

WEBER SCHOOL DISTRICT

GENERAL EMPLOYEE NOTIFICATION REGARDING COBRA

On April 7, 1986, a federal law was enacted (Public Law 99-272, Title X) requiring that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called 'continuation coverage') at group rates in certain instances where coverage under the plan would otherwise end. This notice is intended to inform you, in summary, of your rights and obligations under the continuation coverage provision of the law. Both you and your spouse (if applicable) should take the time to read this notice carefully.

If you are an employee of Weber School District, covered by one of its group health plans, you may have a right to choose this continuation coverage if you lose your group health coverage because of a reduction in your hours of employment or a termination of your employment (for reasons other than gross misconduct on your part).

If you are the enrolled spouse of an employee covered by group health coverage, you may have the right to choose continuation coverage for yourself if you lose group health coverage for any of the following four qualifying events:

1. The death of your spouse;
2. The termination of your spouse's employment (for reasons other than gross misconduct) or reduction in your spouse's hours of employment;
3. Divorce or legal separation from your spouse; or
4. Your spouse enrolls in Medicare.

In the case of an enrolled dependent child of an employee covered by group coverage, he or she may have the right to continuation coverage if group health coverage is lost for any of the following five qualifying events:

1. The death of a parent;
2. The termination of a parent's employment (for reasons other than gross conduct), or reduction in a parent's hours of employment with Weber School District;
3. Parents' divorce or legal separation;
4. A parent applies for Medicare; or
5. The dependent ceases to be a "dependent child" under the terms of the group coverage

Under the law, the employee or a family member has the responsibility to inform Weber School District Human Resource Department within 60 days of the qualifying event. The 60 days is counted from the later of the date of the event or the date on which coverage would end under the plan because of the event. If you do not choose continuation coverage, your group health insurance coverage will end.

If you choose continuation coverage, Weber School District is required to offer you coverage which, as of the time coverage is being provided, is identical to the coverage provided under the plan to similarly situated employee or family members. The law requires that you be afforded the opportunity to maintain continuation coverage for 36 months unless you lost group health coverage because of termination of employment or reduction in hours. In that case, the required continuation coverage period is 18 months. This 18 months may be extended to 36 months by a spouse or dependent child in the event of the employee's (or former employee's) death, divorce, legal separation, or Medicare entitlement during the 18-month period.

A child born to or placed for adoption with the member who is on COBRA continuation is considered a qualified person. As a qualified person, the child:

1. May be eligible for independent election rights.
2. May be eligible for an additional 18 months of COBRA continuation, if a second qualifying event occurs during the member's original 18-month continuation period.
3. May qualify for an 11 month extension due to disability.

The 18 months may be extended to 29 months for individuals determined to have been disabled (for purposes of Title II or Title XVI of the Social Security Act) at the time of the termination of employment or reduction of hours or within 60 days after a qualifying event, if the Plan Administrator is notified of that determination within 60 days of the date it is made (and before the end of the 18 months). The affected individual must also notify the Plan Administrator within 30 days of any final determination that the individual is no longer disabled. In no event will continuation coverage last more than 36 months from the date of the event that originally made a qualified beneficiary eligible to elect COBRA continuation coverage. The law also provides that your continuation coverage may be cut short for any of the following five reasons:

1. Weber School District no longer provides group health coverage to any of its employees;
2. The premium for your continuation coverage is not paid on time;
3. You become covered under another group health plan which does not contain any exclusion or limitation with respect to any pre-existing conditions;
4. You apply for Medicare;
5. You extended coverage for up to 29 months due to your disability and there has been a final determination that you are no longer disabled.

You do not have to show that you are insurable to choose continuation coverage. However, continuation coverage under COBRA is provided subject to your eligibility for coverage; Weber School District reserves the right to terminate your COBRA coverage if you are determined to be ineligible, including terminating your COBRA coverage retroactively to any date on which it is determined you were ineligible.

Under the law, you may have to pay all or part of the premium for your continuation coverage. There is a grace period of at least 30 days for payment of the regularly scheduled premium. The law also says that at the end of the 18 month, 29 month, or 36 month continuation coverage period (whichever is applicable), insurers in the individual market must guarantee health coverage to "eligible individuals" without any pre-existing exclusions.

If you have any questions about COBRA law, or if you have changed marital status, or you and your spouse have changed address, please notify the Humans Resource Department.