

CENTRAL PENNSYLVANIA TEAMSTERS HEALTH AND WELFARE FUND

COBRA Continuation Coverage Rights

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 to other members of your family who are covered under the Plans when you would otherwise lose your group health coverage.

This information generally explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it. This information is a summary of your COBRA continuation coverage rights. For more information about your rights and obligations under the Plans and under federal law, you should review the Fund's Summary Plan Description or contact the Plan Administrator. You can get a copy of the Summary Plan Description from the Plan Administrator.

The Plan Administrator is the Board of Trustees of the Central Pennsylvania Teamsters Health and Welfare Fund. The Plan Administrator is responsible for administering COBRA continuation coverage.

COBRA Continuation Coverage

COBRA continuation coverage is a continuation of plan coverage when coverage would otherwise end because of a life event known as 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." A qualified beneficiary is someone who will lose their coverage under the Plans because of a qualifying event. Depending upon the type of qualifying event, employees, and dependent children of employees may be qualified beneficiaries. Under the Plans, qualified beneficiaries who elect COBRA continuation coverage will be required to pay a monthly premium based on the cost of the coverage to the Fund, plus a small administration fee.

If you are an employee, you will become a qualified beneficiary if you will lose your coverage under the Plans because either one of the following qualifying events occur:

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

If you are the spouse of an employee, you will become a qualified beneficiary if you will lose your coverage under the Plans because any of the following qualifying events occur:

- (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, or both); or
- (5) You become divorced from your spouse.

Your dependent children will become qualified beneficiaries if they will lose coverage under the Plans because any of the following qualifying events occur:

- (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 (under Part A, Part B, or both);
- (5) The parents become divorced: or
- (6) The child stops being eligible for coverage as a "dependent child."

The Plans will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction of hours of employment, death of the employee, or enrollment in Medicare (Part A, Part B, or both) the employer must notify the Plan Administrator of the qualifying event within 30 days of the qualifying event.

For the other qualifying events (divorce of the employee and spouse, or an individual's loss of eligibility for coverage as a dependent child), you must notify the Plan Administrator. The Fund requires that you notify the Plan Administrator within 60 days after the qualifying event occurs. You must send this notice to: Central Pennsylvania Teamsters Health and Welfare Fund, Attn: Contributions/Eligibility Dept., PO Box 15224, Reading, PA 19612-5224.

Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each qualified beneficiary. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children. For each qualified beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin on the date that coverage under the Plans would otherwise have been lost.

COBRA continuation is a temporary continuation of coverage. When the qualifying event is the death of the employee, the employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), employee's divorce, or an individual's loss of eligibility as a dependent child, COBRA continuation coverage lasts for up to 36 months.

When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement. For example, if a covered employee becomes entitled to Medicare 8 months before the date on which his employment terminates, COBRA continuation coverage for his spouse and children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus 8 months).

When the qualifying event is the end of employment or a reduction of the employee's hours of employment, COBRA continuation coverage lasts for up to 18 months. There are two ways in which this 18 month period of COBRA continuation coverage can be extended.

Disability Extension of 18-month of Continuation Coverage

If you or anyone in your family covered under the Plans is determined by the Social Security Administration to be disabled at any time during the first 60 days of COBRA continuation coverage and you notify the Plan Administrator in a timely fashion, you and your entire family can receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. You must make sure that the Plan Administrator is notified of the Social Security Administrator's determination within 60 days of the date of the determination and before the end of the 18-month period of COBRA continuation coverage. **This notice should be sent to: Central Pennsylvania Teamsters Health and Welfare Fund, Attn: Contributions/Eligibility Dept., PO Box 15224, Reading, PA 19612-5224.**

Second Qualifying Event Extension of 18-month Period of Continuation Coverage

If your family experiences another qualifying event while receiving COBRA continuation coverage, the spouse and dependent children in your family can get additional months of COBRA continuation coverage, up to a maximum of 36 months. This extension is available to the spouse and dependent children if the former employee dies or gets divorced, or becomes entitled to Medicare benefits (under Part A, Part B, or both). The extension is also available to a dependent child when that child stops being eligible under the Plans as a dependent child. In all of these cases, you must make sure that the Plan Administrator is notified of the second qualifying event within 60 days of the second qualifying event. **This notice should be sent to: Central Pennsylvania Teamsters Health and Welfare Fund, Attn: Contributions/Eligibility Dept., PO Box 15224, Reading, PA 19612-5224.**

Special Election Period

If you are certified as eligible for benefits under the Trade Act of 2002 by the U.S. Department of Labor (DOL), you may be eligible for both an individual Health Insurance Tax Credit and additional COBRA rights. For example, if you did not elect COBRA during your election period, but are later certified by DOL for Trade Act benefits, you may be entitled to an additional 60-day COBRA election period beginning on the first day of the month in which you were certified. However, in no event would this benefit allow you to elect COBRA later than six months after your coverage ended under the Plans. If you are eligible for Trade Act benefits, you must contact the Plan Administrator immediately after your certification of these benefits or you will lose your special COBRA rights. Please contact the Central Pennsylvania Teamsters Health and Welfare Fund, Contributions/Eligibility Dept. for additional details.

If You Have Questions

If you have questions about your COBRA continuation coverage, you should contact Central Pennsylvania Teamsters Health and Welfare Fund, Contributions/Eligibility Dept., PO Box 15224, Reading, PA 19612-5224, or at one of the following telephone numbers - in PA 800-422-8330 or 610-

320-5500, in USA 800-331-0420, or you may contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website at www.dol.gov/ebsa.

Keep Your Plan Informed of Address Changes

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Central Pennsylvania Teamsters Health and Welfare Fund, Contributions/Eligibility Department.

Central PA Teamsters Health and Welfare Fund

September, 2009