



NEWARK UNIFIED SCHOOL DISTRICT

HUMAN RESOURCES

From: Julie Radcliffe, Human Resources Tech
Date: June 2016
Re: **COBRA** Medical and Dental benefits (if applicable)

Consolidated Omnibus Budget Reconciliation Act (COBRA) Notice

Under federal law, known as the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), most employers sponsoring group health plans are required to offer employees and their families the opportunity for a temporary extension of health coverage called "continuation coverage" at group rates in certain instances where coverage under the plan would otherwise end. This notice is intended to inform you in a summary fashion, of your rights and obligations under the continuation coverage provisions of the law. (Both you and your spouse should take the time to read this notice carefully).

If you are an employee covered by the Plan, you have a right to choose this continuation coverage if you lose your group health coverage because of reduction in your hours of employment or the termination of employment for reasons other than gross misconduct on your part.

If you are the spouse of an employee covered by the Plan, you have a right to choose continuation coverage for yourself if you lose group health coverage under the Plan for any of the following four reasons:

1. The death of your spouse
2. A termination of your spouse's employment, for reasons other than gross misconduct, or reduction in hours of employment
3. Divorce or legal separation from your spouse
4. Your spouse become entitled to Medicare

In the case of dependent child of an employee covered by the Plan, he or she has the right to continuation coverage if group health coverage under the Plan is lost for any of the following five reasons:

1. The death of a parent
2. The termination of a parent's employment (for reasons other than gross misconduct or reduction in a parent's hours of employment)
3. Parents divorce or legal separation
4. A parent becomes entitled to Medicare
5. The dependent ceases to be a "dependent child" under the Plan

Under the law, the employee or a family member has the responsibility to inform the Company of a divorce, legal separation, or a child losing dependent status under the Plan within 60 days of the happening of any such event. If notice is not received within that 60-day period, the dependent will not be entitled to choose continuation coverage. The Company has the responsibility to notify the Plan Administrator of the employee's death, terminating of employment, or reduction in hours of Medicare entitlement. Similar rights may apply to certain retirees, spouses and dependent children if the Company commences proceeding under Chapter 11 (Reorganizations) of the bankruptcy code.

When the Plan Administrator is notified that one of these events has happened, it will in turn notify you that you have the right to choose continuation coverage. Under the law, you have 60 days from the later of the date you would lose coverage because of one of the events described above or the date you receive your COBRA notice, to inform the Plan Administrator that you want continuation coverage.

If you do not choose continuation coverage, your group health insurance coverage will end as of the date coverage would cease as a result of the qualifying event.

If you choose continuation coverage, the company is required to give you coverage which, as of the time coverage is being provided, is identical to the coverage provided under the plan to similarly situated employees or family members. If coverage under the Plan is changed for active employees, the same changes will be provided to individuals purchasing continuation coverage. You will be provided with notification of any plan changes. In the event that a child is born to you or placed in your home for adoption during your period of COBRA coverage, the child shall be a qualified beneficiary and may be covered immediately so long as you have informed the Plan Administrator on a timely basis.

The law requires that you and your covered dependents be given the opportunity to maintain continuation coverage for 3 years unless you lost your group health coverage because of termination of employment or reduced work hours, or you were disabled at the time you lost coverage. In the case of termination of employment or reduction in work hours, the required continuation coverage period is 18 months.

In the case of termination of employment while you were totally disabled, or if you become disabled within 60 days of your termination of employment as determined under Title II or Title XVI of the Social Security Act, the required continuation coverage is extended to 29 months.

You must also notify the Plan Administrator within 30 days of any final determination by Social Security that you are no longer disabled. In the case of your becoming entitled to Medicare, your eligible dependents may continue coverage for 36 months from the date you first lost coverage.

If during the initial period, another event takes place that would also entitle a dependent spouse or child (other than a spouse or child who became covered after continuation coverage became effective) to his or her own continuation coverage, the continuation may be extended. However, in no case will any period of continuation coverage be more than 36 months.

The law also provides that your continuation coverage may be cut short for any of the following five reasons:

1. The Company no longer provides group health coverage to any of its employees
2. The premium for your continuation coverage is not paid in a timely fashion
3. You become covered under another group health plan which contains no pre-existing conditions limitation
4. You become entitled to Medicare
5. In the case of the eleven month extended coverage due to disability, that coverage will be terminated as of the first month that starts at least thirty days after a final determination under the Social Security Act, that you are no longer disabled.

You do not have to show that you are insurable to choose continuation coverage. However, under the law you may have to pay all or part of the premium for your continuation coverage. You will have a grace period of 45 days from the date of your election of COBRA to pay any retroactive premium for the period from the date continuation coverage starts until the date you choose continuation coverage; and you will have a grace period of 30 days to pay any subsequent premiums.

If you have any questions about the law, please contact the Plan Administrator. Also, If you have changed marital status, if a dependent ceases to be a "dependent child" under the Plan, or you or your spouse have changed address, please notify the Plan Administrator at the above address.

PLAN ADMINISTRATORS

Delta Dental
Central Valley Trust
520 East Herdon Ave
Fresno, CA 93711
(800) 288-9870

Medical
CalPERS Health Benefits Program
P.O. Box 942714
Sacramento, CA 94229
888-225-7377

For questions about enrollment please contact Kim Lola in Business Services at 510-818-4123 or via email at klola@newarkunified.org.