



Beekmantown Central School District
37 Eagle Way
West Chazy, NY 12992
(518) 563-8250



Notice of COBRA Rights: If you are enrolled in **Beekmantown Central School District Group Health and/or Dental or Vision Plan this serves as your annual notice of your rights of COBRA coverage. YOU (AND YOUR SPOUSE) SHOULD READ THIS INFORMATION, REGARDLESS OF YOUR CURRENT EMPLOYMENT STATUS**

Dear Member,

To provide options for individuals who lose health coverage from an employer-sponsored group health plan, the Federal government enacted the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272, Title X), commonly known as "COBRA". This notice will summarize your rights, duties and obligations under that law, and this notice is provided to you as required by COBRA.

COBRA Law - With the exception of church groups and the Federal government, all employers with twenty or more employees that provide health benefits are required to offer employees (and/or their covered dependents) the right to a temporary extension of group health coverage (called COBRA continuation coverage) upon the occurrence of certain events which would cause the employee and/or the covered dependents to lose this group health coverage (these events are referred to as "Qualifying Events" under COBRA). We request that you and any covered dependents take the time to read this important notice to familiarize yourselves with the requirements of COBRA.

In addition to being able to continue your group health coverage under COBRA, many employers also offer another type of continuation of your health benefits called "Continuation Coverage". Not all employers offer Conversion Coverage, so you or your dependents should check with your employer in the event of a loss of coverage to verify whether or not Conversion Coverage is available to you, in addition to COBRA. The election of COBRA continuation coverage is different from electing Conversion Coverage. The major advantage to COBRA continuation coverage over Conversion Coverage is that under COBRA you will receive the exact same benefits as are offered to all similarly situated employees in active service, while under conversion coverage your benefits may be reduced. In addition, under COBRA coverage your dependents who were covered under your group health plan will have an independent right to elect to continue their own group health coverage when that coverage is lost due to a Qualifying Event.

YOUR RESPONSIBILITIES - Under the law, you or your family members have the responsibility to notify the Plan Administrator of a divorce, legal separation, or a child losing dependent status under your group health plan. This notice must be provided by you or your family within 60 days from the date of these events (or the date that coverage would end as a result of these events, whichever is later). The Plan Administrator has the responsibility to notify you and/or your covered family members of your COBRA rights in the event of the employee's death, termination of employment, reduction in hours of employment or Medicare entitlement. Similar rights may apply to certain retirees, spouse, and dependent children if your employer commences a bankruptcy proceeding and these individuals lose group health coverage as a result.

RESPONSIBILITIES OF EMPLOYER AND BENEFICIARIES - When an employee or dependent has experienced a "Qualifying Event" (and has notified the Plan Administrator of that event, where required) they will be sent a notification of their rights to elect COBRA continuation coverage. Qualified Beneficiaries must generally be provided with this notification within a forty-four (44) day period from the date that coverage would be terminated (or as soon as administratively possible). The Qualified Beneficiaries will be provided with enrollment forms for COBRA coverage and must enroll for COBRA coverage within sixty (60) days from the later of the date of notification or loss of coverage. The Qualified Beneficiaries then have forty five (45) days from the date of election within which to pay the initial COBRA premium. All Qualified Beneficiaries who elect COBRA coverage must pay the COBRA premiums retroactively back to the date that termination from the Plan would have otherwise occurred. If this initial premium is not paid within 45 days from the date of election, the COBRA coverage will be terminated retroactively.

COBRA QUALIFYING EVENTS - Listed below are the Qualifying Events for which the employee and/or his or her covered dependents (“Qualified Beneficiaries”) are able to continue their health coverage under COBRA if group health coverage is terminated due to any of these events. As shown, the maximum continuation period depends upon the nature of the Qualifying Event. For someone to be considered a Qualified Beneficiary, they must have been covered under the group health plan on the day prior to the date of the Qualifying Event. One exception to this rule is that a Qualified Beneficiary will also include any child born to or adopted by (or placed for adoption with) a covered employee during the COBRA continuation period. These children will receive all health benefits provided to a Qualified Beneficiary throughout the COBRA continuation period, but will not have an independent right to elect or to continue COBRA coverage separate from the other Qualified Beneficiaries. COBRA coverage must be offered to all Qualified Beneficiaries, even if they have other coverage in force as of the date of COBRA election.

Employee's Qualifying Events that yield a maximum of 18 months continuation to all Qualified Beneficiaries:

1. Termination of employment, either voluntary or involuntary (for reasons other than gross misconduct); or
2. Reduction of employee's work hours.

Dependents' Qualifying Events that yield a maximum of 36 months continuation:

1. Death of the employee; or
2. Divorce or legal separation; or
3. Employee qualifies for Medicare; or
4. Dependent child ceases to qualify as a “dependent” under the definitions of the group health plan.

EXTENSION OF CONTINUATION COVERAGE PERIOD - The 18 month COBRA continuation period may be extended under two sets of circumstances. The first circumstance occurs when a 36 month Qualifying Event occurs to a Qualified Beneficiary during the original 18-month continuation period. In that event, the Qualified Beneficiaries affected are allowed to extend their original 18-month continuation period up to a total maximum period of 36 months from the original COBRA start date. The Qualified Beneficiary must, however, notify the plan administrator of this secondary Qualifying Event within 30 days from the date of the secondary Qualifying Event in order to obtain this extension.

The second circumstance occurs when a Qualified Beneficiary is determined by the Social Security Administration (the “SSA”) to have been disabled anytime during the first 60 days of the original 18-month COBRA continuation period. If the SSA makes this determination, it will issue a “Determination of Disability” which specifies when the disability was found to have commenced. In the event of disability, the Qualified Beneficiaries (including both the disabled and non-disabled covered family members) will be permitted to add up to an additional 11 months to the original 18-month continuation period. In order to obtain this disability extension, the Qualified Beneficiary must present this Determination of Disability to our plan administrator within 60 days from the date of issuance of the SSA's finding and before the end of the original 18-month period of COBRA coverage. The premiums charged for this disability extension may be higher than the premiums charged for the original 18-month period.

FAMILY AND MEDICAL LEAVE ACT - Effective August 5, 1993, the Family and Medical Leave Act (“FMLA”) was enacted to allow eligible employees the right to take up to 12 weeks of unpaid leave to care for themselves or a relative for certain health conditions. If you elect to take this leave and later notify the company that you will not be returning to work, or if you do not return to work after the FMLA leave ends, you will be granted the ability to elect COBRA for up to 18 months from the date that group health benefits are terminated.

PREMIUM COSTS - The initial cost of the COBRA continuation coverage will be determined at the time of the Qualifying Event. You may be charged up to 102% of the cost of that coverage for the 18-month or the 36-month COBRA continuation period. If you extend the 18-month COBRA continuation period due to a disability, you may be charged up to 150% of the costs of that coverage during the disability extension period. If the employer's cost of this coverage go up or down during the COBRA continuation period, these charges may change in order to compensate for these changes in the employer's cost. All premiums (other than the initial premium) must be paid within 30 days from the first day of the month within which they are due. The initial COBRA premium must be paid within 45 days from the date of your COBRA election. Failure to pay these premiums within these time limits will result in the retroactive termination

of your COBRA coverage. Benefits will not be paid by the Plan until the premiums due for that time period have been received.

These premiums may be paid with withdrawals from an Individual Retirement Account (IRA). These withdrawals may be made without the imposition of the normal early withdrawal penalty if the individual has received unemployment compensation for at least twelve (12) weeks. Note that only the penalty is waived, and that early IRA withdrawals will still be subject to normal income taxation.

TERMINATION OF COBRA COVERAGE - While COBRA coverage will automatically terminate at the end of the applicable 18 month, 29 month, or 36 month continuation periods; there are other events, which will result in the termination of COBRA continuation coverage. Coverage may be terminated for any of the following reasons:

1. Failure to pay the required COBRA premiums within the applicable time periods; or
2. Your employer terminates the plan(s) you are continuing for all active employees; or
3. Coverage may be terminated "for cause", including the submission of fraudulent claims, or other activities in which a similarly situated active employee would be terminated from coverage; or
4. A COBRA participant first becomes entitled to Medicare after the date of COBRA election (the Dependent's continuation coverage may be extended to a total of 36 month upon notification by the dependent to the Plan Administrator of the employee's Medicare entitlement); or
5. If a disabled participant is determined to be no longer disabled during the eleven month extension, coverage for the entire family unit may be terminated; or
6. If the employee and/or covered dependents first become covered under another group health plan after the date of COBRA election (however, this rule will not apply if that other group health coverage contains a pre-existing condition limitation which in any way limits the coverage available to the Qualified Beneficiaries).

OPEN ENROLLMENT PERIODS - COBRA participants are offered the same rights as similarly situated active employees during open enrollment. Therefore, if your group health plan contains an open enrollment provision, you may add or delete dependents or change coverage during this open enrollment period, provided that you will not have any rights to make changes to your coverage, which are not provided to employees in active service. Although any dependents which you might add during these open enrollment periods will have rights to group health benefits under COBRA, they will not the same rights as Qualified Beneficiaries to independently elect COBRA coverage.

CONVERSION TO AN INDIVIDUAL PLAN - A conversion plan allows individuals covered under a group health plan to convert their coverage from group coverage to an individual coverage without a lapse in coverage or pre-existing condition limitation upon the termination from the group health plan or COBRA. Not all group health plans are required to offer a conversion plan. If you are enrolled in a plan that offers conversion coverage, our firm will send you notification explaining conversion privileges in the last 180 days of your COBRA coverage. Coverage under the conversion plan, if available, may not provide all of the same benefits as you will be entitled to under your COBRA coverage and the cost of that plan may be different from the premiums charged to you under COBRA.

QUESTIONS REGARDING COBRA - If you have any questions regarding this notification of your COBRA rights, please feel free to contact the human resources office at the address or phone number listed below. This notice is provided to you as required by law. This notice is intended to provide you with only a summary of your COBRA rights, duties and obligations. This notice is not intended to constitute legal advice and will not confer upon you any rights not mandated under Federal law.

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