

**COBRA - GENERAL NOTICE OF
EMPLOYEE'S RIGHTS TO CONTINUE
GROUP HEALTH/DENTAL/VISION COVERAGE**

On April 7, 1986, a federal law was enacted [Public Law 99-272, Title X] requiring that most employers sponsoring group health/dental/vision plans offer employees and their families the opportunity for a temporary extension of coverage (called "continuation coverage" and known as COBRA), at group rates in certain instances where coverage under the plan would otherwise end. **This notice is to inform you, in a summary fashion, of your rights and obligations under the continuation coverage provisions of the new law. (Both you and your spouse (if applicable) should take the time to read this notice carefully.)**

As an employee of Belton ISD, you may be covered by a group health/dental/vision plan and have the right to choose this continuation coverage if you lose your group coverage because of a reduction in your hours of employment or the termination of your employment (for reasons other than gross misconduct on your part).

If you are the spouse of an employee covered by Belton ISD's group health/dental/vision plan, you have the right to choose this continuation coverage for yourself if you lose group coverage under Belton ISD's group plan for any of the following four reasons:

- (1) The death of your spouse.
- (2) A termination of your spouse's employment (for reasons other than gross misconduct) or reduction in your spouse's hours of employment.
- (3) Divorce or legal separation from your spouse; or
- (4) Your spouse becomes entitled to Medicare.

In the case of a dependent child of an employee covered by Belton ISD's group insurance plan, he or she has the right to continuation coverage if group coverage under the previously mentioned plans is lost for any of the following five reasons:

- (1) The death of the employee.
- (2) A termination of the employee's employment (for reasons other than gross misconduct) or reduction in the employee's hours of employment with Belton ISD.
- (3) The employee's divorce or legal separation.
- (4) The employee becomes entitled to Medicare; or
- (5) The dependent child ceases to be a "dependent child" under Belton ISD's group insurance

plan.

Under the law, the employee or a family member has the responsibility to inform Belton ISD's plan administrator of a divorce, legal separation, or a child losing dependent status under Belton ISD's group insurance plan. Such notice must be made within 60 days of the date of the event or the date in which coverage would end under the plan because of the event, whichever is later. Similar rights may apply to certain retirees, spouses, and dependent children if your employer commences a bankruptcy proceeding and these individuals lose coverage.

When Belton ISD is notified that one of these events has happened, they will in turn notify you that you have the right to choose continuation coverage. Under the law, you have at least 60 days from the date you would lose coverage because of one of the events described above, or the date that your notice of

election rights was sent to you, whichever is later, to inform the Plan Administrator that you want continuation coverage.

If you do not choose continuation coverage, your group insurance coverage will end.

If you choose continuation coverage, Belton ISD is required to give you coverage which, as of the time coverage is being provided, is identical to the coverage provided under the plan to similarly situated employees or family members. The new law requires that you be afforded the opportunity to maintain continuation coverage for up to three years unless you lost group coverage because of a **termination of employment or a reduction in hours**. In that case, the required continuation coverage period is 18 months. This 18-month period may be extended to 36 months if other events (such as death, divorce, legal separation, or Medicare entitlement) occur during that 18-month period.

The 18 months may be extended to 29 months if an individual is determined (under Title II or XVI of the Social Security Act) to be disabled and the Plan Administrator is notified of that determination within 60 days. The affected individual must also notify the Plan Administrator within 30 days of any final determination that the individual is no longer disabled. In no event will continuation coverage last beyond 3 years from the date of the event that originally made a qualifying beneficiary eligible to elect coverage.

However, the law also provides that your continuation coverage may be terminated for any of the following five reasons:

- (1) Belton ISD no longer provides group coverage to any of its employees.
- (2) The premium for your continuation coverage is not paid on time.**
- (3) You become covered by another group plan, unless the plan contains any exclusions or limitations with respect to any pre-existing condition you or your covered dependents may have.
- (4) You become entitled to Medicare; or
- (5) You extend coverage for up to 29 months due to your disability and there has been a final determination that you are no longer disabled.

You do not have to show that you are insurable to choose continuation coverage. However, under the law, you may have to pay all or part of the premium for your continuation coverage. There is a grace period of at least 30 days for payment of the regularly scheduled premium. (The law also says that, at the end of the 18 month or 3 year continuation coverage period, you must be allowed to enroll in an individual conversion health plan.

If you have any questions, please contact Tanya Bane, Employee Benefits, Belton ISD, 400 N. Wall, Belton, TX 76513. (254) 215-2019.