

# INITIAL NOTICE OF YOUR HEALTH INSURANCE AND EMPLOYEE ASSISTANCE PROGRAM COBRA CONTINUATION COVERAGE RIGHTS

## INTRODUCTION

You are receiving this notice because you have recently become covered under the City of New London Group Health Insurance and Employee Assistance Plans. (Referred to here after as The Plan). This notice contains important information about your rights to COBRA continuation coverage, which is a temporary extension of coverage under The Plan. **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.**

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 when you would otherwise lose your group health coverage. It can also become available to other members of your family who are covered under The Plan when they would otherwise lose their group health coverage. For additional information about your rights and obligations under The Plan and under federal law, you should review The Plan's Master Document's Continuation of Coverage Section Amendments. The Plan administrator is the City Clerk's Office and its Payroll/Human Resource Specialist, Lorna Anderson.

## WHAT IS COBRA CONTINUATION COVERAGE?

COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as 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." You, your spouse, and your dependent children could become qualified beneficiaries if coverage under The Plan is lost because of the qualifying event. Under The Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

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

- \* 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 lose your coverage under The Plan because any of the following qualifying events happens:

- \* 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.

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

- \* 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 (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."

Sometimes, filing a proceeding in bankruptcy under Title 11 of the United States Code can be a qualifying event. If a proceeding in bankruptcy is filed with respect to the City of New London, and that bankruptcy results in the loss of coverage of any retired employee covered under The Plan, the retired employee will become a qualified beneficiary with respect to the bankruptcy. The retired employee's spouse, surviving spouse, and dependent children will also become qualified beneficiaries if bankruptcy results in the loss of their coverage under The Plan.

### **WHEN IS COBRA COVERAGE AVAILABLE?**

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred.

When the qualifying event is the end of employment or reduction of hours of employment, death of the employee, commencement of a proceeding in bankruptcy with respect to the employer, the appropriate supervisor will make The Plan Administrator aware of the qualifying event.

### **YOU MUST GIVE NOTICE OF SOME QUALIFYING EVENTS**

Qualifying events happening to you after you retire or to your spouse and dependents will remain unknown to us unless the Plan Administrator is notified. Failure to notify us may cause you to pay higher premiums than you should, or result in loss of coverage, or void your rights to continued coverage.

If you retire before being eligible for Medicare Parts A, and/or B, you must notify the City Clerk's office when you do enroll.

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 must notify the Plan Administrator within 60 days after the qualifying event occurs. You must provide this notice to: City Clerk's Office, Lorna Anderson; she will then advise you on any further documentation needed, or steps you must follow.

### **HOW IS COBRA COVERAGE PROVIDED?**

Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of the spouses, and parents may elect COBRA continuation coverage on behalf of their children.

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), your divorce or legal separation, or a dependent child's losing eligibility as a dependent child, COBRA continuation coverage lasts 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 dependents 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, and therefore, may not be eligible for health insurance coverage, 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).

Otherwise, when the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage generally lasts for only up to a total of 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 Plan is determined by the Social Security Administrator to be disabled and you notify the Plan Administrator in a timely fashion, 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. The 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 continuation coverage. If you receive notice from the Social Security Administration that you have been determined to be disabled at any time during your COBRA continuation period, send the City Clerk's office a copy of that determination along with a request for the 11-month extension of plan coverage.

### ***Second Qualifying Event Extension of 18-month Period of Continuation Coverage***

If your family experiences another qualifying event while receiving 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 notice of the second qualifying event is properly given to The Plan. This extension may be available to the spouse and any dependent children receiving continuation coverage if the employee or former employee dies, becomes entitled to Medicare benefits (under Part A, Part B, or both), or gets divorced or legally separated, or if the dependent child stops being eligible under The Plan as a dependent child, but only if the event would have caused the spouse or dependent child to lose coverage under The Plan had the first qualifying event not occurred.

### **IF YOU HAVE QUESTIONS**

Questions concerning your Plan or your COBRA continuation coverage rights should be addressed to the contact or contacts identified below. 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 nearest Regional or District Office of 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](http://www.dol.gov/ebsa). (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website).

**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 or receive from the Plan Administrator.

**PLAN CONTACT INFORMATION**

City of New London Employee Assistance Program - Administered by:  
Thedacare at Work  
444 N. Westhill Blvd.  
Appleton, WI 54914

Contact phone numbers:

For administrative information such as COBRA notices:  
City Clerk's Office - 920-982-8500 ext. 142

For Employee/Dependent Assistance  
Call 920-749-2390 or 1-800-236-3666

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Health Insurance:

WPPI Benefit Plan Trust  
1425 Corporate Center Drive  
Sun Prairie, WI 53590  
608/837-2653  
Administered by Midwest Security Administrators (TPA)

TPA: Third Party Administrator  
(The company that processes your health insurance claims)

Midwest Security Administrators, Inc  
2700 Midwest Drive  
Onalaska, WI 54650-8764  
800/236-2515  
Group Number: OWPP040

Questions regarding The Plan, COBRA, etc.:

City Clerk's Office  
Lorna Mathison  
215 N. Shawano Street  
New London, WI 54961  
920/982-8500 ext. 142

This notice contains a summary of COBRA regulations and the duties and responsibilities of all parties. For more complete information, see the Medical & Prescription Drug Plan Master Plan Document or direct your questions to the Plan Administrator. At the time of a qualifying event or when the Plan Administrator is notified of a qualifying event specific instructions and a COBRA continuation notice will be sent to you, your spouse and dependents.

# COBRA QUALIFYING EVENT INFORMATION FORM

Submit to: City Clerk's Office  
Lorna Mathison  
215 North Shawano Street  
New London, WI 54961

Employee Name: \_\_\_\_\_

Spouse: \_\_\_\_\_

Dependents: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I wish to notify you of the following event:

Name: _____
Is eligible for Medicare Part A _____ Part B _____

Name: _____
Has been determined by the Social Security Administration to be disabled.

Name: _____
Has been determined by the Social Security Administration to be no longer disabled.

Names: \_\_\_\_\_

Were legally separated/divorced on \_\_\_\_\_.

Name: \_\_\_\_\_

Ceased to be a full-time student on \_\_\_\_\_.

Name: \_\_\_\_\_

Reached the age of 19 and is not a full-time student.

In cases of disability determination, attach letter so determining from the Social Security Administration.

Please sign your name and give today's date.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

Mail this form to:

Lorna Mathison  
City Clerk's Office  
215 N. Shawano Street  
New London, WI 54961