

## **CENTRAL PENNSYLVANIA TEAMSTERS HEALTH & 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. 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.

**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 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.

This notice 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 notice gives only 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.

### **What is COBRA Continuation Coverage?**

COBRA continuation coverage is a continuation of Plan coverage when coverage 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 continuation coverage must be offered to each person who is a "qualified beneficiary." A qualified beneficiary is someone who will lose coverage under the Plans because of a qualifying event. Depending on the type of qualifying event, employees, spouses of 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 administrative fee.

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

- Your hours of employment are reduced, or
- 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 Plan because any of the following qualifying events occur:

- Your spouse 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 from your spouse.

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

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

### **When is COBRA continuation coverage available?**

The Plans 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 the reduction of hours of employment,
- The death of the employee,
- The employee's becoming entitled to 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, Pennsylvania 19612-5224.**

### **How is COBRA continuation coverage provided?**

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 coverage 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 Period 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. This disability would have to have started at some time before the 60<sup>th</sup> day of COBRA continuation coverage and must last at least until the end of the 18 month period of COBRA continuation coverage. You must make sure that the Plan Administrator is notified of the Social Security Administration'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, Pennsylvania 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, Pennsylvania 19612-5224.**

## **Are there other coverage options besides COBRA Continuation Coverage?**

Yes. Instead of enrolling in COBRA continuation coverage, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or the 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 continuation coverage. You can learn more about many of these options at [www.healthcare.gov](http://www.healthcare.gov).

## **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, Pennsylvania 19612-5224, or at one of the following telephone numbers – in PA 800-422-8330 or 610-320-5500, in USA 800-331-0420. For more information about your rights under the Employee Retirement Income Security Act (ERISA), including COBRA, the Patient Protection and Affordable Care Act, and other laws affecting group health plans, 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](http://www.dol.gov/ebsa). for more information about the Marketplace, visit [www.HealthCare.gov](http://www.HealthCare.gov).

## **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.

## **Plan contact information**

If you have any questions about your rights to COBRA continuation coverage, you should contact LuAnn Wolfe, Contributions/Eligibility Manager at Central Pennsylvania Teamsters Health and Welfare Fund, Contributions/Eligibility Department, PO Box 15224, Reading, Pennsylvania 19612-5224, or at the telephone numbers listed above.