

Plano ISD Employee Benefit Plan

General Notice of Future Continuation Coverage Rights Under COBRA

Introduction

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

This notice is only a summary of your COBRA continuation coverage rights and how to protect them. 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 (469)752-8138, email benefits@pisd.edu.

In addition to COBRA, you may have other options available to you if you lose group health coverage in the future, and these other coverage options may cost less than COBRA. For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace, which may offer lower 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.

What is COBRA Continuation Coverage?

COBRA continuation coverage is a continuation of coverage under the Plan when it would otherwise end because of a "qualifying event". Specific qualifying events are listed below. 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, you, your spouse, and your dependent children may be qualified beneficiaries. Qualified beneficiaries who elect COBRA continuation coverage must continue to pay for coverage.

Employee: If you are an employee, you will be offered COBRA if you lose your coverage under the Plan because of the following qualifying events:

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

Spouse: If you are the spouse of an employee, you will be offered COBRA if you lose your coverage under the Plan because of the following qualifying events:

- 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 or legally separated from your spouse.

Children: Your dependent children will be offered COBRA if they lose coverage under the Plan because of the following qualifying events:

- 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 legally separated; or
- the child stops being eligible for coverage under the Plan as a "dependent child".

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 in hours of employment, or death of the employee, the HR Department will notify the Benefits and Risk Management Department of the qualifying event.

You Must Give Notice of Some Qualifying Events

For all other qualifying events (divorce or legal separation of the employee and spouse, a dependent child's losing eligibility for coverage as a dependent child, or Medicare entitlement), you must notify the Benefits and Risk Management Department within 60 days after the qualifying event occurs. You must provide this notice to the Benefits and Risk Management Department in writing, in person, or by telephone. 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 qualified beneficiary. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA on behalf of their spouses, and parents may elect COBRA on behalf of their children. For each qualified beneficiary who elects COBRA continuation coverage, COBRA 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 that generally lasts for 18 months due to employment termination or reduction of hours of work. Certain qualifying events (death of the employee, divorce, or dependent child losing eligibility for coverage), or a second qualifying event during the initial period of coverage, may permit a beneficiary to receive a maximum of 36 months of coverage.

There are also ways in which the 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, and you notify the Benefits and Risk Management Department in a timely fashion, you and your family may be entitled to get up to an additional 11 months of COBRA continuation coverage, for a maximum of 29 months. The disability would have to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of COBRA continuation coverage.

Second qualifying event extension of 18-month period of COBRA continuation coverage: If your family experiences another qualifying event during the 18 months of COBRA continuation coverage, the spouse and dependent children in your family can get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if the Plan is properly notified about the second qualifying event. This extension may be available to the spouse and any dependent children getting COBRA continuation coverage if the employee or former employee dies, becomes entitled to Medicare benefits, gets divorced or legally separated, or if the dependent child stops being eligible under the Plan as a dependent child. This extension is only available 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. 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.

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, Medicare, Medicaid, Children's Health Insurance Program (CHIP), or another group health plan (such as your 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.

Can I enroll in Medicare instead of COBRA continuation coverage after my group health plan coverage ends?

In general, if you don't enroll in Medicare Part A or B when you are first eligible because you are still employed, after the Medicare initial enrollment period, you have an 8-month special enrollment period to sign up for Medicare Part A or B, beginning on the earlier of

- The month after your employment ends; or
- The month after group health plan coverage based on current employment ends.

If you don't enroll in Medicare and elect COBRA continuation coverage instead, you may have to pay a Part B late enrollment penalty and you may have a gap in coverage if you decide you want Part B later. If you elect COBRA continuation coverage and later enroll in Medicare Part A or B before the COBRA continuation coverage ends, the Plan may terminate your continuation coverage. However, if Medicare Part A or B is effective on or before the date of the COBRA election, COBRA coverage may not be discontinued on account of Medicare entitlement, even if you enroll in the other part of Medicare after the date of the election of COBRA coverage.

If you are enrolled in both COBRA continuation coverage and Medicare, Medicare will generally pay first (primary payer) and COBRA continuation coverage will pay second. Certain plans may pay as if secondary to Medicare, even if you are not enrolled in Medicare.

For more information visit <https://www.medicare.gov/medicare-and-you>.

If You Have Questions

For questions about your Plan or your COBRA continuation coverage rights, **please contact the Plano ISD Benefits and Risk Management Department at (469)752-8138 or email benefits@pisd.edu**. For more information about your rights under various 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). Address and phone numbers of Regional and District EBSA Offices are available through EBSA's web site at www.dol.gov/ebsa. For more information about the Marketplace, visit www.healthcare.gov.

Keep Your Plan Informed of Address Changes

To protect your family's rights, 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. You should also keep a copy, for your records, of any notices you send to or receive from the Plan.

For more information, please contact the Plano ISD Benefits and Risk Management Department at (469)752-8138 or benefits@pisd.edu.

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