
18 the Departments of Labor, Treasury, and Health
19 and Human Services.

20 (2) ENROLLMENT UNDER MEDICARE.—The
21 Secretary of Health and Human Services shall pro-
22 vide outreach consisting of public education. Such
23 outreach shall target individuals who lose health in-
24 surance coverage. Such outreach shall include infor-
25 mation regarding enrollment for benefits under title

1 XVIII of the Social Security Act (42 U.S.C. 1395 et
2 seq.) for purposes of preventing mistaken delays of
3 such enrollment by such individuals, including life-
4 time penalties for failure of timely enrollment.

5 (l) DEFINITIONS.—For purposes of this section:

6 (1) ADMINISTRATOR.—The term “adminis-
7 trator” has the meaning given such term in section
8 3(16)(A) of the Employee Retirement Income Secu-
9 rity Act of 1974.

10 (2) CHURCH PLAN.—The term “church plan”
11 means a plan, as described in section 414(e) of the
12 Internal Revenue Code of 1986, that provides med-
13 ical care to employees or their dependents.

14 (3) COBRA CONTINUATION COVERAGE.—The
15 term “COBRA continuation coverage” means con-
16 tinuation coverage provided pursuant to part 6 of
17 subtitle B of title I of the Employee Retirement In-
18 come Security Act of 1974 (other than under section
19 609), title XXII of the Public Health Service Act,
20 section 4980B of the Internal Revenue Code of 1986
21 (other than subsection (f)(1) of such section insofar
22 as it relates to pediatric vaccines), or section 8905a
23 of title 5, United States Code, or under a State pro-
24 gram that provides comparable continuation cov-
25 erage. Such term does not include coverage under a

1 health flexible spending arrangement under a cafe-
2 teria plan within the meaning of section 125 of the
3 Internal Revenue Code of 1986.

4 (4) COBRA CONTINUATION PROVISION.—The
5 term “COBRA continuation provision” means the
6 provisions of law described in paragraph (3).

7 (5) COVERED EMPLOYEE.—The term “covered
8 employee” has the meaning given such term in sec-
9 tion 607(2) of the Employee Retirement Income Se-
10 curity Act of 1974.

11 (6) QUALIFIED BENEFICIARY.—The term
12 “qualified beneficiary” has the meaning given such
13 term in section 607(3) of the Employee Retirement
14 Income Security Act of 1974.

15 (7) GROUP HEALTH PLAN.—The term “group
16 health plan” has the meaning given such term in
17 section 607(1) of the Employee Retirement Income
18 Security Act of 1974.

19 (8) STATE.—The term “State” includes the
20 District of Columbia, the Commonwealth of Puerto
21 Rico, the Virgin Islands, Guam, American Samoa,
22 and the Commonwealth of the Northern Mariana Is-
23 lands.

24 (9) PERIOD OF COVERAGE.—Any reference in
25 this section to a period of coverage shall be treated

1 as a reference to a monthly or shorter period of cov-
2 erage with respect to which premiums are charged
3 with respect to such coverage.

4 (10) PLAN SPONSOR.—The term “plan spon-
5 sor” has the meaning given such term in section
6 3(16)(B) of the Employee Retirement Income Secu-
7 rity Act of 1974.

8 (11) FURLOUGH PERIOD.—

9 (A) IN GENERAL.—The term “furlough pe-
10 riod” means, with respect to an individual and
11 an employer of such individual, a period—

12 (i) beginning with the first month be-
13 ginning on or after March 1, 2020, and be-
14 fore December 31, 2020, during which
15 such individual’s employer reduces such in-
16 dividual’s work hours (due to a lack of
17 work, funds, or other nondisciplinary rea-
18 son) to an amount that is less than 70 per-
19 cent of the base month amount; and

20 (ii) ending with the earlier of—

21 (I) the first month beginning
22 after December 31, 2020; or

23 (II) the month following the first
24 month during which work hours of
25 such employee are greater than 80

1 percent of work hours of the base
2 month amount.

3 (B) BASE MONTH AMOUNT.—For purposes
4 of subparagraph (A), the term “base month
5 amount” means, with respect to an individual
6 and an employer of such individual, the greater
7 of—

8 (i) such individual’s work hours in the
9 month prior (or in the case such individual
10 had no work hours in the month prior and
11 had work hours in the 3 months prior, the
12 last month with work hours within the
13 prior 3 months); and

14 (ii) such individual’s work hours dur-
15 ing the period beginning January 1, 2020,
16 and ending January 31, 2020.

17 (m) REPORTS.—

18 (1) INTERIM REPORT.—The Secretary of the
19 Treasury and the Secretary of Labor shall jointly
20 submit an interim report to the Committee on Edu-
21 cation and Labor, the Committee on Ways and
22 Means, and the Committee on Energy and Com-
23 merce of the House of Representatives and the Com-
24 mittee on Health, Education, Labor, and Pensions
25 and the Committee on Finance of the Senate regard-

1 ing the premium assistance provided under this sec-
2 tion that includes—

3 (A) the number of individuals provided
4 such assistance as of the date of the report; and

5 (B) the total amount of expenditures in-
6 curred (with administrative expenditures noted
7 separately) in connection with such assistance
8 as of the date of the report.

9 (2) FINAL REPORT.—As soon as practicable
10 after the last period of COBRA continuation cov-
11 erage for which premium assistance is provided
12 under this section, the Secretary of the Treasury
13 and the Secretary of Labor shall jointly submit a
14 final report to each Committee referred to in para-
15 graph (1) that includes—

16 (A) the number of individuals provided
17 premium assistance under this section;

18 (B) the average dollar amount (monthly
19 and annually) of premium assistance provided
20 to such individuals; and

21 (C) the total amount of expenditures in-
22 curred (with administrative expenditures noted
23 separately) in connection with premium assist-
24 ance under this section.

25 (n) LIMITATION.—

1 (1) IN GENERAL.—Notwithstanding section
2 602(1) of the Employee Retirement Income Security
3 Act of 1974 (29 U.S.C. 1162(1)) or any other provi-
4 sion of part 6 of subtitle B of title I of such Act of
5 1974 (29 U.S.C. 1161 et seq.), section 2202(1) of
6 the Public Health Service Act (42 U.S.C. 300bb–2)
7 or any other provision of such Act (42 U.S.C. 201
8 et seq.), section 4980B(f)(2)(A) of the Internal Rev-
9 enue Code of 1986 or any other provision of such
10 Code, section 8905a of title 5, United States Code,
11 or any provision of State law, in the case of coverage
12 described in subsection (a)(1) for an assistance eligi-
13 ble individual—

14 (A) such coverage shall exclude coverage of
15 an abortion (except to the extent described in
16 section 507(a) of division A of Public Law 116–
17 94) for any period of coverage beginning on or
18 after the date of enactment of this Act, for
19 which subsection (a)(1) applies to the indi-
20 vidual; and

21 (B) if such coverage would, but for the re-
22 quirement under subparagraph (A), include cov-
23 erage of abortion (except to the extent de-
24 scribed in such subparagraph) for such indi-
25 vidual, the coverage shall be modified for such

1 individual so that the coverage excludes abor-
2 tion (except to the extent described in such sub-
3 paragraph) for any period of coverage as de-
4 scribed in such subparagraph.

5 (2) **RULE OF CONSTRUCTION.**—Nothing in this
6 Act, or any amendment made by this Act, may be
7 construed to require a health plan, including any
8 COBRA continuation coverage, to provide coverage
9 of any abortion.

10 (o) **DEADLINES WITH RESPECT TO NOTICES.**—Not-
11 withstanding section 518 of the Employee Retirement In-
12 come Security Act of 1974 and section 7508A of the Inter-
13 nal Revenue Code of 1986, the Secretary of Labor and
14 the Secretary of the Treasury, respectively, may not waive
15 or extend any deadline with respect to the provision of
16 notices described in subsections (g), (h), and (i).

17 **SEC. 3. AMENDMENTS TO THE INTERNAL REVENUE CODE**
18 **OF 1986.**

19 (a) **COBRA PREMIUM ASSISTANCE.**—

20 (1) **IN GENERAL.**—Subchapter B of chapter 65
21 of the Internal Revenue Code of 1986 is amended by
22 adding at the end the following new section:

1 **“SEC. 6432. CONTINUATION COVERAGE PREMIUM ASSIST-**
2 **ANCE.**

3 “(a) IN GENERAL.—The person to whom premiums
4 are payable for continuation coverage under section
5 2(a)(1) of the Continuous Health Coverage for Workers
6 Act shall be allowed as a credit against the tax imposed
7 by section 3111(a), or so much of the taxes imposed under
8 section 3221(a) as are attributable to the rate in effect
9 under section 3111(a), for each calendar quarter an
10 amount equal to the premiums not paid by assistance eligi-
11 ble individuals for such coverage by reason of such section
12 2(a)(1) with respect to such calendar quarter.

13 “(b) PERSON TO WHOM PREMIUMS ARE PAYABLE.—
14 For purposes of subsection (a), except as otherwise pro-
15 vided by the Secretary, the person to whom premiums are
16 payable under such continuation coverage shall be treated
17 as being—

18 “(1) in the case of any group health plan which
19 is a multiemployer plan (as defined in section 3(37)
20 of the Employee Retirement Income Security Act of
21 1974), the plan,

22 “(2) in the case of any group health plan not
23 described in paragraph (1)—

24 “(A) which provides church plan continu-
25 ation coverage described in section
26 2(a)(1)(A)(ii), furlough continuation coverage

1 described in section 2(a)(1)(A)(iii) of the Con-
2 tinuous Health Coverage for Workers Act or
3 subject to the COBRA continuation provisions
4 contained in—

5 “(i) this title,

6 “(ii) the Employee Retirement Income
7 Security Act of 1974,

8 “(iii) the Public Health Service Act,
9 or

10 “(iv) title 5, United States Code, or

11 “(B) under which some or all of the cov-
12 erage is not provided by insurance,
13 the employer maintaining the plan, and

14 “(3) in the case of any group health plan not
15 described in paragraph (1) or (2), the insurer pro-
16 viding the coverage under the group health plan.

17 “(c) LIMITATIONS AND REFUNDABILITY.—

18 “(1) CREDIT LIMITED TO CERTAIN EMPLOY-
19 MENT TAXES.—The credit allowed by subsection (a)
20 with respect to any calendar quarter shall not exceed
21 the tax imposed by section 3111(a), or so much of
22 the taxes imposed under section 3221(a) as are at-
23 tributable to the rate in effect under section
24 3111(a), for such calendar quarter (reduced by any
25 credits allowed under subsections (e) and (f) of sec-

1 tion 3111, sections 7001 and 7003 of the Families
2 First Coronavirus Response Act, section 2301 of the
3 CARES Act, and sections 20204 and 20212 of the
4 COVID-19 Tax Relief Act of 2020 for such quarter)
5 on the wages paid with respect to the employment
6 of all employees of the employer.

7 “(2) REFUNDABILITY OF EXCESS CREDIT.—

8 “(A) CREDIT IS REFUNDABLE.—If the
9 amount of the credit under subsection (a) ex-
10 ceeds the limitation of paragraph (1) for any
11 calendar quarter, such excess shall be treated
12 as an overpayment that shall be refunded under
13 sections 6402(a) and 6413(b).

14 “(B) CREDIT MAY BE ADVANCED.—In an-
15 ticipation of the credit, including the refundable
16 portion under subparagraph (A), the credit may
17 be advanced, according to forms and instruc-
18 tions provided by the Secretary, up to an
19 amount calculated under subsection (a) through
20 the end of the most recent payroll period in the
21 quarter.

22 “(C) TREATMENT OF DEPOSITS.—The
23 Secretary shall waive any penalty under section
24 6656 for any failure to make a deposit of the
25 tax imposed by section 3111(a), or so much of

1 the taxes imposed under section 3221(a) as are
2 attributable to the rate in effect under section
3 3111(a), if the Secretary determines that such
4 failure was due to the anticipation of the credit
5 allowed under this section.

6 “(D) TREATMENT OF PAYMENTS.—For
7 purposes of section 1324 of title 31, United
8 States Code, any amounts due to an employer
9 under this paragraph shall be treated in the
10 same manner as a refund due from a credit
11 provision referred to in subsection (b)(2) of
12 such section.

13 “(3) LIMITATION ON REIMBURSEMENT FOR
14 CERTAIN EMPLOYEES.—In the case of an individual
15 who for any month is an assistance eligible indi-
16 vidual described in subparagraph (B) or (C) of sec-
17 tion 2(a)(3) of the Continuous Health Coverage for
18 Workers Act with respect to any coverage, the credit
19 determined with respect to such individual under
20 subsection (a) for any such month ending during a
21 calendar quarter shall not exceed the amount of pre-
22 mium the individual would have paid for a full
23 month of such coverage for the month preceding the
24 first month for which an individual is such an assist-
25 ance eligible individual.

1 “(d) GOVERNMENTAL ENTITIES.—For purposes of
2 this section, the term ‘person’ includes any governmental
3 entity or Indian tribal government (as defined in section
4 139E(c)(1)).

5 “(e) DENIAL OF DOUBLE BENEFIT.—For purposes
6 of chapter 1, the gross income of any person allowed a
7 credit under this section shall be increased for the taxable
8 year which includes the last day of any calendar quarter
9 with respect to which such credit is allowed by the amount
10 of such credit. No amount for which a credit is allowed
11 under this section shall be taken into account as qualified
12 wages under section 2301 of the CARES Act or as quali-
13 fied health plan expenses under section 7001(d) or
14 7003(d) of the Families First Coronavirus Response Act.

15 “(f) REPORTING.—Each person entitled to reim-
16 bursement under subsection (a) for any period shall sub-
17 mit such reports (at such time and in such manner) as
18 the Secretary may require, including—

19 “(1) an attestation of involuntary termination
20 of employment, reduction of hours, or furloughing,
21 for each assistance eligible individual on the basis of
22 whose termination, reduction of hours, or fur-
23 loughing entitlement to reimbursement is claimed
24 under subsection (a),

1 “(2) a report of the amount of payroll taxes off-
2 set under subsection (a) for the reporting period,
3 and

4 “(3) a report containing the TINs of all covered
5 employees, the amount of subsidy reimbursed with
6 respect to each employee, and a designation with re-
7 spect to each employee as to whether the subsidy re-
8 imbursement is for coverage of 1 individual or 2 or
9 more individuals.

10 “(g) REGULATIONS.—The Secretary shall issue such
11 regulations or other guidance as may be necessary or ap-
12 propriate to carry out this section, including—

13 “(1) the requirement to report information or
14 the establishment of other methods for verifying the
15 correct amounts of reimbursements under this sec-
16 tion,

17 “(2) the application of this section to group
18 health plans that are multiemployer plans (as de-
19 fined in section 3(37) of the Employee Retirement
20 Income Security Act of 1974),

21 “(3) to allow the advance payment of the credit
22 determined under subsection (a), subject to the limi-
23 tations provided in this section, based on such infor-
24 mation as the Secretary shall require,

1 “(4) to provide for the reconciliation of such
2 advance payment with the amount of the credit at
3 the time of filing the return of tax for the applicable
4 quarter or taxable year, and

5 “(5) with respect to the application of the cred-
6 it to third-party payors (including professional em-
7 ployer organizations, certified professional employer
8 organizations, or agents under section 3504).

9 “(h) LIMITATION.—In the case of any period of cov-
10 erage (as defined in section 2(l) of the Continuous Health
11 Coverage for Workers Act) beginning on or after the date
12 of enactment of this section, no credit shall be allowed
13 under this section with respect to any coverage that in-
14 cludes coverage of an abortion (except as described in sec-
15 tion 507(a) of division A of Public Law 116–94).”.

16 (2) SOCIAL SECURITY TRUST FUNDS HELD
17 HARMLESS.—There are hereby appropriated to the
18 Federal Old-Age and Survivors Insurance Trust
19 Fund and the Federal Disability Insurance Trust
20 Fund established under section 201 of the Social Se-
21 curity Act (42 U.S.C. 401) and the Social Security
22 Equivalent Benefit Account established under sec-
23 tion 15A(a) of the Railroad Retirement Act of 1974
24 (45 U.S.C. 231n–1(a)) amounts equal to the reduc-
25 tion in revenues to the Treasury by reason of this

1 subsection (without regard to this paragraph).
2 Amounts appropriated by the preceding sentence
3 shall be transferred from the general fund at such
4 times and in such manner as to replicate to the ex-
5 tent possible the transfers which would have oc-
6 curred to such Trust Fund or Account had this sec-
7 tion not been enacted.

8 (3) CLERICAL AMENDMENT.—The table of sec-
9 tions for subchapter B of chapter 65 of the Internal
10 Revenue Code of 1986 is amended by adding at the
11 end the following new item:

“Sec. 6432. Continuation coverage premium assistance.”.

12 (4) EFFECTIVE DATE.—The amendments made
13 by this subsection shall apply to premiums to which
14 section 2(a)(1)(A) applies.

15 (5) SPECIAL RULE IN CASE OF EMPLOYEE PAY-
16 MENT THAT IS NOT REQUIRED UNDER THIS SEC-
17 TION.—

18 (A) IN GENERAL.—In the case of an as-
19 sistance eligible individual who pays, with re-
20 spect any period of coverage to which section
21 2(a)(1)(A) applies, the amount of the premium
22 for such coverage that the individual would
23 have (but for this Act) been required to pay,
24 the person to whom such payment is payable

1 shall reimburse such individual for the amount
2 of such premium paid.

3 (B) CREDIT OF REIMBURSEMENT.—A per-
4 son to which subparagraph (A) applies shall be
5 allowed a credit in the manner provided under
6 section 6432 of the Internal Revenue Code of
7 1986 for any payment made to the employee
8 under such subparagraph.

9 (C) PAYMENT OF CREDITS.—Any person
10 to which subparagraph (A) applies shall make
11 the payment required under such clause to the
12 individual not later than 60 days after the date
13 on which such individual elects continuation
14 coverage under section 2(a)(1) of the Contin-
15 uous Health Coverage for Workers Act.

16 (b) PENALTY FOR FAILURE TO NOTIFY HEALTH
17 PLAN OF CESSATION OF ELIGIBILITY FOR PREMIUM AS-
18 SISTANCE.—

19 (1) IN GENERAL.—Part I of subchapter B of
20 chapter 68 of the Internal Revenue Code of 1986 is
21 amended by adding at the end the following new sec-
22 tion:

1 **“SEC. 6720C. PENALTY FOR FAILURE TO NOTIFY HEALTH**
2 **PLAN OF CESSATION OF ELIGIBILITY FOR**
3 **CONTINUATION COVERAGE PREMIUM ASSIST-**
4 **ANCE.**

5 “(a) IN GENERAL.—Except in the case of failure de-
6 scribed in subsection (b) or (c), any person required to
7 notify a group health plan under section 2(a)(2)(B) of the
8 Continuous Health Coverage for Workers Act who fails
9 to make such a notification at such time and in such man-
10 ner as the Secretary of Labor may require shall pay a
11 penalty of \$250.

12 “(b) INTENTIONAL FAILURE.—In the case of any
13 such failure that is fraudulent, such person shall pay a
14 penalty equal to the greater of—

15 “(1) \$250, or

16 “(2) 110 percent of the premium assistance
17 provided under section 2(a)(1)(A) of the Continuous
18 Health Coverage for Workers Act after termination
19 of eligibility under such section.

20 “(c) REASONABLE CAUSE EXCEPTION.—No penalty
21 shall be imposed under this section with respect to any
22 failure if it is shown that such failure is due to reasonable
23 cause and not to willful neglect.”.

24 (2) CLERICAL AMENDMENT.—The table of sec-
25 tions of part I of subchapter B of chapter 68 of such

1 Code is amended by adding at the end the following
2 new item:

“Sec. 6720C. Penalty for failure to notify health plan of cessation of eligibility
for continuation coverage premium assistance.”.

3 (c) COORDINATION WITH HCTC.—

4 (1) IN GENERAL.—Section 35(g)(9) of the In-
5 ternal Revenue Code of 1986 is amended to read as
6 follows:

7 “(9) CONTINUATION COVERAGE PREMIUM AS-
8 SISTANCE.—In the case of an assistance eligible in-
9 dividual who receives premium assistance for con-
10 tinuation coverage under section 2(a)(1) of the Con-
11 tinuous Health Coverage for Workers Act for any
12 month during the taxable year, such individual shall
13 not be treated as an eligible individual, a certified
14 individual, or a qualifying family member for pur-
15 poses of this section or section 7527 with respect to
16 such month.”.

17 (2) EFFECTIVE DATE.—The amendment made
18 by paragraph (1) shall apply to taxable years ending
19 after the date of the enactment of this Act.

20 (d) EXCLUSION OF CONTINUATION COVERAGE PRE-
21 MIUM ASSISTANCE FROM GROSS INCOME.—

22 (1) IN GENERAL.—Part III of subchapter B of
23 chapter 1 of the Internal Revenue Code of 1986 is

1 amended by inserting after section 139H the fol-
 2 lowing new section:

3 **“SEC. 139I. CONTINUATION COVERAGE PREMIUM ASSIST-**
 4 **ANCE.**

5 “In the case of an assistance eligible individual (as
 6 defined in subsection (a)(3) of section 2 of the Continuous
 7 Health Coverage for Workers Act), gross income does not
 8 include any premium assistance provided under subsection
 9 (a)(1) of such section.”.

10 (2) CLERICAL AMENDMENT.—The table of sec-
 11 tions for part III of subchapter B of chapter 1 of
 12 such Code is amended by inserting after the item re-
 13 lating to section 139H the following new item:

“Sec. 139I. Continuation coverage premium assistance.”.

14 (3) EFFECTIVE DATE.—The amendments made
 15 by this subsection shall apply to taxable years end-
 16 ing after the date of the enactment of this Act.

17 **SEC. 4. RULE OF CONSTRUCTION.**

18 In all matters of interpretation, rules, and oper-
 19 ational procedures, the language of this Act shall be inter-
 20 preted broadly for the benefit of workers and their fami-
 21 lies.

○