INITIAL NOTICE OF COBRA CONTINUATION COVERAGE RIGHTS

\*\*CONTINUATION COVERAGE RIGHTS UNDER COBRA\*\*

<<Employer Name>> Employee Benefits Plan

**To:** <<Full Name of each covered Employee and Beneficiaries>>

**Address:** <<Primary Address>>
**Date:** <<Today’s Date>>

**Introduction**

You're getting this notice because you recently gained coverage under the <<Employer Name>> Employee Benefits Plan (the Plan). This notice has important information about your right to COBRA continuation coverage, which is a temporary extension of group health coverage under the Plan under certain circumstances when coverage would otherwise end. This notice generally explains COBRA coverage, when it may become available to you and your family, and what you need to do to protect your right to get it. When you become eligible for COBRA, you may also become eligible for other coverage options that may cost less than COBRA coverage. COBRA (and the description of COBRA coverage contained in this notice) applies only to the group health plan benefits offered under the Plan and not to any other benefits offered under the Plan or by <<Employer Name>>.

The right to COBRA coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA coverage can become available to you, your spouse, and dependent children when coverage under the Plan would otherwise end. This notice does not fully describe COBRA coverage or other rights under the Plan. For more information about your rights and obligations under the Plan and under federal law, you should review the Plan's summary plan description or contact <<Employer Name>>, which is the Plan administrator. The Plan provides no greater COBRA rights than what COBRA requires—nothing in this notice is intended to expand your rights beyond COBRA's requirements.

**You May Have Other Options Available to You When You Lose Group Health Coverage**

For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly 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 Coverage?**

COBRA coverage is a continuation of Plan coverage when it would otherwise end because of a life event. This is also called a “qualifying event.” Specific qualifying events are listed later in this notice. After a qualifying event occurs and any required notice of that event is properly provided to COBRA Administrator, COBRA coverage must be offered to each person losing Plan coverage who is a “qualified beneficiary.” You, your spouse, and your dependent children could become qualified beneficiaries and would be entitled to elect COBRA if coverage under the Plan is lost because of the qualifying event. (Certain newborns, newly adopted children, and alternate recipients under QMCSOs may also be qualified beneficiaries. This is discussed in more detail in separate paragraphs below.) Under the Plan, qualified beneficiaries who elect COBRA must pay for COBRA coverage.

**Who Is Entitled to Elect COBRA?**

If you're an employee, you'll be entitled to elect COBRA if you lose your group health 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.

If you're the spouse of an employee, you'll be entitled to elect COBRA if you lose your group health 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).
* You become divorced or legally separated from your spouse.

A person enrolled as the employee's dependent child will be entitled to elect COBRA if he or she loses group health coverage under the Plan because of the following qualifying events:

* The parent-covered employee dies.
* The parent-covered 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-covered employee becomes entitled to Medicare benefits (under Part A, Part B, or both).
* The parents become divorced or legally separated.
* The child stops being eligible for coverage under the Plan as a dependent child.

**When Is COBRA Coverage Available?**

When the qualifying event is the end of employment or reduction of hours of employment or death of the employee, the Plan will offer COBRA coverage to qualified beneficiaries. You need not notify COBRA Administrator of any of these qualifying events.

**You Must Give Notice of Some Qualifying Events**

In certain circumstances, you, or your Qualified Beneficiary, in order to protect the rights under COBRA, are required to provide notification to the COBRA Administrator in writing, either by U.S. First Class Mail or hand delivery. These circumstances are any of the following:

* **Notice of Divorce or Separation**: Notice of the occurrence of a Qualifying Event that is a divorce or legal separation of a covered Employee (or former Employee) from his or her spouse.
* **Notice of Child’s Loss of Dependent Status**: Notice of the occurrence of a Qualifying Event that is an individual’s ceasing to be eligible as a Dependent Child under the terms of the Plan.
* **Notice of a Second Qualifying Event**: Notice of the occurrence of a second Qualifying Event after a Qualified Beneficiary has become entitled to COBRA Continuation Coverage with a maximum duration of 18 (or 29) months.
* **Notice Regarding Disability**: Notice that a Qualified Beneficiary entitled to receive COBRA Continuation Coverage with a maximum duration of 18 months has been determined by the Social Security Administration (“SSA”) to be disabled at any time during the first 60 days of COBRA Continuation Coverage.
* **Notice Regarding End of Disability**: Notice that a Qualified Beneficiary, with respect to whom a notice described above has been provided, has subsequently been determined by the SSA to no longer be disabled.

As indicated above, Notification of a Qualifying Event must be made in writing. Notice must be made by submitting the “Notice of Qualifying Event” form and mailing it by U.S. First Class Mail or hand delivery to the COBRA Administrator. This form is available, without charge, from the COBRA Administrator.

Notification must include an adequate description of the Qualifying Event or disability determination. Please see the remainder of this letter for additional information.

**Notification must be received by the COBRA Administrator. The COBRA Administrator is:**

**Trinity Marketing Services**

**PO Box 193**

**Marlton, NJ 08053**

A form of notice is available, free of charge, from the COBRA Administrator and must be used when providing the notice.

**Deadline for Providing the Notice**

For Qualifying Events described above, notice must be furnished within 60 days of the latest occurring event set forth below:

* The date upon which the Qualifying Event occurs.
* The date upon which you or your Qualified Beneficiary loses (or would lose) Plan coverage due to a Qualifying Event.
* The date upon which you or your Qualified Beneficiary is notified via the Plan’s SPD or general notice, and/or becomes aware of their status as a Qualified Beneficiary and/or the occurrence of a Qualifying Event; as well as their subsequent responsibility to comply with the Plan’s procedure(s) for providing notice to the COBRA Administrator regarding said status.

As described above, if you or your Qualified Beneficiary is determined to be disabled under the Social Security Act, the notice must be delivered no more than 60 days after the latest of:

* The date of the disability determination by the Social Security Administration.
* The date on which a Qualifying Event occurs.
* The date on which you or your Qualified Beneficiary loses (or would lose) coverage under the Plan as a result of the Qualifying Event.
* The date on which you or your Qualified Beneficiary is informed, through the furnishing of the Plan’s SPD or the general notice, of both the responsibility to provide the notice and the Plan’s procedures for providing such notice to the COBRA Administrator.

In any event, this notice must be provided within the first 18 months of COBRA Continuation Coverage.

For a change in disability status described above, the notice must be furnished by the date that is 30 days after the later of:

* The date of the final determination by the SSA that you or your Qualified Beneficiary is no longer disabled.
* The date on which you or your Qualified Beneficiary is informed, through the furnishing of the Plan’s SPD or the general notice, of both the responsibility to provide the notice and the Plan’s procedures for providing such notice to the COBRA Administrator.

**Who Can Provide the Notice?**

Any individual who is the covered Employee (or former Employee) with respect to a Qualifying Event, or any representative acting on behalf of the covered Employee (or former Employee) or Qualified Beneficiary, may provide the notice. Notice by one individual shall satisfy any responsibility to provide notice on behalf of all related Qualified Beneficiaries with respect to the Qualifying Event. Any qualified beneficiary for whom COBRA is not elected within the 60-day election period specified in the Plan's COBRA election notice WILL LOSE HIS OR HER RIGHT TO ELECT COBRA.

**How to provide the Notice of Qualifying Event**

In providing this notice, you must use the Plan's form entitled “Notice of Qualifying Event” Form (you may obtain a copy of this form from COBRA Administrator at no charge, or you can download the form at [www.trinitymarketing.services/members](http://www.trinitymarketing.services/members)), and you must follow the notice procedures specified in the box at the end of this notice entitled “Notice Procedures.” If these procedures are not followed or if the notice is not provided to COBRA Administrator during the 60-day notice period, THEN ALL QUALIFIED BENEFICIARIES WILL LOSE THEIR RIGHT TO ELECT COBRA.

**How Long Does COBRA Coverage Last?**

The maximum time period shown below shall dictate for how long COBRA Continuation Coverage will be available. The maximum time period for coverage is based on the type of the Qualifying Event and the status of the Qualified Beneficiary. Multiple Qualifying Events that may be combined under COBRA will not ordinarily continue coverage for more than 36 months beyond the date of the original Qualifying Event. When the Qualifying Event is “entitlement to Medicare,” the 36-month continuation period is measured from the date of the original Qualifying Event. For all other Qualifying Events, the continuation period is measured from the date of the Qualifying Event, not the date of loss of coverage.

When the Qualifying Event is the death of the covered Employee (or former Employee), the covered Employee’s (or former Employee’s) becoming entitled to Medicare benefits (under Part A, Part B, or both), a 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 covered Employee’s hours of employment, and the covered Employee became entitled to Medicare benefits less than 18 months before the Qualifying Event, COBRA Continuation Coverage for Qualified Beneficiaries other than the covered Employee lasts until 36 months after the date of Medicare entitlement. For example, if a covered Employee becomes entitled to Medicare eight months before the date on which his or her employment terminates, COBRA Continuation Coverage for his or her spouse and Children can last up to thirty-six months after the date of Medicare entitlement, which is equal to twenty-eight months after the date of the Qualifying Event (thirty-six months minus eight months).

Otherwise, when the Qualifying Event is the end of employment (for reasons other than gross misconduct) or reduction of the covered 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 COBRA coverage**

If a qualified beneficiary is determined by Social Security to be disabled and you notify COBRA Administrator in a timely fashion, all of the qualified beneficiaries in your family may be entitled to get up to an additional 11 months of COBRA coverage, for a maximum of 29 months. This extension is available only for qualified beneficiaries who are receiving COBRA coverage because of a qualifying event that was the covered employee's termination of employment or reduction of hours. The disability must have started at some time before the 61st day after the covered employee's termination of employment or reduction of hours and must last at least until the end of the period of COBRA coverage that would be available without the disability extension (generally 18 months, as described above).

The disability extension is available only if you notify COBRA Administrator in writing of the Social Security Administration's determination of disability within 60 days after the latest of:

* the date of the Social Security Administration's disability determination;
* the date of the covered employee's termination of employment or reduction of hours; and
* the date on which the qualified beneficiary loses (or would lose) coverage under the terms of the Plan as a result of the covered employee's termination of employment or reduction of hours.

You must also provide this notice within 18 months after the covered employee's termination of employment or reduction of hours in order to be entitled to a disability extension. In providing this notice, you must use the Plan's form entitled “Notice of Disability Form” (you may obtain a copy of this form from COBRA Administrator at no charge, or you can download the form at www.trinitymarketing.services/members), and you must follow the procedures specified in the box at the end of this notice entitled “Notice Procedures.” If these procedures are not followed or if the notice is not provided to COBRA Administrator during the 60-day notice period and within 18 months after the covered employee's termination of employment or reduction of hours, THEN THERE WILL BE NO DISABILITY EXTENSION OF COBRA COVERAGE.

**Second qualifying event extension of COBRA coverage**

If your family experiences another qualifying event while receiving COBRA coverage because of the covered employee's termination of employment or reduction of hours (including COBRA coverage during a disability extension period as described above), the spouse and dependent children receiving COBRA coverage can get up to 18 additional months of COBRA 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 coverage if the employee or former employee dies or 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. (This extension is not available under the Plan when a covered employee becomes entitled to Medicare after his or her termination of employment or reduction of hours.)

This extension due to a second qualifying event is available only if you notify COBRA Administrator in writing of the second qualifying event within 60 days after the date of the second qualifying event. In providing this notice, you must use the Plan's form entitled “Notice of Second Qualifying Event Form” (you may obtain a copy of this form from COBRA Administrator at no charge, or you can download the form at www.trinitymarketing.services/members), and you must follow the procedures specified in the box at the end of this notice entitled “Notice Procedures.” If these procedures are not followed or if the notice is not provided to COBRA Administrator during the 60-day notice period, THEN THERE WILL BE NO EXTENSION OF COBRA COVERAGE DUE TO A SECOND QUALIFYING EVENT.

**More Information About Individuals Who May Be Qualified Beneficiaries**

**Children born to or placed for adoption with the covered employee during COBRA coverage period**

A child born to, adopted by, or placed for adoption with a covered employee during a period of COBRA coverage is considered to be a qualified beneficiary provided that, if the covered employee is a qualified beneficiary, the covered employee has elected COBRA coverage for himself or herself.

The child's COBRA coverage begins when the child is enrolled in the Plan, whether through special enrollment or open enrollment, and it lasts for as long as COBRA coverage lasts for other family members of the employee. To be enrolled in the Plan, the child must satisfy the otherwise applicable Plan eligibility requirements (for example, regarding age).

**Alternate recipients under QMCSOs**

A child of the covered employee who is receiving benefits under the Plan pursuant to a qualified medical child support order (QMCSO) received by <<Employer Name>> during the covered employee's period of employment with <<Employer Name>> is entitled to the same rights to elect COBRA as an eligible dependent child of the covered employee.

**Are There Other Coverage Options Besides COBRA Coverage?**

Yes. Instead of enrolling in COBRA 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 other group health plan coverage options (such as a spouse’s plan) through what is called a “special enrollment period.” Some of these options may cost less than COBRA coverage. You can learn more about many of these options at [www.HealthCare.gov.](https://www.healthcare.gov/)

**Can I enroll in Medicare instead of COBRA 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 Part B and elect COBRA 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 coverage and later enroll in Medicare Part A or B before the COBRA coverage ends, the Plan may terminate your COBRA 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 coverage and Medicare, Medicare will generally pay first (primary payer) and COBRA 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**

Questions concerning your Plan or your COBRA rights should be addressed to the contact or contacts identified below. For more information about your rights under the Employee Retirement Income Security Act (ERISA), including COBRA, the Patient Protection and Affordable Care Act, 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 [www.dol.gov/agencies/ebsa.](https://www.dol.gov/agencies/ebsa) (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.) For more information about the Marketplace, visit [www.HealthCare.gov.](https://www.healthcare.gov/)

**Keep Your Plan Informed of Address Changes**

To protect your family's rights, let <<Employer Name>> know about any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to <<Employer Name>>.

**Plan Contact Information**

You may obtain information about the Plan from:

<<Employer Name>>

<<Employer Address>>

<<Employer City, State, Zip>>

<<Employer Phone>>

This contact information for the Plan may change from time to time. The most recent information will be included in the Plan's most recent summary plan description (if you do not have a copy, you may request one from <<Employer Name>>).

|  |
| --- |
| **Notice Procedures****Warning: If your notice is late or if you do not follow these notice procedures, you and all related qualified beneficiaries will lose the right to elect COBRA (or will lose the right to an extension of COBRA coverage, as applicable).****Notices Must Be Written and Submitted on Plan Forms**: Any notice that you provide must be in writing and must be submitted on the Plan's required form (the Plan's required forms are described above in this notice, and you may obtain copies from COBRA Administrator without charge or download them at www.trinitymarketing.services/members). Oral notice, including notice by telephone, is not acceptable. Electronic (including emailed or faxed) notices are not acceptable.**How, When, and Where to Send Notices:** You must mail or hand-deliver your notice to:**Trinity Marketing Services****PO Box 193****Marlton, NJ 08053**However, if a different address for notices to the Plan appears in the Plan's most recent summary plan description, you must mail or hand-deliver your notice to that address (if you do not have a copy of the Plan's most recent summary plan description, you may request one from <<Employer Name>>).If mailed, your notice must be postmarked no later than the last day of the applicable notice period. If hand-delivered, your notice must be received by the individual at the address specified above no later than the last day of the applicable notice period. (The applicable notice periods are described in the paragraphs above entitled “You Must Give Notice of Some Qualifying Events,” “Disability extension of COBRA coverage,” and “Second qualifying event extension of COBRA coverage.”)**Information Required for All Notices:** Any notice you provide must include—(1) the name of the Plan (<<Employer Name>> Employee Benefits Plan); (2) the name and address of the employee who is (or was) covered under the Plan; (3) the name(s) and address(es) of all qualified beneficiary(ies) who lost coverage as a result of the qualifying event; (4) the qualifying event and the date it happened; and (5) the certification, signature, name, address, and telephone number of the person providing the notice.**Additional Information Required for Notice of Qualifying Event**: If the qualifying event is a divorce or legal separation, your notice must include a copy of the decree of divorce or legal separation. If your coverage is reduced or eliminated and later a divorce or legal separation occurs, and if you are notifying COBRA Administrator that your Plan coverage was reduced or eliminated in anticipation of the divorce or legal separation, your notice must include evidence satisfactory to COBRA Administrator that your coverage was reduced or eliminated in anticipation of the divorce or legal separation.**Additional Information Required for Notice of Disability**: Any notice of disability that you provide must include—(1) the name and address of the disabled qualified beneficiary; (2) the date that the qualified beneficiary became disabled; (3) the names and addresses of all qualified beneficiaries who are still receiving COBRA coverage; (4) the date that the Social Security Administration made its determination; (5) a copy of the Social Security Administration's determination; and (6) a statement whether the Social Security Administration has subsequently determined that the disabled qualified beneficiary is no longer disabled.**Notice Procedures (Continued)****Additional Information Required for Notice of Second Qualifying Event**: Any notice of a second qualifying event that you provide must include—(1) the names and addresses of all qualified beneficiaries who are still receiving COBRA coverage; (2) the second qualifying event and the date that it happened; and (3) if the second qualifying event is a divorce or legal separation, a copy of the decree of divorce or legal separation.**Who May Provide Notices**: The covered employee (i.e., the employee or former employee who is or was covered under the Plan), a qualified beneficiary who lost coverage due to the qualifying event described in the notice, or a representative acting on behalf of either may provide notices. A notice provided by any of these individuals will satisfy any responsibility to provide notice on behalf of all qualified beneficiaries who lost coverage due to the qualifying event described in the notice. |