

December 15, 2004

## **Veterans' Benefits Improvement Act of 2004 Creates New Requirements for Employers**

On December 10, 2004, President Bush signed into law the Veterans' Benefits Improvement Act (the "Act"). The Act modifies and extends housing, education, and other benefits for the Nation's veterans by amending portions of Title 38 of the United States Code, including the Uniform Services Employment and Reemployment Rights Act (USERRA). USERRA, enacted in October 1994, provides reemployment protection and other benefits for veterans and employees who perform military service.

The law creates two new requirements that are of particular importance to employers:

### **USERRA Notice Requirement**

The Act requires that employers provide employees with notice of their rights under USERRA. The Act states:

Each employer shall provide to persons entitled to rights and benefits under this chapter a notice of the rights, benefits, and obligations of such persons and such employers under this chapter. The requirement for the provision of notice under this section may be met by the posting of the notice where employers customarily place notices for employees.

The Secretary of Labor will provide employers with the notice required under this new law within the next 90 days. This portion of the Act will apply to employers as of March 10, 2005.

## Extension of Maximum Period of Employer-Sponsored Health Coverage

The new law increases from 18 months to 24 months the maximum period of employer-sponsored health coverage that an employee covered by USERRA may elect to continue. The Act amends section 4317 of USERRA, which provides for health benefit continuation for persons who are absent from work to serve in the military, even when their employers are not covered by COBRA.

Under the Act, if a person's health plan coverage would terminate because of an absence due to military service, the person may elect to continue the health plan coverage for up to **24 months** after the absence begins or for the period of service. Similar to COBRA, the person cannot be required to pay more than 102 percent of the full premium for the coverage. If military service was for 30 or fewer days, the person cannot be required to pay more than the normal employee share of any premium. The effective date of the increased coverage is the date of enactment of the law, December 10, 2004.

For the full text of the law please go to: <http://thomas.loc.gov/> and search for Public Law No. 108-454. The bill text is not yet available from the Government Printing Office.

Questions regarding the Veterans' Benefits Improvement Act of 2004 or USERRA should be addressed to Jesse L. Miller at (415) 544-1083 or [jmiller@seyfarth.com](mailto:jmiller@seyfarth.com) or the Employee Benefits Attorney or Labor and Employment Attorney with whom you normally work.

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