

# Henson & Efron

PROFESSIONAL ASSOCIATION

## **NEW LAW CREATES ADDITIONAL RESPONSIBILITIES FOR EMPLOYERS**

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The President signed the Veterans Benefits Improvement Act of 2004 ("VBIA") into law on December 10, 2004. The new law seeks to improve housing, education and other benefits for veterans. It also contains some provisions that affect an employer's obligations under the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA").

Specifically, VBIA expands the requirement under USERRA that employers (regardless of their size) offer employees called to active service the right to continue their employer-provided health coverage for a period of 18 months for themselves and their dependents. Under VBIA, employers must now offer such coverage for a period of 24 months. The provision is effective for elections made on or after December 10, 2004.

The VBIA also requires that employers provide employees a notice of their rights, benefits and obligations under USERRA. The notice requirement may be satisfied by a posting where other notices are customarily posted. The Secretary of Labor will provide the text of the required notice by March 10, 2005, at which time the notice must be posted.

The new notice requirement will only require employers to post the notice once it is provided by the DOL. Employers may, however, need to modify their administrative procedures, affected plans, and employee communications for the extended healthcare continuation requirement.

Please call Steve Hopkins or Kristin Staffanson at (612) 339-2500 if you have any questions about the new law.