

## **COBRA CONTINUATION COVERAGE**

### **QUALIFYING EVENTS**

For the spouse of a Retiree covered by the Plan, COBRA provides continuation of Plan coverage at the spouse's expense *if Plan coverage is lost because of:*

- The death of the Retiree (because a spouse generally is permitted to continue coverage upon your death, this qualifying event will generally not cause a loss of coverage, so that COBRA will not apply.); or
- Divorce from the Retiree.

For a Dependent Child of a Retiree or the Surviving Spouse of a Retiree covered by the Plan, COBRA provides continuation of Plan coverage at the Dependent's expense *if Plan coverage is lost because of:*

- The death of the Retiree;
- The divorce of the Dependent Child's parents (if the Dependent Child continues to meet the definition of Dependent, divorce or separation of the parents will generally not cause the Dependent Child to lose coverage.); or
- An individual no longer meet the Plan's definition of a Dependent Child.

### **NOTIFY THE PLAN'S ELIGIBILITY BENEFITS CENTER**

A spouse or Dependent Child must notify the Plan's Eligibility Benefits Center of any qualifying events within 60 days of the event. The Plan's Eligibility Benefits Center will then send a COBRA Election Notice. If the spouse or Dependent Child does not notify the Plan's Eligibility Benefits Center within 60 days of the qualifying event, he or she will lose the right to elect COBRA Continuation Coverage.

### **ELECTING COBRA CONTINUATION COVERAGE**

If your Dependents wish to elect COBRA Continuation Coverage, they must contact the Eligibility Benefits Center no later than 60 days after the date that coverage ended, or, if later, the date they receive the General COBRA Continuation Coverage notice from the Plan.

Each Dependent eligible for COBRA Continuation Coverage has an independent right to elect this coverage. In general, a parent may elect to continue coverage for Dependent Children. However, a Dependent Child who is 18 years or older has the right to elect COBRA Continuation Coverage independently, regardless of whether or not your spouse elects this coverage.

## **PAYING FOR COBRA CONTINUATION COVERAGE**

The Eligibility Benefits Center will notify your Dependents of the cost of COBRA Continuation Coverage when it notifies them of their right to coverage. The cost for COBRA Continuation Coverage will be determined by the Committee on a yearly basis, and will not exceed 102% of the cost (Retiree Contribution and Plan cost combined) to provide this coverage.

The first payment for COBRA Continuation Coverage must include payments for any months retroactive to the day coverage under the Plan ended. This payment is due no later than 45 days after the date your Dependents sign the election form and return it to the Eligibility Benefits Center.

Subsequent payments are due the first of the month for which payment is made. If a monthly payment is made on or before its due date, coverage under the Plan will continue for that month without any break. A COBRA payment will be considered made when it is mailed (postmarked).

**If payment is not made by the required due date plus a grace period, coverage under the Plan will end. Once COBRA Continuation Coverage ends, it cannot be reinstated.**

## **GRACE PERIODS FOR COBRA PAYMENTS**

Although COBRA payments are due on the first day of the month, a grace period of 30 days is provided to make each COBRA payment. The grace period does not apply to the first COBRA payment, which is due within 45 days of election of COBRA continuation coverage, as noted above. COBRA continuation coverage will be provided for each month, as long as payment for that month is made before the end of the grace period. However, if a monthly payment is made later than the first day of the month to which it applies, but before the end of the grace period for the month, and the individual submits a claim within that period, the individual may receive an explanation of benefits that a benefit determination cannot be made due to a pending COBRA payment. This means that unless the Plan has received the COBRA payment, it will not pay benefits.

## **DEPENDENTS' LOSS OF COBRA CONTINUATION COVERAGE**

The period of COBRA Continuation Coverage for a Dependent may end or be reduced before 36 months if:

- The Dependent does not make the required monthly self-payments within 30 days of the due date;
- The Plan or Trust is terminated;
- The Dependent becomes covered under any other group health care plan after the date COBRA Continuation Coverage is elected (provided that plan does not contain any pre-existing condition exclusions or limitations that affect coverage);

- The Dependent voluntarily cancels coverage; or
- The Dependent becomes entitled to Medicare after the date they first elect COBRA Continuation Coverage.

Note: If a Dependent becomes entitled to Medicare prior to the date he or she is eligible to elect COBRA, the Dependent is still eligible to elect to continue coverage under COBRA. However, if the Dependent becomes entitled to Medicare after electing to continue coverage under COBRA, the Dependent's COBRA coverage will be terminated. Once coverage under COBRA has been terminated, it will not be reinstated.

If COBRA Continuation Coverage ends before the end of the 36-month COBRA Continuation Coverage period, the Dependents will be notified that their coverage has ended and the reason why it has ended.

If you have any questions about COBRA, contact the Eligibility Benefits Center, which does not insure benefits or act as the Plan Administrator (as defined by ERISA) for the Plan, but only provides the administrative services for the Plan.

## **OBTAINING A CERTIFICATE OF CREDITABLE COVERAGE**

If you (or your Dependents) become covered under another health care plan or Carrier, coverage under the Plan may count toward satisfying any pre-existing condition clause contained in the new plan. For example, if you go to work for a new employer and then new employer's medical plan excludes coverage for certain pre-existing conditions for six months, and you had coverage under the Plan for a total of three months, you may present a Certificate of Creditable Coverage to reduce the exclusionary period to three months.

Without evidence of creditable coverage, you may be subject to a pre-existing condition for up to 12 months (18 months for late enrollees) after your enrollment date in your new coverage, dependent on that plan's terms.

When your coverage ends or when a Dependent's coverage ends, the Eligibility Benefits Center will provide a Certificate of Creditable Coverage that states the length of coverage under the Plan. You should keep this certificate in case you need it in the future.