

1/10//2022

John Doe & Family  
123 Main Street  
City, ST Zip Code

Dear John Doe & Family:

*As your life events change, we know how important it is to remain covered by health insurance and that comparing all of the options can be confusing. While continuing your current coverage may be your best option, many Americans want to understand if they are eligible for tax subsidies under the Affordable Care Act to lower the cost of coverage. As part of our service to help you better understand your options and eligibility for subsidies, we have partnered with GoHealth to provide a dedicated website and care center to assist you in exploring your options in addition to coverage under COBRA. GoHealth is the country's most complete online portal for finding health insurance. Please visit <http://www.GoHealth.com/TaxSaverPlan> or call 1-888-797-5958 to speak with a GoHealth representative for more information.*

On 1/8/2022, you experienced an event of a/an Termination which constitutes a qualifying event under the COMPANY NAME group health plan(s). As a result, your coverage, and that of your covered dependent(s), if any, will end on the date(s) set forth on the COBRA Continuation Election Form accompanying this letter. Under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) this entitles you and your covered dependent(s) if any, to elect to continue coverage (referred to as COBRA coverage) under the plan(s) enrolled as active member(s). COBRA coverage is the same coverage that the Plan gives to other participants or beneficiaries who aren't on COBRA. Each "qualified beneficiary" who elects COBRA will have the same rights under the Plan as other participants or beneficiaries covered under the component or components of the Plan elected by the qualified beneficiary, including open enrollment and special enrollment rights. (Certain newborns, newly adopted children, and alternate recipients under QMCSOs may also be qualified beneficiaries. This is discussed in more detail in separate paragraphs below.) The first day of COBRA coverage and the maximum continuation period is determined by plan. Please refer to your COBRA Election Form enclosed to determine your first day of COBRA coverage and maximum continuation period ("Last Day of COBRA").

### **How to Elect COBRA Coverage**

Under COBRA, you have a limited number of days to elect continuation coverage. Your election window is determined by the plan and is calculated from the date your coverage under the plan is lost because of the event described above or the date this notice of your election rights is sent to you, whichever is later. To elect COBRA coverage, you must complete and submit the enclosed election form to TaxSaver Plan known as the Plan administrator, no later than the Election Period End date ("Last Day to Elect") listed on the enclosed COBRA Election Form. Failure to do so will result in loss of the right to elect COBRA coverage under the Plan. Furthermore, because COBRA gives you the right to elect coverage independently, you, your spouse or dependent child(ren), if any, may elect single coverage and not include those individuals who do not wish to continue coverage.

### **Other Health Coverage Options**

In addition to COBRA coverage, other health coverage options may be available to you, such as coverage through the Health Insurance Marketplace at [www.healthcare.gov](http://www.healthcare.gov) or 1-800-318-2596. You may also be eligible to enroll in coverage through Medicaid or another group health plan (like a spouse's plan), if you request enrollment within 30 days of the loss of coverage. Some of these options may cost less than COBRA continuation coverage.

### **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 initial enrollment period for Medicare Part A or B, you have an 8-month special enrollment period to sign up, 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 Part B 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 then 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 will pay second. Certain COBRA continuation coverage 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>.

### **Payment of COBRA Coverage Premiums**

The current amount of this premium and the due date for payment are explained in the enclosed COBRA Election Form. The premium may change in the future. We have used the information supplied by COMPANY NAME to calculate your maximum continuation period under the plan(s) you were insured prior to your qualifying event. If there is a discrepancy between our calculation and the underwriting insurance carrier, the insurance carrier always governs. Please contact your insurance carrier(s) to determine the exact end of your maximum continuation period.

### **Length of COBRA Coverage Period**

If you and your spouse or dependent child(ren), if any, elect coverage, it can last for a maximum continuation period ("Last Day of COBRA") described in the enclosed COBRA Election Form beginning on the date of your qualifying event, or loss of coverage, whichever is later. The first day of COBRA coverage will be determined by the plan. If you elect COBRA, you may be able to extend the length of COBRA coverage if a qualified beneficiary is disabled, or if a second qualifying event occurs. You must notify the Plan Administrator of a disability or a second qualifying event within a certain time period to extend the period of COBRA coverage. If you don't provide notice of a disability or second qualifying event within the required time period, you will lose your right to extend the period of COBRA coverage. The period of COBRA coverage under the Health FSA cannot be extended under any circumstances. The continuation period may be extended for the following reasons:

#### **1. Death of employee, divorce, legal separation or change in dependent status**

If these events occur during the original maximum continuation period of COBRA coverage, the period of coverage for your spouse and dependent child(ren), if any, may be extended. These events extend the original maximum continuation period of COBRA coverage only if they would have caused your spouse or dependent child(ren), if any, to lose coverage under the plan if the original qualifying event had not occurred. Note that to receive this extension, you and/or your spouse and dependent child(ren), must notify the COMPANY NAME Plan Administrator within 60 days of the occurrence of these events.

#### **2. Medicare entitlement of employee**

If you became entitled to Medicare BEFORE your qualifying event, COBRA laws allow you to remain eligible for up to 18 months of COBRA coverage. However, your spouse and dependent child(ren), if any, may receive extended COBRA coverage for up to the greater of either: (a) 36 months from the date of your Medicare entitlement; or (b) 18 months from the date of your qualifying event, or loss of coverage, whichever is later.

If you become entitled to Medicare AFTER your qualifying event but within the original maximum continuation period of your qualifying event, your spouse and dependent child(ren), if any, may receive an additional 18 months of COBRA coverage. Note that a person generally has become entitled to Medicare when he or she has applied for Social Security income payments or has filed an application for benefits under Part A or Part B of Medicare.

#### **3. Disability determination**

If any of the qualified beneficiaries is determined by the Social Security Administration to be disabled, the maximum COBRA coverage period that results from a covered employee's termination of employment or reduction of hours (generally 18 months, as described above) may be extended to a total of up to 29 months. The disability must have started at some time before the 61st day after the covered employee's termination of employment or reduction of hours and must last at least until the end of the period of COBRA coverage that would be available without the disability extension (generally 18 months, as described above). Each qualified beneficiary who has elected COBRA coverage will be entitled to the disability extension if one of them qualifies.

The disability extension is available only if you notify the Plan Administrator in writing of the Social Security Administration's determination of disability within 60 days after the latest of:



- (1) the date of the Social Security Administration's disability determination;
- (2) the date of the covered employee's termination of employment or reduction of hours; and
- (3) the date on which the qualified beneficiary loses (or would lose) coverage under the terms of the Plan as a result of the covered employee's termination or reduction of hours.

You must also provide this notice within 18 months after the covered employee's termination of employment or reduction of hours in order to be entitled to a disability extension. If the notice is not provided to the Plan Administrator during the 60-day notice period and within 18 months after the covered employee's termination of employment or reduction of hours, then there will be no disability extension of COBRA coverage.

If the qualified beneficiary is determined by the Social Security Administration to no longer be disabled, you must notify the Plan Administrator of that fact within 30 days after the Social Security Administration's determination

#### **4. Bankruptcy filing**

If the employer files for bankruptcy reorganization and retiree health coverage is lost within one year before or after the bankruptcy filing, COBRA coverage could continue until the death of a retiree (or a surviving spouse of a deceased retiree) or for 36 months from the retiree's death (after the bankruptcy filing) in the case of the spouse and dependent child(ren).

#### **Newborns and Adoptees**

A child who is born to or placed for adoption with you during a period of COBRA coverage will be eligible to become covered under the plan. In accordance with the terms of the COMPANY NAME group health benefits plan and the requirements of Federal law, these qualified beneficiaries can be added to COBRA coverage upon proper notification to the COMPANY NAME Plan Administrator of the birth or adoption.

#### **Early Termination of COBRA Coverage**

COBRA coverage may terminate early if:

- (1) The required premium payment is not paid when due.
- (2) After the date of your COBRA election, you and your spouse or dependent child(ren), if any, become covered under another group health plan.
- (3) After the date of your COBRA election, you, your spouse or dependent child(ren), if any, become entitled to Medicare benefits.
- (4) All of COMPANY NAME group health plans are terminated.
- (5) If coverage is extended an additional 11 months due to disability, a determination that the individual is no longer disabled.
- (6) COBRA coverage may also be terminated for any reason the plan would terminate coverage of a participant or beneficiary not receiving COBRA coverage (such as fraud).

Continuation coverage under COBRA is provided subject to your eligibility. The COMPANY NAME Plan Administrator reserves the right to terminate your COBRA coverage retroactively if you are determined to be ineligible for coverage. To be sure that you, your spouse and your dependent child(ren), if any, receive the necessary information concerning your rights, you should keep TaxSaver Plan informed of any address changes.

If you sign up for COBRA continuation coverage, you can switch to a Marketplace plan during a Marketplace open enrollment period. You can also end 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." If you terminate 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 may be without health coverage in the interim. When you've exhausted COBRA continuation and the coverage expires, you'll be eligible to enroll in Marketplace coverage through a special enrollment period even if the Marketplace open enrollment has ended. If you sign up for Marketplace coverage instead of COBRA, you cannot switch to COBRA continuation coverage.

Please be advised of your right to obtain a copy of the Summary Plan Description (SPD) for your group health plan by contacting the COMPANY NAME Human Resource Department at PHONE NUMBER. The SPD contains a complete description of your benefits.

This notice is a summary of your COBRA rights. For answers to specific questions, please contact our Customer Service Department at (888) 602-6272 during business hours.



Sincerely,

TaxSaver Plan

**COBRA CONTINUATION COVERAGE ELECTION FORM**



Company Name \_\_\_\_\_

**IMPORTANT: PLEASE RETAIN A COPY OF THIS COBRA ELECTION FORM FOR FUTURE REFERENCE.  
THIS FORM CONTAINS INFORMATION ABOUT YOUR RIGHTS UNDER COBRA.**

To continue coverage, you must complete and submit this election form to TaxSaver Plan no later than the Election Period End date ("Last Day To Elect") listed below. If this election form is not returned within the enrollment period described below for each plan, you will lose your right to elect coverage. After you have elected to continue coverage under COBRA, you must pay the Initial Premium, which includes the premiums for the period of coverage from your First Day of COBRA to the date of your election and any regularly scheduled monthly premiums that become due between your election date and the end of the Initial Premium Payment period. Your Initial Premium Period will end at the end of your Initial Grace Period which is listed below and which is measured as a number of days after the date of your election. To become "fully enrolled" under COBRA, you must "pay your account to current" no later than the end of your Initial Grace Period. You may certainly though "pay to current" and become fully enrolled under COBRA before the end of your Initial Grace Period. Paying to current is defined as paid to the month in which it currently is.

If you waive coverage under COBRA before the end of the enrollment period, you can change your mind and continue coverage by submitting your completed election form before the end of the enrollment period described below for each plan.

If you have questions about COBRA or need assistance to complete your election form, please contact our Customer Service Department at (888) 602-6272 during business hours.

**Qualified Beneficiary(QB):**

John Doe  
123 Main Street  
City, ST. Zip Code

Event Date: 1/8/2022  
Event Type: Termination  
Second Event: No

COBRA gives you the right to elect coverage independently. You, your spouse or dependent child(ren), if any, may elect single coverage and not include those individuals who do not wish to continue coverage.

**Premium Information:**

Plan Name	Coverage Level	Monthly Premium
BCBS High Dental Plan	QB + Spouse	\$100.18
BCBS Vision Plan	QB + Spouse	\$11.81
HDHP 1500	QB + Spouse	\$1,232.62
<b>Total Premium:</b>		\$1,344.61

**Continuation Information:**

Plan Name	First Day of COBRA	Last Day of COBRA	# Months of COBRA	Last Day To Elect	Initial Grace Period Days	Subsequent Grace Period Days
BCBS High Dental Plan	2/1/2022	7/31/2023	18	4/23/2022	45	30
BCBS Vision Plan	2/1/2022	7/31/2023	18	4/23/2022	45	30
HDHP 1500	2/1/2022	7/31/2023	18	4/23/2022	45	30

**Election Options (Individuals Enrolled Prior to Qualifying Event):**

Please indicate the COBRA continuation coverage you are electing by checking the applicable box(es).

Name	Relationship	Date of Birth	SSN
John Doe	QB	1/1/1957	xxx-xx-1111
Accept <input type="checkbox"/> Waive <input type="checkbox"/> BCBS High Dental Plan			

Accept  Waive  BCBS Vision Plan  
 Accept  Waive  HDHP 1500



Jane Doe Spouse 2/1/1959 xxx-xx-2222  
 Accept  Waive  BCBS High Dental Plan  
 Accept  Waive  BCBS Vision Plan  
 Accept  Waive  HDHP 1500

**Alternative Election Options:**

Plan Name	Coverage Level	First Day of COBRA	Monthly Premium
BCBS High Dental Plan	QB + Spouse	2/1/2022	\$100.18
	QB Only	2/1/2022	\$48.81
	Spouse Only	2/1/2022	\$48.81
BCBS Vision Plan	QB + Spouse	2/1/2022	\$11.81
	QB Only	2/1/2022	\$6.21
	Spouse Only	2/1/2022	\$6.21
HDHP 1500	QB + Spouse	2/1/2022	\$1,232.62
	QB Only	2/1/2022	\$560.27
	Spouse Only	2/1/2022	\$560.27

Completed election forms and premium payments should be remitted directly to the address below. Payment must be in the form of a check or money order. DO NOT send cash.

TaxSaver Plan  
 PO BOX 2309  
 Omaha, NE 68103-2309

For all other correspondence please use the following address:

TaxSaver Plan  
 PO Box 609002  
 Dallas, TX 75360

[ ] I have read this form and the notice of my election rights. I understand my rights to elect continuation coverage and would like to take the action indicated above. I understand that if I elect continuation coverage, my continuation coverage will terminate under several circumstances according to COBRA regulations, including: non-payment of premium, the date I or a continued dependent become covered under another Group Health Plan or become entitled to Medicare after the COBRA election, or on the date which this Group Plan ends. I also understand that if I was determined to be disabled by the Social Security Administration within 60 days of my Qualifying Event, I may be eligible for extended continuation coverage.

I understand that future premiums are due the first of each month. I also understand that failure to pay the required premiums will result in termination of COBRA rights and coverage.

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

\*NOTE: If signature line is on a second page, be sure to include all pages of the election form. We will not be able to process your election without the entire form.

We are pleased to provide benefits continuation administration services to you on behalf of COMPANY NAME.



An integral part of our broad service offering is our Member Self-Service Portal (Member Portal). We have designed the Member Portal to be an information-rich and secure website empowering you with the tools and information to efficiently and accurately manage your continuation under the COMPANY NAME group health plans. We encourage you to leverage the powerful tools contained in the Member Portal any time, from any location. Examples of information and tools you'll find on the Member Portal include:

1. Payment Information (last received and next due)
2. Coverage Information (plans and critical dates)
3. Copies of all communications we've sent to you
- 4. Make Payments Online**

Below is your unique registration identification number needed to become an authorized user of our website. Please visit <https://cobra.taxsaverplan.com> and click on the NEW USER REGISTRATION option and follow the registration process as described. Please note you will be asked to supply a second piece of identification which will be your social security (SSN) number. In order to expedite the registration process, please make sure you have this information with you before beginning the new user registration process.

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If you should ever have any questions or comments, please do not hesitate to contact our offices at (888) 602-6272 during normal business hours. Our entire staff is looking forward to getting to work for you.

Sincerely,

TaxSaver Plan



**IMPORTANT INFORMATION REGARDING YOUR COBRA COVERAGE: QUESTIONS? CALL 877-565-9597 TO SPEAK TO A TAXSAVER PLAN REPRESENTATIVE.**

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Hello,

The IRS and DOL issued joint guidance (Disaster Relief Notice 2020-01) in April of 2020 that directed Plan Sponsors and group health plans to disregard the periods of time between March 1, 2020 and 60 days after the announced end of the COVID-19 National Emergency when calculating certain periods of time for group health plans. This was called the “outbreak period”. Basically, plans were required to stop counting with respect to certain time periods during the outbreak period. Once the outbreak period ended, plans could resume the time periods. Although the end date of the outbreak period was identified in the notice as 60 days after the end of the national emergency, the relief was a product of ERISA Section 518, which imposes a 1 year maximum on the outbreak period. On February 26, 2021, the DOL issued updated guidance in Notice 2021-01 to explain the application of the 1 year maximum and clarify the end of the outbreak period.

Under Notice 2021-01, the outbreak period will not end in its entirety until 60 days after the end of the National Emergency (i.e. likely well beyond February 28, 2021); however, the 1 year maximum will be applied to individually affected time periods. Thus, the outbreak period for each individually affected time period will end the earlier of:

- One year from the date the person was first eligible for relief;
- 60 days after the announced end of the National Emergency.

**You are receiving this notice because your COBRA event OR subsequent election and/or payments occurred during the outbreak period and the affected time periods apply to your individual situation. If you have questions regarding the due date for electing COBRA or paying premiums as a result of this guidance, please call TaxSaver at the number above for assistance.**

This applies to any of the following time periods any portion of which occurred during the outbreak period:

- The 60-day COBRA election period;
- The 60-day period to notify the plan administrator of a qualifying event or a 2<sup>nd</sup> qualifying event (e.g. divorce) or a disability determination by the Social Security Administration;
- The 45-day period to pay the first premium once you have elected;
- The 30-day grace period after the due date for a monthly premium.

The following examples illustrate application of this rule.

**COBRA Elections:**

In the absence of the Outbreak Period, Bob’s COBRA election period would have begun May 1, 2020. If the Outbreak Period has not ended in its entirety, the Outbreak Period will end for Bob with respect to this election period on April 30, 2021—1 year after the start of Bob’s election period. Bob will then have 60 days to elect COBRA beginning May 1, 2021. His new election date is June 29, 2021.

NOTE: The agencies provide a simple formula for applying the 1 year to identify the new due date. Instead of measuring the 1 year period from the beginning of the election period and then adding the disregarded days of the election period, you can simply add 1 year to the otherwise applicable due date to identify the new election period. You arrive at the same date either way. For example, in the example above, Bob’s original COBRA election due date would have been June 29, 2020. If you add 1 year to that date, his new election due date becomes June 29, 2021.

**COBRA Premium Payments:**

Monthly COBRA premiums are typically due on the 1<sup>st</sup> of the month with a grace period of 30 days after the 1<sup>st</sup> day of the month. Assume that Sue was on COBRA but stopped paying premiums in April 2020. If the Outbreak Period has not ended in its entirety, the Outbreak Period for Sue with respect to the April premium will end March 31, and Sue will be required to pay the April premium within 30 days, or April 30, 2021. Or said another way, Sue’s original end date for paying the April 2020 premium was April 30, 2020; therefore, Sue’s new end date for the April 2020 premium is April 30, 2021—1 year after the original end date of April 30, 2020.