



BPA
Daily Valuation Plans
Hand Benefits & Trust

Harbridge Consulting Group
Actuaries & Advisors
Flex Corp

ESPAÑOL

Harbridge Advisor

In This Issue

[DOL Releases COBRA Subsidy Model Notices](#)

[IRS Guidance on Asset Valuation Methods](#)

Quick Links

www.bpas.com

Email Your Consultant

[Vince Spina](#)

[Sarah Dam](#)

[Steve Chase](#)

[Ken Prell](#)

[Kevin Wade](#)

[Sheila Yoensky](#)

[Sharon Rainka](#)

[Monica Cecilia](#)

[Michael Albino](#)

[Jill Casey](#)

[Lisa Engler](#)

[Kate Janowski](#)

[Amy Kemp](#)

[Brian Kling](#)

[Fred Nelson](#)

[Karen Oliver](#)

[Ken Pliszka](#)

[Josh Pulver](#)

[William Stuart](#)

[Nicole Wagner](#)

Issue: # 2009-9

March 20, 2009

DOL Releases COBRA Subsidy Model Notices

On March 19, 2009, the Department of Labor (DOL) released the model notices for the 65% COBRA subsidy provided for under the American Recovery and Reinvestment Act (ARRA). Many employers have been waiting for these model notices to initiate the notification and election process for Assistance Eligible Individuals under ARRA. The model notices can be found at the following page on the DOL website:

[DOL Website](#)

The DOL also has a number of other resources available through its website, including:

Free registration for a March 29, 2009 webinar in which the DOL will provide information and respond to questions about the COBRA subsidy under ARRA:

[Webinar Link](#)

Frequently Asked Questions about the COBRA subsidy under ARRA:

[FAQ Link](#)

A link to an IRS page with information to help employers claim credit for the subsidy payment, including a link to the updated Form 941, which will be used to claim the reimbursement of the subsidy:

[IRS Web Link](#)

Please contact your Harbridge Consultant with any questions via email above or by phone or contact Steve Chase at 315-703-8986.

IRS Guidance Provided on Asset Valuation Method for Pension Plans

On March 16th, the Internal Revenue Service issued [Notice 2009-22](#), which provides interim rules regarding asset valuation methods that are permitted to be used by single employer defined benefit pension plans pursuant to changes made by the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA).

Under WRERA, when determining the Actuarial Asset Value for a Plan, expected earnings on the fair market value of assets are taken into account in determining the adjusted fair market value of assets as of a determination date. Prior to WRERA, the adjusted fair market value of assets as of a determination date only included contributions, benefit payments, and expenses. Notice 2009-22 provides the guidance necessary to determine expected earnings.

The IRS has provided automatic approval for plans to adopt any asset method permissible under the Pension Protection Act of 2006, as amended by WRERA, for plan years beginning during 2009. Also, plans that used an Actuarial Asset Value for the 2008 valuation under the pre-WRERA rules are not required to revise the valuation, but have the option to revise the valuation.

The IRS has not approved rules for changing asset methods after plan years beginning in 2009. Under current law, any changes to the funding method, including the asset valuation method, must be formally approved by the Treasury Department.

Your Harbridge Consultant can assist you in determining whether a change to your Plan's asset valuation method would be beneficial based on your Plan's financial status and funding policy.

Please contact your Harbridge Consultant with any questions via email above or by phone.

The Harbridge Advisor is provided as a service to our clients. Harbridge Consulting Group does not practice law and this communications does not constitute legal advice.
