

IRON WORKERS DISTRICT COUNCIL OF SOUTHERN OHIO & VICINITY BENEFIT TRUST

IMPORTANT INFORMATION **ABOUT YOUR COBRA CONTINUATION COVERAGE RIGHTS**

What is continuation coverage?

Federal law requires that most group health plans (including this Benefit Trust) give employees and their families the opportunity to continue their health care coverage when there is a “qualifying event” that would result in a loss of coverage under an employer’s plan. Depending on the type of qualifying event “qualified beneficiaries” can include the employee (or retired employee) covered under the group health plan, the covered employee’s spouse, and the dependent children of the covered employee.

Continuation coverage is the same coverage that the Plan gives to other participants or beneficiaries under the Plan who are not receiving continuation coverage with the exception of life insurance, accidental death and dismemberment coverage and weekly income benefits. Each qualified beneficiary who elects continuation coverage will have the same rights under the Trust as other participants or beneficiaries covered under the Trust, including special enrollment rights. This Trust provides no greater COBRA rights than what COBRA requires – nothing in this notice is intended to expand your rights beyond the requirements of COBRA.

How long will continuation coverage last?

In the case of a loss of coverage due to end of employment or reduction in hours of employment, coverage generally may be continued only for a total of 18 months. In the case of losses of coverage due to an employee’s death, divorce or legal separation, the employee’s becoming entitled to Medicare benefits or a dependent child ceasing to be a dependent under the terms of the plan, coverage may be continued for up to a total of 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. This notice shows the maximum period of continuation coverage available to the qualified beneficiaries.

Continuation coverage will be terminated before the end of the maximum period if:

- any required premium is not paid in full on time,
- a qualified beneficiary becomes covered, after electing continuation coverage, under another group health plan that does not impose any pre-existing condition exclusions for a pre-existing condition of the qualified beneficiary,
- a qualified beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing continuation coverage, or
- the employer ceases to provide any group health plan for its employees.

Continuation coverage may also be terminated for any reason the Plan would terminate coverage of participant or beneficiary not receiving continuation coverage (such as fraud).

How can you extend the length of COBRA continuation coverage?

If you elect continuation coverage for an event which only allows 18 months of coverage, an extension of the maximum period of coverage may be available if a qualified beneficiary is disabled or a second qualifying event occurs. You must notify **Iron Workers District Council of Southern Ohio & Vicinity Benefit Trust, Attention: COBRA, Main P.O. Box 398, Dayton, Ohio 45401-0398** or call **(800) 331-4277** of a disability or a second qualifying event in order to extend the maximum period of continuation coverage. Failure to provide notice of a disability or second qualifying event may affect the right to extend the period of continuation coverage. You can request a copy of a notice form that can be used to provide written notice of one of the following events from the Benefit Trust office.

Disability

An 11-month extension of coverage may be available if any of the qualified beneficiaries is determined by the Social Security Administration (SSA) to be disabled. The disability has 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 continuation coverage. You

must make certain that the Benefit Trust Office is notified of the Social Security Administration determination with 60 days of the date of the determination and before the end of the 18 month period of COBRA continuation coverage. This notice to the Benefit Trust Office should include a copy of the documentation received from the Social Security Administration confirming the determination of disability. However, because notice to the Benefit Trust Office is required with 60 days after the Social Security Administration disability determination, it is permissible to send in supporting legal documentation separate from the notice of the Social Security Administration disability determination. The Trust may charge up to 150% of the applicable premium during the 11-month disability extension period. Each qualified beneficiary who has elected continuation coverage will be entitled to the 11-month disability extension if one of them qualifies. If the qualified beneficiary is determined by the SSA to no longer be disabled, you must notify the Benefit Trust Office of that fact within 30 days after the SSA's determination.

Second Qualifying Event

An 18-month extension of coverage will be available to spouse and dependent children who elect continuation coverage if a second qualifying event occurs during the first 18 months of continuation coverage. The maximum amount of continuation coverage available when a second qualifying event occurs is 36 months. Such second qualifying events may include the death of a covered employee, divorce or separation from the covered employee, the covered employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), or a dependent child's ceasing to be eligible for coverage as a dependent under the Trust. These events can be a second qualifying event only if they would have caused the qualified beneficiary to lose coverage under the Trust if the first qualifying event had not occurred. You must notify the Benefit Trust Office within 60 days after a second qualifying event occurs if you want to extend your continuation coverage.

How can you elect COBRA continuation coverage?

To elect continuation coverage, you must complete the Election Form and furnish it according to the directions on the form. Each qualified beneficiary has a separate right to elect continuation coverage. For example, the employee's spouse may elect continuation coverage even if the employee does not. Continuation coverage may be elected for only one, several or for all dependent children who are qualified beneficiaries. A parent may elect to continue coverage on behalf of any dependent children. The employee or the employee's spouse can elect continuation coverage on behalf of all of the qualified beneficiaries.

In considering whether to elect continuation coverage, you should take into account that a failure to continue your group health coverage will affect your future rights under federal law. First, you can lose the right to avoid having pre-existing exclusions applied to you by other group health plans if you have more than a 63-day gap in health coverage, and election of continuation coverage may help you to avoid such a gap. Second, you will lose the guaranteed right to purchase individual health insurance policies that do not impose such pre-existing condition exclusions if you do not get continuation coverage for the maximum time available to you. Finally, you should take into account that you have special enrollment rights under federal law. You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your spouse's employer) within 30 days after your group health coverage ends because of the qualifying event listed above. You will also have the same special enrollment right at the end of the continuation coverage if you get continuation coverage for the maximum time available to you.

How much does COBRA continuation coverage cost?

Generally, each qualified beneficiary may be required to pay the entire cost of continuation coverage. The amount a qualified beneficiary may be required to pay may not exceed 102 percent (or, in the case of an extension of continuation coverage due to a disability, 150 percent) of the cost to the group health plan (including both employer and employee contributions) for coverage of a similarly situated Trust participant or beneficiary who is not receiving continuation coverage. The required payment for each continuation coverage period for each option is described in the attached COBRA Election Form.

When and how must payment for COBRA continuation coverage be made?

First payment for continuation coverage

If you elect continuation coverage, you do not have to send any payment with the Election Form. However, you must make your initial payment for continuation coverage not later than 45 days after the date of your election. (This is the date the Election Notice is post-marked, if mailed.) If you do not make your initial payment for continuation coverage in

full not later than 45 days after the date of your election, you will lose all continuation coverage rights under the Trust. You are responsible for making sure that the amount of your initial payment is correct. If you have any questions or wish to confirm the amount of your initial payment, you may contact **Iron Workers District Council of Southern Ohio & Vicinity Benefit Trust, Attention: COBRA, Main P.O. Box 398, Dayton, Ohio 45401-0398 or call (800) 331-4277**. There is no grace period with regard to this first payment, so it must be paid in full within 45 days to properly elect COBRA coverage.

For example, you lose eligibility January 1st. The Benefit Trust Office sends you a COBRA election notice packet on January 5th that explains your rights to elect coverage at any time during the next 60 days. You decide to elect the coverage and mail the form on February 15th. You have 45 days in which to make complete payment for your coverage to remain covered under COBRA in the Trust. On March 31st you need to make complete payment for January, February, March and April coverage as your first payment to the Trust.

Monthly payments for continuation coverage

After you make your initial payment for COBRA continuation coverage, you will be required to make monthly payments to continue your coverage each month. The monthly amount due for each qualified beneficiary is shown on the attached COBRA Election Form. The monthly payments can be made in advance on a quarterly or annual basis. Under the Trust, each of these monthly payments for continuation coverage is **due by the 15th day of the month prior to the month that coverage is effective**. If you make a monthly payment on or before the first day of the month to which it applies, your coverage under the Trust will continue for that coverage period without interruption. **The Benefit Trust Office will not send monthly billings or any other notices that payments are due after this initial letter.**

For example, after you make payment for January, February, March and April coverage under your initial premium owed, you still must pay for each month's coverage by the 15th of the month prior to the month it is due. In this case, you would owe May's monthly premium by April 15th.

Grace period for monthly payments

Although monthly payments are due by the 15th of the month prior to the month that coverage is effective, you will be given a grace period of 30 days after the first day of the month to make each monthly payment. Your COBRA continuation coverage will be provided for each month, as long as, payment for that month is made before the end of the grace period for that payment. However, if you pay a monthly payment later than the first day of the month to which it applies, but before the end of the grace period for that coverage, your coverage under the Trust will be suspended as of the first day of the month and then retroactively reinstated (going back to the first day of coverage month) when the payment is received.

If you fail to make a monthly payment before the end of the grace period for that month, you will lose all rights to continuation coverage under the Trust.

For example, if the May premium is not received by May 1st, your coverage under the Trust will be suspended. You will have until May 30th to make May's premium payment in full under the grace period. If you fail to make the payment by May 30th, your coverage under the Trust will terminate as of May 1st. If you make the payment by the end of the grace period, you will continue COBRA coverage for the month of May.

Your initial payment and all monthly payments for continuation coverage should be sent to:

Iron Workers District Council of Southern Ohio & Vicinity Benefit Trust

Attention: COBRA

Main P.O. Box 398

Dayton, Ohio 45401-0398

Telephone Number: (800) 331-4277

You must notify The Benefit Trust Office, in writing, within 30 days, if, after electing COBRA continuation coverage, a qualified beneficiary becomes entitled to Medicare (Part A, Part B or both) or becomes covered under other group health plan coverage (but only after any pre-existing condition exclusions of that other plan for a pre-existing condition of the qualified beneficiary have been exhausted or satisfied).

COBRA continuation coverage will terminate (retroactively if applicable) as of the date of Medicare entitlement or as of

the beginning date of the other group health coverage (after exhaustion or satisfaction of any pre-existing condition exclusions for a pre-existing condition of the qualifying beneficiary). The Trust will require repayment of all benefits paid after the termination date, regardless of whether or when you provide notice of Medicare entitlement or other group health plan coverage.

For more information

This notice does not fully describe COBRA continuation coverage or other rights under the Trust. More information about continuation coverage and your rights under the Trust is available in your summary plan description or from the Benefit Trust Office.

If you have any questions concerning the information in this notice, your rights to coverage, or if you want a copy of your summary plan description, you should contact **Iron Workers District Council of Southern Ohio & Vicinity Benefit Trust, Attention: COBRA, Main P.O. Box 398, Dayton, Ohio 45401-0398, (800) 331-4277.**

For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at www.dol.gov/ebsa. (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.)

Keep the Benefit Trust Informed of Address Changes

In order to protect your and your family's rights, you should keep the Benefit Trust Office informed of any changes in your address and the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Benefit Trust Office.

Separate USERRA Rights for Military Service

The COBRA health care coverage continuation rights discussed above are separate from Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) health care coverage continuation rights for qualifying military service. If you leave employment to enter military service, you should contact **Iron Workers District Council of Southern Ohio & Vicinity Benefit Trust, Attention: COBRA, Main P.O. Box 398, Dayton, Ohio 45401-0398, (800) 331-4277.** The Trust will provide you with additional information on your rights to continue health care coverage under USERRA instead of COBRA. You have the right to elect either COBRA or USERRA coverage, but not both. Additionally, your dependents only have a right to elect COBRA coverage, however, you can elect USERRA coverage on their behalf. While the premium payment for both types of coverage are the same, the duration of coverage and protections under both are different. You should review all of the attached information carefully in order to determine which option is best for you and your family.