



LEGAL NOTICE OF YOUR RIGHTS TO COBRA CONTINUATION COVERAGE

If health care coverage for you and/or your Dependents ends, you and/or your Dependents may be eligible to enroll for continued coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, as amended. COBRA is a federal law that allows Employees and their Dependents to continue group health coverage at their own expense for a period of time after employer-provided coverage ends.

You and/or your Dependents may elect to continue the coverage you had under either the medical, dental, vision and/or the Flexible Spending Account program as long as you were a Member covered by the benefit before the event that caused the coverage to end. You may separately elect continued coverage for medical, dental, vision and the Flexible Spending Account. You'll have the same rights under the Plan as an active Employee. As The Navigators makes changes to the benefits available to eligible active Employees, those changes will be extended to you and/or your covered Dependents.

Who is eligible?

COBRA coverage is offered to:

- You, your spouse or your Dependent children who are covered on the day before the qualifying event.
- Children born to you or placed for adoption with you during the time you are on continued coverage, and alternate recipients under a QMCSO.

What are Qualifying Events under COBRA?

You, your spouse and Dependent children are eligible for COBRA coverage if coverage ends under an eligible plan for any of the following reasons:

- Your active employment with The Navigators ends because of any reason except gross misconduct, including retirement.
- Your hours are reduced and you no longer qualify for the Plan(s).

In addition, your spouse and/or Dependents are also eligible for COBRA coverage if coverage ends for any of the following reasons:

- You become entitled to Medicare benefits.
- You become divorced or legally separated. This includes reducing or dropping a spouse's coverage in anticipation of a divorce or separation that occurs later.
- Your child is no longer considered a Dependent under the Plan.
- You die.

How do I enroll in COBRA coverage?

When your employment ends and/or your hours are reduced, you die, or become Medicare eligible, The Navigators will notify the COBRA Administrator of any loss of coverage. The COBRA Administrator will mail COBRA elections and materials to your home. In other cases (that is, divorce, legal separation, or loss of a child's dependent status) you must notify Benefits within 30 days of the change and elect COBRA coverage within 60 days of the date Plan coverage would be lost or the date you or your Dependents receive notification of eligibility from the COBRA Administrator, whichever is later. Otherwise, you will not be able to purchase continued coverage.

Each person eligible for COBRA coverage has the opportunity to elect continued coverage independently. However, you and your family must choose the same medical care benefit option under COBRA.

An Employee may not decline coverage for his or her spouse. A parent or legal guardian may make a COBRA election on behalf of a minor child.

When does coverage begin?

If you elect COBRA coverage during the 60-day COBRA election period, coverage will begin after your prior coverage ends. If you or your Dependents decide to waive COBRA coverage, you may revoke the waiver during the 60-day election period. However, coverage will begin on the date of the revocation, not the date Plan coverage is lost.

Who administers the COBRA continuation coverage?

PayFlex is our COBRA Administrator. You will receive guidance on how to elect coverage and where to send your premiums. Your medical coverage and provider networks remain the same as the coverage in effect prior to your COBRA election.

How long does COBRA coverage last?

Coverage for COBRA benefits except the Flexible Spending Account program may continue for up to 18 or 36 months, depending on the Qualifying Event, as shown in the table below.

Duration of COBRA Coverage

Qualifying Event	Individuals Eligible for Coverage	Coverage Period from Initial Qualifying Event
Your employment ends	Employee, spouse, children	18 months
Reduction in your hours	Employee, spouse, children	18 months
Your Medicare entitlement	Spouse, children	36 months
Divorce or legal separation	Spouse, children	36 months
Loss of Dependent status	Spouse, children	36 months
Your death	Spouse, children	36 months

You may elect to continue your Flexible Spending Account under COBRA only until the end of the Plan Year in which you lost coverage due to a Qualifying Event. Your contributions during your FSA COBRA continuation will be made on a post-tax basis, but will enable you to be reimbursed for expenses incurred during your continuation. None of the extensions described after the next question, below, will apply to the Flexible Spending Account.

Are there any extensions to the 18-month coverage period?

The 18-month coverage period may be extended under certain circumstances as described below:

- **COBRA Disability Extension:** If you or your Dependents become “totally disabled,” as defined by the Social Security Act, any time within 60 days of when COBRA coverage begins, you or your eligible Dependents (regardless of who became disabled) may be eligible for up to an additional 11 months of coverage. This would allow for a total coverage period of 29 months. You or your Dependents are responsible for notifying the COBRA Administrator within 60 days of when the Social Security Administration determines that you are disabled, (or the date of the Qualifying event, if later) but no later than the end of the 18-month COBRA coverage period.

If you or your Dependents were determined to be disabled before COBRA began, the extension is valid as long as the determination was still in effect on the first day of COBRA coverage.

The disability extension will end the first day of the month that is more than 30 days after the Social Security Administration determines that your disability has ended. You and your Dependents are still eligible for the remaining amount of the initial 18-month period, if any.

You or your Dependents are also responsible for notifying the administrator within 30 days of the determination that the person is no longer totally disabled. The additional coverage will end if the person is no longer disabled.

- **Medicare Extension:** If you became entitled to Medicare within 18 months before termination of your employment (or reduction of hours if it is a Qualifying Event), then the COBRA coverage for your covered spouse or Dependent children is a period that ends 36 months after you became entitled to Medicare.

If you sign up for Medicare, benefits will be coordinated with Medicare in accordance with the discussion of coordination of benefits in Section 11 of the Benefits Handbook, available at <http://www.navbenefits.org/new-to-benefits/overview-guide-handbook/>.

- **COBRA Second Qualifying Event Extension:** If your Dependents have elected 18 or 29 months of COBRA coverage and they experience a second Qualifying Event within this 18 or 29-month period, coverage may be extended an additional time, for a total coverage period of up to 36 months from the initial Qualifying Event.

The second Qualifying Event must be related to your death, divorce/legal separation, your entitlement to Medicare or a child losing Dependent status. This extension only applies to your spouse and Dependent children.

The COBRA Administrator must be notified within 60 days of the second Qualifying Event or you or your beneficiaries will not be eligible for the extension.

- **Extension Upon Death:** If you die before completing ten years of service with The Navigators, your eligible Dependents may elect to continue coverage for 36 months from the time of your death at the same rate of contribution being made by other covered Employees, subject to any future increases. If you die after completing ten years of service with The Navigators, your eligible Dependents may elect to continue coverage indefinitely at the same rate of contribution being made by other covered Employees, subject to any future increases.

When will COBRA coverage end?

COBRA coverage will end at the end of the period specified for the Qualifying Event (usually 18 or 36 months). Coverage may end earlier if:

- You fail to pay your monthly premium before the grace period ends.
- The covered person becomes entitled to Medicare benefits after continued coverage is elected.
- The covered person becomes covered under another group health plan (but only after expiration of any pre-existing condition exclusion, if the plan excluded coverage for a pre-existing condition that affects the individual).
- The Social Security Administration determines that the covered person is not disabled. If you receive a Social Security disability determination, you must notify The Navigators within 60 days. If Social Security determines that you are no longer disabled, you must notify The Navigators within 30 days of the final determination.
- The Navigators stops providing any group health coverage.
- An incident occurs for which The Navigators would terminate coverage for any participant not receiving COBRA coverage (such as fraud).

Please note if you have COBRA coverage and you plan to move to a location out of a network area for which you are enrolled, contact the Plan Administrator for information on continuation of coverage.

How do I pay for COBRA coverage?

If you or your Dependents elect COBRA coverage, you must pay a premium for COBRA continuation coverage. This premium is actuarially determined and may include any portion of the cost of coverage formerly paid by you and The Navigators, plus a two percent (2%) administration fee. [The two percent (2%) administration fee may be waived in the event of your disability or death as described above.] However, the premium will not exceed 102 percent (102%) of the rate that would apply for an active Plan member with similar coverage on the date this premium was due. Participants on COBRA continuation disability extension after the initial 18-month period may be charged up to a 50 percent (50%) administration fee as long as the disabled person is covered.

The premium rates will be determined at the beginning of the calendar year and will apply to anyone who elects to continue coverage during that period.

Your first premium is due and payable 45 days after you make the initial election for coverage. After that, contributions are due on the first day of each month for that month's participation. If the premiums are not paid in full, you will be notified that you must pay the remaining balance within 30 days of the initial due date or your coverage will be canceled.

When are claims paid under COBRA?

Claims are payable from the effective date of COBRA coverage once you enroll and pay the first premium.

If you or your Dependents do not elect COBRA coverage or pay the premium, the Plan will not pay benefits for any expenses incurred by you or your Dependents after the date coverage ended. This applies to conditions being treated before coverage ended.

For more information

Please contact the **HR Benefits Department** at Benefits@navigator.org with any questions.