

To:

Re: Notice of Continuation Rights for Benefits

The Consolidated Omnibus Budget Reconciliation Act requires employers to offer continuation of certain employee benefits for employees and their covered beneficiaries who would otherwise lose coverage because of certain events.

Our employee group medical/dental insurance, Flexible Spending Accounts, and the employee assistance program, provide these continuation rights. If your benefits would end for a reason listed below, you and/or your covered dependents may be able to continue the coverage under the above mentioned benefits for a specified period of time. The following information explains how coverage may be continued.

When Continued Coverage Applies:

You may elect up to 18 months of continued benefits for yourself and your dependents if your coverage would otherwise have ended because of:

- a. your voluntary or involuntary termination of employment (unless for gross misconduct); or
- b. a reduction in your work hours to less than the minimum needed to remain covered by the plan.

Spouses may elect up to 36 months of continued benefits coverage if they are an employee's dependent whose coverage would otherwise have ended because of:

- a. the employee's death; or
- b. the employee's divorce or legal separation from his or her spouse; or
- c. the employee's eligibility for Medicare

In addition to the above, coverage may be continued for dependent children for up to 36 months if coverage would otherwise end because they no longer qualify as the employee's dependent under the plan. Employees, who were disabled at the time of termination of employment or within the first 60 days of COBRA coverage, may extend their coverage for an additional eleven (11) months for a total of twenty-nine months of coverage.

## How Long Can Coverage Continue?

Coverage continued upon termination of your employment or a reduction in your work hours is limited to 18 months (29 months if you are disabled at the time of your employment terminated or within the first 60 days of COBRA coverage). Otherwise, continued coverage is limited to 36 months. Within those limits, coverage will end on any earlier date that:

- a. the group stops providing coverage to all employees;
- b. you fail to make a required premium payment on time;
- c. you or your covered dependent become covered under any other group health plan as long as the other plan does not contain any exclusion or limitation with respect to any pre-existing condition of the beneficiary;
- d. you or your covered dependent become entitled to Medicare; or
- e. employee's former spouse remarries and becomes covered by another group medical and/or dental plan as long as the other plan does not contain any exclusion or limitation with respect to any pre-existing condition of the beneficiary.

## What Does It Cost?

The law provides that you may be charged 102% of the cost for continuing the benefits to employees or beneficiaries. North Mason School District will provide the amount of the cost and payment arrangements to each person at the time of their eligibility for continuation coverage. The law allows for the employer to charge 150% of the cost when continuing coverage for the additional 11 months of COBRA coverage due to disability.

## What You Have To Do:

You must advise the Payroll Department within 30 days in the event of any qualifying event, such as a divorce or legal separation and in the event a child is no longer qualified as a dependent.

Please contact the Payroll Department if you would like to have additional information.

## Acknowledgement and Receipt

I have read and received a copy of this information notice and have asked any questions that I might have.

Employee Signature \_\_\_\_\_ Date \_\_\_\_\_

