

Consolidated Omnibus Budget Reconciliation Act (COBRA) Rights

Introduction

You're getting this notice because you have recently gained coverage under a group health plan (the Plan). This notice has important information about your right to COBRA, which is a temporary extension of coverage under the Plan. This notice explains COBRA, when it may become available to you and your family, and what you need to do to protect the right to receive it. When you become eligible for COBRA, you may also become eligible for other coverage options that may cost less than COBRA.

The right to COBRA was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985. COBRA can become available to you and other members of your family when your 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 booklet or contact TML Health, PO Box 149190, Austin, Texas 78714-9190 or by telephone (800) 282-5385.

You may have other options available to you when you lose group health coverage

For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a thirty (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.

What is COBRA?

COBRA is a continuation of Plan coverage when it would otherwise end because of a life event. This is also called a “qualifying event.” Specific qualifying events are listed later in this notice. After a qualifying event, COBRA 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 because of the qualifying event. Under the Plan, qualified beneficiaries who elect COBRA may be required to pay for coverage depending on the policy of your Employer.

If you’re an employee, you’ll become a qualified beneficiary if you lose your coverage under the Plan because of either one of the following qualifying events:

1. Your hours of employment are reduced; or
2. Your employment ends for any reason other than your gross misconduct.

If you’re the spouse of the employee, you’ll become a qualified beneficiary if you lose your coverage under the Plan because of any of the following qualifying events:

1. Your spouse dies;
2. Your spouse’s hours of employment are reduced;
3. Your spouse’s employment ends for any reason other than his or her gross misconduct;
4. Your spouse becomes entitled to Medicare benefits (under Part A, Part B and/or Part C); or
5. 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 any of the following qualifying events:

1. The parent-employee dies;
2. The parent-employee’s hours of employment are reduced;
3. The parent-employee’s employment ends for any reason other than his or her gross misconduct;
4. The parent-employee becomes entitled to Medicare benefits (Part A, Part B and/or Part C);
5. The parents become divorced or legally separated; or
6. The child stops being eligible for coverage under the Plan as a “dependent child.”

Any decision of whether you were terminated because of gross misconduct will be made by the Employer. The Employer may not change its decision on whether or not a termination was for gross misconduct later than the forty-fifth (45th) day after the date employment terminated or the date a COBRA election notice was mailed to you, whichever is earlier. Any determination of gross misconduct shall be based on events that occurred prior to the termination of employment.

Sometimes, filing a proceeding in bankruptcy under Title 11 of the United States Code can be a qualifying event. If a proceeding in bankruptcy is filed with respect to your Employer, and that bankruptcy results in the loss of coverage for any retired employee covered under the Plan, the retired employee will become a qualified beneficiary. The retired employee’s spouse, surviving spouse, and dependent children will also become qualified beneficiaries if bankruptcy results in the loss of their coverage under the Plan.

Please note that COBRA does not include any life benefits. If you had voluntary life coverage, you may convert it to an individual policy within thirty-one (31) days of your qualifying event. Contact your Employer’s human resources office for more information and conversion forms.

When is COBRA available?

The Plan will offer COBRA to qualified beneficiaries only after we have been notified that a qualifying event has occurred. The Employer must notify us of the following qualifying events:

1. The end of employment or reduction of hours of employment;
2. Death of the employee;
3. Commencement of a proceeding in bankruptcy with respect to the employer; or
4. Your becoming entitled to Medicare benefits (under Part A, Part B and/or Part C).

You must give notice of some Qualifying Events

For all other qualifying events (divorce or legal separation of you and spouse or a dependent child's losing eligibility for coverage as a dependent child), you must notify us within sixty (60) days after the qualifying event occurs. You must provide notice to: TML Health, PO Box 149190, Austin, Texas 78714-9190 or by telephone (800) 282-5385.

How is COBRA provided?

Once we receive notice that a qualifying event has occurred, COBRA will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA. You may elect COBRA on behalf of your spouse, and parents may elect COBRA on behalf of their children.

COBRA is a temporary continuation of coverage. When the qualifying event is the death of the employee, your becoming entitled to Medicare benefits (Part A, Part B and/or Part C), your divorce or legal separation, or a dependent child's losing eligibility as a dependent child, COBRA lasts for up to a total of thirty-six (36) months. When the qualifying event is the end of the employment or reduction of your hours of employment, and you became entitled to Medicare benefits less than eighteen (18) months before the qualifying event, COBRA for qualified beneficiaries other than you lasts until thirty-six (36) months after the date of Medicare entitlement. For example, if you become entitled to Medicare eight (8) months before the date on which your employment terminates, COBRA for your spouse and children can last up to thirty-six (36) months after the date of Medicare entitlement, which is equal to twenty-eight (28) months after the date of the qualifying event (thirty-six (36) months minus eight (8) months). Otherwise, when the qualifying event is the end of employment or reduction of your hours of employment, COBRA generally lasts for only up to a total of eighteen (18) months. There are three (3) ways in which this eighteen (18) month period of COBRA can be extended.

Active Duty Reservists extension of COBRA

If covered by the Plan as an employee at the time of call to active duty, active duty reservists or guard members and their covered dependents can maintain eligibility on the Plan for up to twenty-four (24) months as prescribed by and subject to the terms and conditions of the Uniformed Services Employment and Reemployment Rights Act (USERRA). The date on which your absence begins is the qualifying event for COBRA to be offered to the reservist or guard member.

If a firefighter or police officer is called to active duty for any period, the Employer must continue to maintain any health, dental, or life coverage received on the date the firefighter or police officer was called to active military duty until the Employer receives written instructions from the firefighter or

police officer to change or discontinue the coverage. Such instruction shall be provided no later than sixty (60) days following the Qualifying Event.

If no such instruction is given, then coverage will terminate on the sixty-first (61st) day, which shall then become the Qualifying Event for COBRA purposes. Eligibility will meet or exceed requirements of USERRA and/or regulatory compliance.

In administering this coverage, we will follow the time guidelines of COBRA under 42 U.S.C.A.300bb-1 *et seq.* To qualify for this coverage, you must give written notice to the Employer within sixty (60) days of the qualifying event. The Employer member must notify us that you have been called to active duty and submit a copy of the Employer member's active reservist policy to us.

Disability extension of COBRA

If you or anyone in your family covered under the Plan is determined by Social Security to be disabled and you notify us within sixty (60) days of that determination, you and your entire family may be entitled to receive up to an additional eleven (11) months of COBRA for a total maximum of twenty-nine (29) months. The disability must start at some time before the sixtieth (60th) day of COBRA and must last at least until the end of the eighteen (18) or twenty-four (24) month period of COBRA. You may contact us about a disability determination at PO Box 149190, Austin, Texas 78714-9190 or by telephone (800) 282-5385.

Second Qualifying Event extension of COBRA

If your family experiences another qualifying event while receiving eighteen (18) or twenty-four (24) months of COBRA, the spouse and dependent children in your family can get up to eighteen (18) additional months of COBRA, for a maximum of thirty-six (36) months, if we are properly notified about the second qualifying event. This extension may be available to the spouse and any dependent children getting COBRA if you, as the employee or former employee, dies, becomes entitled to Medicare benefits (Part A, Part B and/or Part C), gets divorced or legally separated, or if the dependent child stops being eligible under the Plan as a dependent child. This extension is available only 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.

Are there other coverage options besides COBRA?

Yes. Instead of enrolling in COBRA, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA. You can learn more about many of these options at www.healthcare.gov.

Adding dependents

If you are a COBRA participant, you have the same rights to add dependents to your COBRA as an active covered employee. For example, you may add dependents to your COBRA within thirty-one (31) days of marriage or sixty (60) days of the birth, adoption or placement for adoption of a child. Also, you may add dependents to your COBRA during your Employer's Open Enrollment. However, these dependents who were not covered under the Plan before your qualifying event occurred are not qualified beneficiaries and do not have individual COBRA rights, except for children added within sixty (60) days of birth, adoption, or placement for adoption. Children added to your COBRA within

sixty (60) days of birth, adoption, or placement for adoption are qualified beneficiaries and have their own COBRA rights.

When COBRA coverage ends

Coverage will terminate on the **earliest** of:

1. the end of the month you voluntarily drop coverage;
2. the last day for which any required COBRA contribution is made;
3. the date the required period of COBRA expires;
4. the date you become covered under another group plan, (If you were covered by another health plan before electing COBRA, including Medicare (under Part A, Part B, or Part C), coverage under that plan does not affect your eligibility for COBRA.);
5. the date you become entitled to Medicare; or
6. the date the former Employer no longer provides group coverage to any other employees.

Once a Retiree moves to COBRA and COBRA terminates, the Retiree is not eligible for our Retiree benefits. Please refer to the COBRA section of this booklet for more information.

COBRA is the legal obligation of your Employer and not us. Once your Employer terminates coverage, any notices of qualifying events should be sent to your Employer who has the responsibility to notify your COBRA administrator.

If you have questions

Questions concerning your Plan or your COBRA rights should be addressed to the contact or contacts identified below. State and local government employees seeking more information about their rights under COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans can contact the U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services at:

- www.cms.gov/CCIIO/Programs-and-Initiatives/Other-Insurance-Protections/cobra_fact_sheet.html; or
- www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources/index.html#COBRA

Keep your plan informed of address changes

In order to protect your family's rights, you should keep us informed of any changes in addresses of family members. You should also keep a copy, for your records, of any notices you send to your Employer and us.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS
Deduction Schedule
 Effective 01/01/2020 - 12/31/2020

Insurance Premiums

	Monthly Actual Cost	Monthly Employee Cost	Monthly P/T (30) EE 10% Cost	Monthly P/T (20) EE 25% Cost	Semi Wkly F/T EE Premium	Semi Wkly P/T (30) EE Premium	Semi Wkly P/T (20) EE Premium
Medical Plan							
Employee	\$ 820.30	No Cost	\$ 82.02	\$ 205.08	No Cost	\$ 41.01	\$ 102.54
Spouse	\$ 844.90	\$ 422.44	\$ 422.44	\$ 422.44	\$ 211.22	\$ 211.22	\$ 211.22
Child(ren)	\$ 623.42	\$ 311.70	\$ 311.70	\$ 311.70	\$ 155.85	\$ 155.85	\$ 155.85
Family	\$ 1,349.58	\$ 674.78	\$ 674.78	\$ 674.78	\$ 337.39	\$ 337.39	\$ 337.39
Dental Plan							
Employee	\$ 37.64	No Cost	\$ 3.76	\$ 9.40	No Cost	\$ 1.88	\$ 4.70
Spouse	\$ 39.62	\$ 19.80	\$ 19.80	\$ 19.80	\$ 9.90	\$ 9.90	\$ 9.90
Child(ren)	\$ 43.58	\$ 21.78	\$ 21.78	\$ 21.78	\$ 10.89	\$ 10.89	\$ 10.89
Family	\$ 77.90	\$ 38.94	\$ 38.94	\$ 38.94	\$ 19.47	\$ 19.47	\$ 19.47
Vision Plan							
Employee	\$ 9.00	No Cost	\$ 0.90	\$ 2.24	No Cost	\$ 0.45	\$ 1.12
Family	\$ 18.00	\$ 18.00	\$ 18.00	\$ 18.00	\$ 9.00	\$ 9.00	\$ 9.00
Dependent Life	\$ 2.76	\$ 2.76	\$ 2.76	\$ 2.76	\$ 1.38	\$ 1.38	\$ 1.38

Optional Life Coverage - Maximum is 3 times annual salary or \$300,000 (whichever is less)

<u>Age of Employee</u>	<u>Cost Per Thousand</u>
Under 30	\$0.061
30-34	\$0.069
35-39	\$0.100
40-44	\$0.130
45-49	\$0.198
50-54	\$0.332
55-59	\$0.595
60-64	\$0.913
65-69	\$1.513
70 & over	\$2.431

NOTE: Coverage is effective on your date of hire and ends the last day of the month of termination.

Long-term Care

Deductions taken on the first check of the month.

Pre-paid Legal/LegalShield

Deductions taken on the first check of the month.

Do you or any of your dependents being enrolled have insurance through another medical, prescription, and/or dental plan? Yes No
If yes, please complete and attach the Other Insurance Inquiry form and submit with this form to your employer.

EMPLOYEE DECLINATION/WAIVER

I hereby **decline/waive** the affordable medical benefit coverage offered by my employer. I acknowledge this decision prohibits access to the Insurance Marketplace subsidy offsets that are available for 100%-400% federal poverty level income recipients.

Employee Signature

Date

TML MultiState Intergovernmental Employee Benefits Pool (IEBP) reserves the right to request proof of required eligibility documentation. The undersigned Employee affirms that (1) he or she is/was employed an average of at least 20 hours a week by the Employer; (2) all legal relationship(s) of a spouse and/or dependent enrolled in the Plan are based in fact and correctly represented; and (3) to the best of the Employee's knowledge, the supporting documentation of such relationship(s) are true and correct copies of what the documents purport to be and unaltered from the original source. Employee acknowledges that the enrollment form is a governmental record, and that misrepresentation of information in the enrollment form might be considered to be a felony. Employee also agrees that should coverage of a spouse and/or dependent be rescinded within federal requirements, Employee will reimburse IEBP for the amount of claims paid by IEBP for the coverage period rescinded.

EMPLOYEE ACCEPTANCE

I hereby request the coverage indicated, provided that I am or become eligible, and certify that the above information is correct.

Employee Signature

Date

Please return this form to your employer.