

**Attorneys****Partner**

- Joshua Zuckerberg

## **Partner Zuckerberg Quoted In Entrepreneur Article About COBRA And Obama Economic Stimulus Plan**

Pryor Cashman Labor & Employment Partner Joshua Zuckerberg was recently interviewed by *Entrepreneur* for an article about the Obama economic stimulus package.

In the April 8, 2009 article entitled *Stimulus Stings Some Businesses*, author Dennis Romero noted that some entrepreneurs were surprised by the out-of-pocket insurance mandate in the new law. When Congress approved the Obama administration's economic stimulus package in February, a little-known provision aimed at easing the pain of healthcare costs for laid-off workers triggered a financial affliction for business owners. As noted in the article:

“The American Recovery and Reinvestment Act reduces the amount laid-off workers have to pay in order to extend optional healthcare coverage under federally mandated COBRA (Consolidated Omnibus Budget Reconciliation Act) rules. Instead of writing monthly checks for 102 percent (the extra 2 percent for administrative costs) of the healthcare premium they enjoyed on-the-job, they now have to front only 35 percent. The caveat: The remaining 65 percent must be paid, up-front, by employers, which can then withhold the amount of the payments from their next federal payroll-tax contributions.”

When Zuckerberg was asked about the drastic impact this legislation had on small business owners, he told *Entrepreneur* “I think there is definitely some resentment. This came down without a lot of guidance.”

To read the entire article, please [click here](#).