

Veterans Benefits Improvement Act of 2004

President George W. Bush signed the Veterans Benefits Improvement Act of 2004, S. 2486, into law on December 10, 2004. The law contains two provisions that will impact employers because it expands the rights and benefits of veterans. First, the new law requires employers to post a notice of affected employees' rights and obligations under the Uniform Services Employment and Reemployment Rights Act of 1994 (USERRA) in the workplace. Secondly, the law also expands the period for which employers must offer employees called to active military service the right to continue employer-provided health coverage under USERRA to 24 months from 18 months.

In 1994, Congress enacted the Uniformed Services Employment and Reemployment Rights Act (USERRA) designed to govern many of the employment issues involving employees who have or will be called to active military service. When enacted, USERRA clarified and reinstated the rights and benefits to which employees who are called or volunteer for active military duty are entitled. Now Congress has enacted another law, The Veterans Benefits Improvement Act of 2004 (VBIA), which seeks to improve housing, education and other benefits for veterans. The law also contains provisions to modify employers' obligations under USERRA.

The provisions in the Veterans Benefits Improvement Act (VBIA) that affect employers' USERRA obligations include:

Notice Requirement: VBIA requires employers to provide those who are eligible for rights and benefits under USERRA with a notice of those rights, benefits and obligations under the law. The law specifies that this notice requirement may be satisfied by posting a notice where other required notices are customarily posted. The text of this required notice will be provided by the Secretary of Labor within 90 days of VBIA's enactment (or by March 10, 2005), at which time this notice requirement will be effective.

Health Coverage: Service members and their families are entitled to health coverage under the military health program, TRICARE. When enacted, USERRA required that employers offer employees called to active service the right to continue their employer-provided health coverage for themselves and their dependents for a period of up to 18 months. These rights are similar to those offered under the federal COBRA law, but the USERRA requirement applies to employers regardless of size and to other plans not subject to COBRA, such as church plans. Employees who elect this coverage may be charged a premium of 102% of the cost of the coverage.

VBIA will expand the period for which this coverage must be offered to 24 months. This provision is effective for elections made on or after December 10, 2004.