



**WASHINGTON ELEMENTARY SCHOOL DISTRICT #6
EMPLOYEE BENEFIT TRUST (EBT)
GENERAL (INITIAL) NOTICE OF COBRA CONTINUATION COVERAGE
RIGHTS**

Introduction

You are receiving this notice because you recently obtained coverage under a group health plan (the Plan). This notice contains important information about your right to COBRA continuation coverage, which is a **temporary** extension of coverage under the Plan. **This notice explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it.** When you become eligible for COBRA, you may also become eligible for other coverage options that may cost less than COBRA continuation coverage.

A federal law, called the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) created the right to COBRA continuation coverage. COBRA continuation coverage can become available to you and other members of your family when group health coverage would otherwise end. For more information about your rights and obligations under the Plan and under federal law, you should review the Plan's Summary Plan Description or contact the Plan Administrator.

You may have other options available to you when you lose group health coverage. For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse's plan), even if that plan generally doesn't accept late enrollees.

What is COBRA Continuation Coverage?

COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a "qualifying event." This notice lists some Qualifying Events below. After a qualifying event, COBRA continuation coverage must be offered to each person who is a "qualified beneficiary." You, your spouse, and your dependent children could become qualified beneficiaries if your coverage under the Plan is lost because of the qualifying event. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay the entire cost of such coverage.

If you are an employee, you will become a qualified beneficiary if you lose your coverage under the Plan because either one of the following qualifying events happens:

- Your hours of employment are reduced making you ineligible for group health coverage (including if you fail to work sufficient hours in a designated work period necessary to maintain plan eligibility), or
- Your employment ends for any reason (other than your gross misconduct).

If you are the spouse of an employee, you will become a qualified beneficiary if you lose your coverage under the Plan because any of the following qualifying events happens:

Your spouse dies;
Your spouse's hours of employment are reduced making the employee ineligible for group health coverage;
Your spouse's employment ends for any reason other than his or her gross misconduct; or
You become divorced or legally separated from your spouse.

Your dependent children will become qualified beneficiaries if they lose coverage under the Plan because any of the following qualifying events happens:

The parent-employee dies;
The parent-employee's hours of employment are reduced making the parent-employee ineligible for group health coverage;
The parent-employee's employment ends for any reason other than his or her gross misconduct;
The parents become divorced or legally separated; or
The child stops being eligible for coverage under the plan as a "dependent child."

When is COBRA Coverage Available?

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction of hours of employment, death of the employee, or the employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), the employer must notify the Plan Administrator of the qualifying event.

IMPORTANT: You Must Give Notice of Some Qualifying Events

For the other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), **you must notify the Plan Administrator within 60 days** after the qualifying event occurs.

Notifying the Plan: Any notice that you provide must be **in writing**. Oral notice, including notice by telephone, is not acceptable. You must provide a written notice to the **Plan Administrator** (whose address is listed at the end of this document). The written notice can be sent via first class mail, or be hand-delivered, and is to include your name, the qualifying event, the date of the event, and appropriate documentation in support of the qualifying event, such as divorce decree or legal separation agreement documents. If mailed, your notice must be postmarked no later than the last day of the required notice period.

NOTE: If such a written notice is not postmarked by or received by the Plan within the 60-day period you, the Qualified Beneficiary, will not be entitled to choose COBRA coverage.



How is COBRA Coverage Provided?

Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their qualified dependent children.

Duration of COBRA Coverage

COBRA continuation coverage is a temporary continuation of coverage that generally last for 18 months due to employment terminating or reduction of hours of work. Certain Qualified Events, or a second Qualified Event during the initial period of coverage may permit a beneficiary to receive a maximum of 36 months of coverage.

When the qualifying event is the death of the employee, your divorce or legal separation, or a child's losing eligibility as a dependent child, COBRA continuation coverage lasts for up to a total of 36 months for spouses and dependents who are qualified beneficiaries.

There are three ways in which COBRA coverage can last longer than 18 months:

(1) Disability extension of 18-month period of continuation coverage: If you or anyone in your family covered under the Plan is determined by the Social Security Administration (SSA) to be disabled as of the date of the qualifying event or at any time during the first 60 days of COBRA continuation coverage, and you notify the COBRA Administrator in writing the timeframe required, you and your entire family may be entitled to receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months, provided the disability lasts at least until the end of the 18-month period of COBRA coverage.

Notifying the Plan: You or another family member must follow this procedure to notify the Plan by sending a written notification to the COBRA Administrator of the Social Security Administration's determination within 60 days after that determination was received by you or another covered family member. The written notice must be sent via first class mail, or be hand-delivered, and must include your name, the request for extension of COBRA, the name of the disabled qualified beneficiary, the date the qualified beneficiary became disabled, and a copy of the written determination of disability from the Social Security Administration and that notice must be received by the COBRA Administrator before the end of the 18-month COBRA Continuation period. **Failure to notify the Plan in the timeframe required may jeopardize an individual's rights to extended COBRA coverage. You must also notify the Plan when the disabled person is no longer determined to be disabled according to the Social Security Administration.**

(2) Second qualifying event extension of 18-month period of continuation coverage: If your family experiences another qualifying event while receiving 18 months of COBRA continuation coverage, the spouse and dependent children in your family who are qualified beneficiaries can get up to 18 additional months of COBRA continuation coverage (for a maximum of 36 months) if notice of the second qualifying event is properly given to the Plan. This extension may be available to the spouse and any dependent children (if they are qualified beneficiaries) receiving continuation coverage if the employee or former employee dies, or gets divorced or legally separated, or if the dependent child stops being eligible under the Plan as a dependent child.

Medicare entitlement is not a qualifying event under this Plan because it does not result in loss of coverage. As a result, Medicare entitlement following a termination of coverage or reduction in hours will not extend COBRA to 36 months for spouses and dependents who are qualified beneficiaries.

Notifying the Plan: You or another family member must follow this procedure to notify the Plan by sending a written notification to the COBRA Administrator of the second qualifying event within 60 days of that event. The written notice should be sent via first class mail, or be hand-delivered, and is to include your name, the request for extension of COBRA, the second qualifying event, the date of the second qualifying event and appropriate documentation in support of the second qualifying event such as divorce decree or legal separation agreement documents and that notice must be received by the COBRA Administrator before the end of the 18-month COBRA Continuation period. **Failure to notify the Plan in the time frame required may jeopardize an individual's rights to extended COBRA coverage.**

(3) Medicare Extension for Spouse and Dependent Children: When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement. *For example*, if a covered employee becomes entitled to Medicare 8 months before the date on which his employment terminates, COBRA continuation coverage for his spouse and children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus 8 months). Otherwise, when the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage generally lasts for only up to a total of 18 months.



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Continuation of a Health FSA (When the Plan Offers a Health FSA)

COBRA coverage under the health FSA will be offered only to qualified beneficiaries losing coverage who have under spent their Health FSA account. A qualified beneficiary has an under spent account if the annual limit elected by the covered employee, reduced by the reimbursable claims submitted up to the time of the qualifying event, is equal to or more than the amount of the premium for Health FSA coverage that will be charged for the remainder of the flex plan year. COBRA coverage will consist of the Health FSA coverage in force at the time of the qualifying event (i.e. the elected annual limit reduced by reimbursable claims submitted up to the time of the qualifying event).

The use or lose it rule will continue to apply, so any unused amounts will be forfeited at the end of the flex plan year and COBRA coverage will terminate at the end of the flex plan year.

Other Rules and Requirements

- **Same Rights as Active Employees to Add New Dependents.** A qualified beneficiary generally has the same rights as similarly situated active employees to add or drop dependents, make enrollment changes during open enrollment, etc. Contact the Plan Administrator for more information.
- **Children Born to or Placed for Adoption with the Employee During COBRA Period.** A child born to, adopted by or placed for adoption with a covered employee during a period of COBRA continuation coverage is considered to be a qualified beneficiary provided that, if the covered employee is a qualified beneficiary, the employee has elected COBRA continuation coverage for himself or herself. The child's COBRA coverage begins when the child is enrolled in the Plan, whether through special enrollment or open enrollment, and it lasts for as long as COBRA coverage lasts for other family members of the employee. To be enrolled in the Plan, the child must satisfy the Plan's eligibility requirements (for example, age requirements).
- **Alternate Recipients Under Qualified Medical Child Support Orders (QMCSO).** A child of the covered employee, who is receiving benefits under the Plan because of a Qualified Medical Child Support Order (QMCSO) received by the Plan Administrator during the employee's period of employment with the employer, is entitled the same rights under COBRA as a dependent child of the covered employee, regardless of whether that child would otherwise be considered a dependent.
- **Be sure to promptly notify the COBRA Administrator (in writing) if you need to make a change to your COBRA coverage.** The COBRA Administrator must be notified in writing within 31 days of the date you wish to make such a change (adding or dropping dependents, for example).

Instead of enrolling in COBRA continuation coverage, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicare, Medicaid, Children's Health Insurance program (CHIP) or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at www.healthcare.gov.

Can I enroll in Medicare instead of COBRA continuation coverage after my group health plan coverage ends?

In general, if you don't enroll in Medicare Part A or B when you are first eligible because you are still employed, after the Medicare initial enrollment period, you have an 8-month special enrollment period to sign up for Medicare Part A or B, beginning on the earlier of

- The month after your employment ends; or
- The month after group health plan coverage based on current employment ends.

If you don't enroll in Medicare and elect COBRA continuation coverage instead, you may have to pay a Part B late enrollment penalty and you may have a gap in coverage if you decide you want Part B later. If you elect COBRA continuation coverage and later enroll in Medicare Part A or B before the COBRA continuation coverage ends, the Plan may terminate your continuation coverage. However, if Medicare Part A or B is effective on or before the date of the COBRA election, COBRA coverage may not be discontinued on account of Medicare entitlement, even if you enroll in the other part of Medicare after the date of the election of COBRA coverage.

If you are enrolled in both COBRA continuation coverage and Medicare, Medicare will generally pay first (primary payer) and COBRA continuation coverage will pay second. Certain plans may pay as if secondary to Medicare, even if you are not enrolled in Medicare.

For more information visit <https://www.medicare.gov/medicare-and-you>.

<https://www.medicare.gov/sign-up-change-plans/how-do-i-get-parts-a-b/part-a-part-b-sign-up-periods>.



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If You Have Questions

Questions concerning your Plan or your COBRA continuation coverage rights should be addressed to the contact or contacts identified below. For more information about your rights under COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at www.dol.gov/ebsa. For more information about Marketplace, visit www.HealthCare.gov.

The addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website. You may also contact the Plan Administrator at their address and phone number below.

Keep Your Plan Informed of Address Changes

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator or COBRA Administrator.

Plan Contact Information

Remember, while you can call the Plan for information, any notice that you provide must be **in writing**. Oral notice, including notice by telephone, is not acceptable. See the procedures to notify the Plan in writing that have been outlined in this document.

PLAN ADMINISTRATOR:

**Washington Elementary School District – Insurance Office
Plan Administrator
4650 W. Sweetwater Avenue
Glendale, AZ 85304
602-347-2613**

COBRA ADMINISTRATOR:

**Washington Elementary School District – Insurance Office
COBRA Administrator
4650 W. Sweetwater Avenue
Glendale, AZ 85304
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