



PO Box 6980 | WEST JORDAN, UT 84084

GENERAL NOTICE LETTER

Questions? Contact us at 800-274-0503

(Form Creation Date)

Keep your Plan informed of address changes

To protect your family's rights, please notify the Plan Administrator of any address changes. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

(Name of Employee)
Address
City, State Zip Code

Welcome! This COBRA General Rights notice explains the rights you may have if you lose active employee health coverage. It is important that you read this notice thoroughly and contact your Human Resources department if you have questions or would like to request more information.

The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). 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.

- WHAT IS COBRA CONTINUATION COVERAGE? -

COBRA is a continuation of health benefit(s) under the Group Health Plan (Plan) coverage based on a specific change in your life situation. This change is called a "qualifying event." Specific qualifying events are listed later in this notice. 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 coverage under the Plan is lost due to the qualifying event. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for the coverage each month.

If you're the employee of The Employer, you'll become a qualified beneficiary if you, as the primary benefit holder, lose your coverage under the Plan as a result of one of the following qualifying events (these events would also impact coverage for your dependents):

- Your hours of employment are reduced, or
- Your employment ends for any reason other than your gross misconduct.

If you're the spouse of an employee, you'll become a qualified beneficiary and may elect COBRA if you lose your coverage under the Plan as a result of one of the following qualifying events:

- Your spouse (the primary benefit holder) dies;
- Your spouse's hours of employment are reduced;
- Your spouse's employment ends for any reason other than his or her gross misconduct;
- Your spouse becomes entitled to Medicare benefits (under Part A, Part B, or both); 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 of the following qualifying events (the parent-employee is the primary benefit holder):

- The parent-employee dies;
- The parent-employee's hours of employment are reduced;

- The parent-employee's employment ends for any reason other than his or her gross misconduct;
- The parent-employee becomes entitled to Medicare benefits (Part A, Part B, or both);
- The parents become divorced or legally separated; or
- The child stops being eligible for coverage under the Plan as a "dependent child."

Under USERRA and COBRA rules, a military reservist who is called to active duty may choose COBRA continuation for up to 24 months. This should be discussed in detail with your employer.

- When is COBRA continuation 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. The employer must notify the Plan Administrator of the following qualifying events:

- The end of employment or reduction of hours of employment;
- Death of the employee;
- The employee becomes entitled to Medicare benefits (under Part A, Part B, or both).

For all 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. You must provide this notice to:

Employer Street Address
Employer City, State Zip

- How is COBRA continuation coverage provided? -

If you lose your health benefit coverage under the circumstances listed above, and you or your employer have notified the Plan Administrator, a COBRA Qualifying Event Election Notice will be mailed to you. The notice will be mailed to the most recent address on file with your employer or Plan Administrator. You and/or each of your dependents who are also qualified beneficiaries will have an independent right to elect COBRA continuation coverage. Each individual will be allowed to elect on their own, or as a family unit. Additionally, covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children.

COBRA is a temporary continuation of coverage that generally lasts for 18 months due to employment termination or reduction of work hours. Certain qualifying events, or a second qualifying event during the initial period of coverage, may permit a beneficiary to receive a maximum of 36 months of coverage. This will all be outlined in the COBRA Qualifying Event Election Notice.

The following includes information about extending the 18-month period of COBRA:

Social Security Disability Extension:

If you or anyone in your family covered under the Plan is determined by Social Security to be disabled and you notify the Plan Administrator in a timely fashion, you and your entire family may be entitled to get up to an additional 11 months of COBRA continuation coverage, for a maximum of 29 months. The disability would have to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of COBRA continuation coverage. It is imperative that notification of a Social Security disability is reported timely and includes a copy of the SSI Notice of Disability.

Second Qualifying Event extension:

If your family experiences another qualifying event during the 18 months of COBRA continuation coverage, your spouse and dependent children may qualify for up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if the Plan is properly notified about the second qualifying event. This extension may be available to the spouse and any dependent children receiving COBRA continuation coverage if the employee or former employee dies; becomes entitled to Medicare benefits (under Part A, Part B, or both); gets divorced or legally separated; or if the dependent child is no longer eligible under the Plan as

a dependent child. This extension is only available if the second qualifying event would have caused the spouse or dependent child to lose coverage under the Plan, had the first qualifying event not occurred.

You may have other options available to you if you lose your group health coverage. For example, you may be eligible to purchase an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower 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. Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at www.healthcare.gov.

- Relationship Between Medicare and COBRA -

In general, if you don't enroll in Medicare Part A or B when 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, should you decide to enroll in Part B at a later date. 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 you elect 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>.