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A SUMMARY OF YOUR COBRA RIGHTS

What is COBRA?

The Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, (COBRA) is a law that allows you and your covered dependents to continue your employer-sponsored group health and dental coverage. Your coverage and that of your covered dependents will continue under certain circumstances when coverage would have otherwise terminated.

Continuation of Coverage

1. Covered employees or their covered dependents covered under the employer's group health plan or dental plan, may have the right to choose to continue group coverage for up to 18 months if coverage is lost due to:
 - a. the employee's reduction in hours of employment; or
 - b. the employee's termination of employment (for other than gross misconduct).

2. Covered employees or their covered dependents who become disabled at any time during the first sixty (60) days of coverage continued as a result of termination of employment or reduction of work hours and continues to be disabled at the end of the initial 18 month period may have their coverage continuation extended an additional 11 months for a total of 29 months. Disability must be determined by the Social Security Administration (SSA) Title II or Title XVI. For the disability extension to apply, a copy of the SSA Determination of Disability letter must be provided to the employer within 60 days after the latest of (1) the date of the SSA determination of disability; (2) the date on which the qualifying event occurs; or (3) the date on which the qualified beneficiary loses coverage. The premium payment for the first 18 months may be up to 102% of the applicable group premium. For the next 11 months, premium payment may be up to 150% of the applicable group premium. Your coverage may be terminated during the extended period if it is determined that you are no longer disabled.

3. Covered dependents may elect to continue health or dental coverage for up to 36 months if the loss of coverage is due to:
 - a. the death of an employee;
 - b. divorce or legal separation;
 - c. the employee's entitlement to Medicare; or
 - d. the child ceasing to be a dependent child as defined under the group health plan.

4. Covered employees or their covered dependents may elect to continue coverage for up to 24 months if the loss of coverage is due to a call to active duty military service.

Notice Obligations

In accordance with the law, covered employees or dependents are responsible for notifying the Plan Administrator (usually your employer) of:

1. divorce or legal separation;
2. when a child is no longer a dependent as defined under your employer's group health plan.

Written notice must be provided within sixty (60) days after the event of the date coverage terminates, whichever is later. The employer will then notify the employee or dependent of the right to continue coverage under COBRA. If written notice is not provided to the Plan Administrator within sixty (60) days, COBRA continuation will not be offered.

In the case of the employee's death, termination of employment, reduction in hours or Medicare entitlement, the employer has the responsibility to notify the covered employee and dependents of their right to coverage continuation under COBRA.

Election Procedures

Covered employees and their covered dependents will be notified of their right to elect to continue coverage once the Plan Administrator has been made aware that one of the events listed above has occurred. Covered employees and dependents will have sixty (60) days from the termination date of coverage or the date of the notice, whichever is later, to elect to continue health coverage.

Separate elections may be made by each person who has lost group coverage under your employer's group plans. If coverage is not continued, group coverage may terminate under your employer's group plan.

Who Pays the Premium?

The person electing to continue coverage under the employer's group plan will be responsible for paying the premium. In most cases, the maximum amount that may be charged is 102% of your group premium.

The first premium payment is due 45 days following the date you elect to continue coverage. Future premium payments must be made on a monthly basis. A grace period of 30 days (or one equal in length to the employer's grace period, if longer) will be allowed for payment of any monthly premium. Continuation of coverage may be terminated if the premium payment is not received by the end of the grace period.

How Long Will COBRA Be Effective?

COBRA coverage will be in effect for 18, 24, 29 or 36 months depending on the qualifying reason for coverage continuation as outlined above. Continued coverage may also terminate before the end of the 18, 24, 29 or 36 month period when:

1. the former employer no longer provides a group health plan to any of its active employees;
2. the premium is not paid by the end of the grace period;
3. participants become covered under another employer-sponsored group health plan that does not limit or exclude a pre-existing condition (**note: there are limitations on plans' imposing a pre-existing condition exclusion and such exclusions will become prohibited beginning in 2014 under the Affordable Care Act**);
4. participants become entitled to Medicare.

Can Coverage Be Extended Under COBRA? (Referred to as Second Qualifying Events)

Yes, if your covered dependents have chosen to continue their group coverage for 18 months due to termination of your employment or reduction in work hours, your dependents may extend coverage beyond the end of this 18 month period if:

1. you, the employee dies;
2. you divorce or become legally separated;
3. you become entitled to Medicare; or
4. your child ceases to be a dependent child as defined under the group health plan.

In each case, coverage may be extended for up to 36 months from the date coverage was originally lost.

More Information

For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, visit the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) website at www.dol.gov/ebsa or call their toll-free number at 1-866-444-3272

What is the Health Insurance Marketplace?

The Marketplace offers "one-stop shopping" to find and compare private health insurance options. In the Marketplace, you could be eligible for a new kind of tax credit that lowers your monthly premiums and cost-sharing reductions (amounts that lower your out-of-pocket costs for deductibles, coinsurance, and copayments) right away, and you can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. Through the Marketplace you'll also learn if you qualify for free or low-cost coverage from [Medicaid](#) or the [Children's Health Insurance Program \(CHIP\)](#). You can access the Marketplace for your state at www.HealthCare.gov.

Coverage through the Health Insurance Marketplace may cost less than COBRA continuation coverage. Being offered COBRA continuation coverage won't limit your eligibility for coverage or for a tax credit through the Marketplace.

When can I enroll in Marketplace coverage?

You always have 60 days from the time you lose your job-based coverage to enroll in the Marketplace. That is because losing your job-based health coverage is a “special enrollment” event. **After 60 days your special enrollment period will end and you may not be able to enroll, so you should take action right away.** In addition, during what is called an “open enrollment” period, anyone can enroll in Marketplace coverage.

To find out more about enrolling in the Marketplace, such as when the next open enrollment period will be and what you need to know about qualifying events and special enrollment periods, visit www.HealthCare.gov.

If I sign up for COBRA continuation coverage, can I switch to coverage in the Marketplace? What about if I choose Marketplace coverage and want to switch back to COBRA continuation coverage?

If you sign up for COBRA continuation coverage, you can switch to a Marketplace plan during a Marketplace open enrollment period. You can also terminate your COBRA continuation coverage early and switch to a Marketplace plan if you have another qualifying event such as marriage or birth of a child through something called a “special enrollment period.” But be careful though - if you terminate your COBRA continuation coverage early without another qualifying event, you’ll have to wait to enroll in Marketplace coverage until the next open enrollment period and could end up without any health coverage in the interim.

Once you’ve exhausted your COBRA continuation coverage and the coverage expires, you’ll be eligible to enroll in Marketplace coverage through a special enrollment period, even if Marketplace open enrollment has ended.

Important note: If you sign up for Marketplace coverage instead of COBRA continuation coverage, you cannot switch to COBRA continuation coverage under any circumstances.

Contact your employer as soon as possible if there is a change in your marital status or change in address.

NOTE: This is not intended, nor is it to be construed as legal advice. This is merely intended to be a brief summary of your COBRA rights. Please contact your employer if you need additional information.