

## Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA)

You may have the right to purchase continuation of coverage for a temporary period of time after your coverage ends under this Plan. The right to continuation of 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 contact the Plan Administrator.

### 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 below. 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 a Welfare Plan that is a group health 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 either plan because one of the following qualifying events happen:

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

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

- Your spouse dies;
- Your spouse's hours of employment are reduced;
- Your spouse's employment ends for any reason other than 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 either 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 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."

### 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 result of the end of employment or reduction of hours of employment, death of the employee, or employee's becoming entitled to Medicare benefits (Part A, Part B, or both), the employer must notify the Plan Administrator of the qualifying event.

### Notice Of Other Qualifying Events

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 provide this notice in writing to

Plan Administrator within 60 days after the qualifying event occurs or, if later, the date coverage would be lost as a result of the qualifying event. You must provide this notice in writing to: Plan Administrator, The District School Board of Collier County, 5775 Osceola Trail, Naples, FL 34109-0919. The notice must include all of the following: (a) the name of the plan, (b) a description of the qualifying event, (c) the date the qualifying event occurred, and (d) the names of the covered employee and all dependents. Failure to provide timely notice may affect your right to elect continuation coverage.

#### 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 their 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 entitlement to Medicare benefits (Part A, Part B, or both), 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 beneficiaries 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, 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 a total of 18 months. There are two ways in which this 18-month period of COBRA continuation coverage can be extended, both of which are described in the following two paragraphs.

#### Disability Extension Of 18-Month Period Of Continuation Coverage

If you or anyone in your family covered under a plan is determined by the Social Security Administration 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 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage. You must provide this notice in writing to: Plan Administrator, The District School Board of Collier County, 5775 Osceola Trail, Naples, FL 34109-0919. The notice must be provided within 60 days of receiving the disability determination by the Social Security Administration and no later than the end of the first 18 months of continuation coverage. The notice also must include all of the following: (a) the name of the plan, (b) a copy of the Social Security determination, (c) a signed statement that the Social Security Administration has not made a subsequent determination to change the individual's disability status, and (d) the name of the covered employee and all dependents. Failure to provide timely notice may affect your right to extend coverage beyond the regular 18-month period.

#### 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, your spouse and dependent children 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 for the following reasons:

- if the employee or former employee dies

- if employees become entitled to Medicare benefits (under Part A, Part B, or both)
- if employee gets divorced or legally separated
- if the dependent child is no longer 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.

You must notify the Plan Administrator within 60 days after the second qualifying event occurs or, if later, the date coverage would be lost as a result of the qualifying event. The notice should be sent to: Plan Administrator, The District School Board of Collier County, 5775 Osceola Trail, Naples, FL 34109-0919, and must include all of the following: (a) the name of the plan, (b) a description of the qualifying event, (c) the date the qualifying event occurred, and (d) the names of the covered employee and all dependents. Failure to provide timely notice may affect your right to elect continuation coverage.