

LEGAL UPDATES

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Service

Employee Benefits &
Executive
Compensation

Cafeteria Plan Amendment May Be Required By April 1, 2009

The **Children's Health Insurance Program Reauthorization Act of 2009** creates a special enrollment right under health and cafeteria plans, effective April 1, 2009, for employees and dependent children in two circumstances:

1. termination of coverage due to loss of eligibility under Medicaid or a state-sponsored Children's Health Insurance Program (CHIP); and
2. eligibility for employment assistance under Medicaid or CHIP to help pay for coverage under the employer health plan (see our recent communication on this topic).

Unlike other special enrollment rights that provide an enrollment period of 30 days, the CHIP changes require an enrollment period of 60 days. As a result, an amendment to your section 125 cafeteria and health plans may be required prior April 1, 2009.

If you would like us to review your cafeteria or health plan to see if a CHIP amendment is required or to draft a CHIP amendment, please contact a member of the Employee Benefits & Executive Compensation Group.

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