

Plano ISD Employee Health Benefit Plan

General Notice of Continuation Coverage Rights Under COBRA

Introduction

You are receiving this notice because you have recently become covered under the Plano ISD Employee Health Benefit Plan (the Plan). This notice contains important information about your right to COBRA continuation coverage, which is a temporary extension of coverage under the Plan. COBRA continuation coverage can become available to you and to other members of your family who are covered under the Plan when you would otherwise lose your group health coverage as a result of a qualifying event. The right to COBRA continuation coverage was created by federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

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 Plan and under federal law, please review the Plan Document online at www.pisd.edu/benefits, or contact the Plano ISD Benefits and Risk Management Department, 6301 Chapel Hill Blvd, Plano, TX, 75093, phone number (469)752-8138, e-mail benefits@pisd.edu.

What is COBRA Continuation Coverage

COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a “qualifying event”. Specific qualifying events are listed later in this notice. 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 Plan 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 Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

Employee: 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 happens:

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

Spouse: 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 happens:

- 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; or
- 4) you become divorced or legally separated from your spouse.

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

- 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 parents become divorced or legally separated; or
- 5) the child stops being eligible for coverage under the Plan as a “dependent child” as defined in the Plan Document.

When is COBRA Continuation Coverage Available?

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Benefits and Risk Management Department has been notified that a qualifying event has occurred. When the qualifying event is the end of employment, reduction of hours of employment, or death of the employee, the HR Services Department will notify the Benefits and Risk Management Department of the qualifying event within 30 days following the date coverage will end.

You Must Give Notice of Some Qualifying Events

For the other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you are required to notify the Benefits and Risk Management Department within 60 days after the qualifying event occurs. This initial notice to the Benefits and Risk Management Department may be done in writing, in person, or by telephone, and may be provided by you or by a covered family member. The Benefits and Risk Management Department will provide a form for your signature and will inform you of the documentation required to process the qualifying event.

How is COBRA Continuation Coverage Provided?

Once the Benefits and Risk Management Department receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. For each qualified beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin on the date that Plan coverage would otherwise have been lost.

Length of COBRA Continuation Coverage

COBRA continuation coverage is a temporary continuation of coverage.

When the qualifying event is the death of the employee, your divorce or legal separation, or a dependent child losing eligibility for coverage as a dependent child, COBRA continuation coverage generally may last for up to 36 months.

When the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage generally may last 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 COBRA continuation coverage: If you or anyone in your family covered under the Plan 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 Benefits and Risk Management Department within 60 days of the date of the determination and before the end of the initial 18-month period, you and your entire family may be entitled to receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. This notice should be sent in writing to the Benefits and Risk Management Department.

Second qualifying event extension of 18-month period of COBRA continuation coverage: If your family experiences another qualifying event while receiving COBRA continuation coverage, the spouse and dependent children in your family may be entitled to receive additional months of COBRA continuation coverage, up to a total maximum of 36 months. This extension is available to the spouse and dependent children if the former employee dies, or gets divorced or legally separated from the covered spouse. The extension is also available to a dependent child when that child stops being eligible under the Plan as a dependent child. **In all of these cases, you must notify the**

Benefits and Risk Management Department of the second qualifying event within 60 days of the second qualifying event.

If You Have Questions

If you have questions about your COBRA continuation coverage, please contact the Plano ISD Benefits and Risk Management Department at (469)752-8138 or e-mail benefits@pisd.edu, or you may contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA). Address and phone numbers of Regional and District EBSA Offices are available through EBSA's web site 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 informed of any changes in the addresses of family members. While employed, please notify the Plano ISD Human Resources Division of any address changes. If covered under COBRA continuation coverage, please also notify the Plano ISD Benefits and Risk Management Department of any address changes. You should also keep a copy, for your records, of any notices you send to or receive from the Plan.

This notice is a summary of COBRA provisions and where in conflict or differing from COBRA, COBRA shall govern. For more information, please contact the Plano ISD Benefits and Risk Management Department at (469)752-8138 or benefits@pisd.edu.