# INITIAL GENERAL COBRA NOTICE COVER PAGE

**TO:** Employee Name and all covered dependents (if any)
**(Current Address)**

**FROM:** Department Representative Name
Department Name
Department Address

**DATE: (Current Date)**

**SUBJECT: INITIAL GENERAL NOTICE OF RIGHTS UNDER COBRA**

Effective on **(effective date of coverage)** you and your dependents (if any) are now covered under a State-sponsored **(coverage plan name)** plan. We are required under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA), to provide you and your covered dependents (if any) with the enclosed notice. Notification to the covered spouse or domestic partner is deemed notification to any covered dependent children living at the same address (including any dependent children covered in the future).

This notice outlines covered employees and dependent(s) rights, options, and notification responsibilities under COBRA, should you or your covered dependents ever lose statesponsored group coverage due to certain qualifying events. Information regarding those qualifying events under COBRA is contained in the attached notice.

**Step #1:** **Please read the notice carefully**. It is important that individuals covered under the plan read the notice and understand their COBRA rights and notification responsibilities.

**Step #2:** If there is a **covered** dependent(s) not living with you, please provide the appropriate address to the Personnel Office so a separate notice can be mailed to them.

**Step #3:** You or a covered spouse/domestic partner/dependent children are required to notify the Personnel Office of a divorce/legal separation/termination of domestic partnership/a covered child ceases to be a dependent (e.g., child turns age 26). Please take special note on page 3 of the section in the notice that details **your** notification responsibilities and the appropriate steps to take when making this notification. Should you fail to follow the notification procedures, any rights to continue coverage under COBRA will be lost.

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Date of Notice: **(Current Date)**
**(Name of Employee, Spouse, or Domestic Partner)**
Mailing Address
City, State, Zip Code

**RE: Notice of Rights under COBRA**

The COBRA statute requires that continuation coverage be offered to covered employees and their covered dependents in order to continue their State-sponsored **(coverage plan name)** plan(s) in the event coverage is lost due to certain qualifying events. This notice is intended to provide a summary of your rights, options, and notification responsibilities under COBRA. Should an actual qualifying event occur in the future and coverage is lost, the **(department name)** will provide you (and your covered dependents, if any), with the appropriate COBRA election notice at that time. It is important that you notify the **(department name)** of a change of address to ensure that any future notices can be mailed to you.

**Qualifying Events for Covered Employee**

If you are the covered employee, you have the right to elect this continuation coverage if you lose State-sponsored **(coverage plan name)** coverage because of a voluntary or involuntary termination of your employment (for reasons other than gross misconduct) or a reduction in your hours (which causes loss of coverage).

**Qualifying Events for Covered Spouse or Domestic Partner**

If you are the covered spouse or domestic partner of an employee, you have the right to elect this continuation coverage for yourself if you lose State-sponsored **(coverage plan name)** coverage because of any of the following reasons:

1. A voluntary or involuntary termination of your spouse's or domestic partner's employment (for reasons other than gross misconduct) or reduction of your spouse's or domestic partner's hours (which causes loss of coverage);
2. The death of your spouse or domestic partner;
3. Divorce, termination of domestic partnership, or legal separation from your spouse or domestic partner; or
4. *****Your spouse or domestic partner becomes entitled to Medicare (under Part A, Part B, or both).

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## Qualifying Events for Covered Dependent Children

If you are a covered dependent child, you have the right to elect continuation coverage for yourself if you lose State-sponsored **(coverage plan name)** coverage because of any of the following reasons:

1. A voluntary or involuntary termination of the employee's employment (for reasons other than gross misconduct) or reduction in the employee's hours (which causes loss of coverage);
2. Death of employee;
3. Parent's divorce, termination of domestic partnership, or legal separation;
4. You cease to be a "dependent child" (e.g., you turn age 26); or
5. *****Employee becomes entitled to Medicare (under Part A, Part B, or both).

*****Active State employees do not lose their State-sponsored group dental and vision coverage at age 65 or entitlement to Medicare. However, if a former State employee becomes covered under Medicare while enrolled in COBRA continuation coverage, then his/her COBRA coverage may be terminated. COBRA continuation coverage for any covered dependents will not terminate for this reason. You should also read the special Medicare entitlement rule for dependents on page 5.

## Notification Responsibilities for the Employee, Spouse, Domestic Partner, and Dependent Children

The Personnel Office is aware of when an employee has died, voluntary or involuntary termination from employment, or reduction of hours. However, it is your responsibility to notify the Personnel Office when a divorce, termination of domestic partnership, legal separation, or a child ceases to be a dependent (e.g., child turns 26) occurs. The Personnel Office must receive notification within 60 days from the qualifying event date or the date coverage is lost. If notice is not received timely, then you will not be offered COBRA continuation coverage.

**[NOTE TO PERSONNEL OFFICE: Insert the actual procedures the employee, spouse, domestic partner, or dependent children should use to make the notification to the Personnel Office regarding the qualifying event(s) (e.g., in writing, telephone call).]**

## Gross Misconduct

If your termination from employment is due to "gross misconduct", then your department will not offer COBRA continuation coverage. Additionally, when a covered employee is terminated for gross misconduct, there is no qualifying event for the covered employee, spouse, domestic partner, or dependent children. None of these individuals are entitled to make a COBRA election.

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## COBRA Election Period and Coverage

At the time that a qualifying event has occurred, the **(department name)** will notify covered individuals (also known as qualified beneficiaries) of their rights to elect COBRA continuation coverage. The term "qualified beneficiary" means, a covered individual that is eligible to continue coverage because of a qualifying event. An exception is a newborn or child placed for adoption can be added to COBRA coverage and will be deemed a qualified beneficiary, although not covered at the event date.

Each individual who is covered under the plan on the day before an event occurs is a “qualified beneficiary” and has independent election rights to COBRA continuation coverage for 18 or 36 months. This means each covered individual can elect independently to continue plan coverage, even if the covered employee chooses not to continue coverage. Each qualified beneficiary will have a maximum 60 days to elect COBRA continuation coverage. The 60-day election period is measured from the date that the group coverage is lost due to the event or from the date of the COBRA qualifying event notification, whichever date is later. The COBRA election notice will reflect the last date to elect continuation coverage.

## Length of COBRA Coverage 18 Months

If the event causing the loss of coverage is a voluntary or involuntary termination of employment (other than for reasons of gross misconduct) or a reduction in hours (which causes loss of coverage), then each qualified beneficiary will have the opportunity to continue coverage for 18 months from the date of loss of coverage.

## Extensions to the 18-Month COBRA Coverage Period

Social Security Disability - The 18 months of continuation coverage can be extended for an additional 11 months of coverage, to a maximum of 29 months, for all qualified beneficiaries if the Social Security Administration determines a qualified beneficiary was disabled according to Title II or XVI of the Social Security Act at any time during the first 60 days of continuation coverage. It is the qualified beneficiary’s responsibility to obtain this disability determination from the Social Security Administration and provide a copy of the determination to the plan within 60 days after the date of determination and before the original 18 months expire. It is also the qualified beneficiaries responsibility to notify the plan within 30 days if a final determination has been made that they are no longer disabled.

Secondary Events - Another extension to the 18-month continuation period can occur, if during the 18 months of continuation coverage, a second event takes place (divorce, termination of domestic partnership, legal separation, death, or a dependent child ceases to be a dependent (e.g., child turns age 26). If a second event occurs, then the original 18 months of continuation coverage can be extended to 36 months from the date of loss of coverage for eligible dependent qualified beneficiaries (for a spouse, domestic partner, or dependent child).

If a second event occurs, it is the qualified beneficiary’s responsibility to notify the plan in writing within 60 days of the second event and within the original 18-month COBRA timeline.

A reduction in hours followed by a voluntary or involuntary termination of employment is not considered a second COBRA event. In no event, however, will continuation coverage last beyond three years (36 months) from the original date of loss of coverage.

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**Special Medicare Entitlement Rule for Dependents Only**

If an employee becomes entitled to Medicare benefits prior to the date of an 18-month qualifying event, then his/her dependents is eligible for 18 months of COBRA continuation coverage, or 36 months measured from the date of the Medicare entitlement, whichever is greater.

Example: If an employee becomes entitled to Medicare seven (7) months prior to termination of employment, then the dependents will be offered 29 months of continuation coverage. The employee is only offered 18 months.

**Length of COBRA Coverage 36 Months**

If the event causing the loss of coverage is the death of the employee, divorce, termination of domestic partnership, legal separation, Medicare entitlement, or a child ceases to be a dependent (e.g., child turns age 26), then each qualified beneficiary will have the opportunity to continue coverage for 36 months from the date of loss of coverage.

**COBRA Premiums**

If COBRA is elected, the total cost for the insurance will be 100% of the total premium, plus a 2% administration fee. The premium is paid monthly by the enrollee to the plan or its designee. The plan or its designee is not required to send a monthly bill. Your department is not required to pay a share of the COBRA premium. If there is a change in future premium rates, then you will be notified prior to the new premiums going into effect.

**Open Enrollment Period**

If you elect COBRA, you will have rights to make allowable changes to your coverage during the annual open enrollment period. Specific instructions will be sent to you prior to the beginning of the open enrollment period.

**COBRA in Retirement**

If a former spouse, domestic partner, or dependent child of a retired State employee has a COBRA qualifying event, he/she will be offered continuation coverage through CalPERS. CalPERS retirees and their eligible dependents should contact CalPERS regarding COBRA notices and enrollment options.

**Questions -** If any covered individual has questions regarding this notice of your COBRA rights and responsibilities or you want to report a change in address, please contact the Personnel Office at **(phone number, address, and name of department representative)** for assistance. It is important to keep us informed of a change in address.