



**INITIAL NOTICE OF COBRA CONTINUATION COVERAGE RIGHTS  
\*\* CONTINUATION COVERAGE RIGHTS UNDER COBRA \*\***

**City and Borough of Sitka Benefits Plan**

To: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

**Introduction**

You are receiving this notice because you have recently become covered under the City and Borough of Sitka Benefits Plan (the Plan). The Plan has three group health components, Medical, Dental and Prescription Drug. This notice contains important information about your right to COBRA continuation coverage, which is 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 the right to receive it.** COBRA (and the description of COBRA coverage contained in this notice) applies only to the group health plan benefits offered under the Plan (the Medical, Dental and Prescription Drug components) and not to any other benefits offered under the Plan or by the City and Borough of Sitka.

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 when you would otherwise lose your group health coverage under the Plan. It can also become available to your spouse and dependent children, if they are covered under the Plan, when they would otherwise lose their group health coverage under the Plan. This notice does not fully describe COBRA coverage or other rights under the Plan. For additional information about your rights and obligations under the Plan and under federal law, you should review the Plan's summary plan description or contact the City and Borough of Sitka, 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.

**What is COBRA coverage?**

COBRA 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 later in this notice. After a qualifying event occurs and any required notice of that event is properly provided to the City and Borough of Sitka, 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 are an employee, you will be entitled to elect COBRA if you lose your group health coverage under the Plan because either one of the following qualifying events happens:

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

If you are the spouse of any employee, you will be entitled to elect COBRA if you lose your group health coverage under the Plan because any of the following qualifying events happens:

- 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; or
- You become divorced or legally separated from your spouse. Also, if your spouse (the employee) reduces or eliminated your group health coverage in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, then the divorce or legal separation may be considered a qualifying event for you even though your coverage was reduced or eliminated before the divorce or separation.

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 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 his or her gross misconduct;
- 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 the City and Borough of Sitka of any of these qualifying events.

### **You Must Give Notice of Some 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), a COBRA election will be available to you only if you notify the City and Borough of Sitka in writing within 60 days after the later of: (1) the date of the qualifying event; and (2) the date on which the qualified beneficiary loses (or would lose) coverage under the terms of the Plan as a result of the 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 the City and Borough of Sitka at no charge, or you can download the form at [www.cityofsitka.com](http://www.cityofsitka.com)), 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 the City and Borough of Sitka during the 60-day notice period, THEN ALL QUALIFIED BENEFICIARIES WILL LOSE THEIR RIGHT TO ELECT COBRA.

## Electing COBRA

Each qualified beneficiary will have an independent right to elect COBRA. Covered employees and spouses (if the spouse is a qualified beneficiary) may elect COBRA on behalf of all of the qualified beneficiaries, and parents may elect COBRA on behalf of their children. **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 Long Does COBRA Coverage Last?

COBRA coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee, the covered employee's divorce or legal separation, or a dependent child's losing eligibility as a dependent child, COBRA coverage under the Plan's Medical and Dental components can last 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 coverage under the Plan's Medical and Dental components for qualified beneficiaries (other than the employee) who lose coverage as a result of the qualifying event can last until up to 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 terminated, COBRA coverage for his spouse and children who lost coverage as a result of his termination 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). This COBRA coverage period is available only if the covered employee becomes entitled to Medicare within 18 months BEFORE the termination or reduction of hours.

Otherwise, when the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA coverage under the Plan's Medical and Dental components generally can last for only up to a total of 18 months.

The COBRA coverage periods described above are maximum coverage periods. COBRA coverage can end before the maximum coverage periods described in this notice for several reasons, which are described in the Plan's summary plan description.

There are two ways (described in the following paragraphs) in which the period of COBRA coverage resulting for a termination of employment or reduction of hours can be extended.

### ***Disability extension of COBRA coverage.***

If a qualified beneficiary is determined by the Social Security Administration to be disabled and you notify the City and Borough of Sitka in a timely fashion, all of the qualified beneficiaries in your family may be entitled to receive up to an additional 11 months of COBRA coverage, for a total 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 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 the City and Borough of Sitka 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 the City and Borough of Sitka at no charge, or you can download the form at [www.cityofsitka.com](http://www.cityofsitka.com)), 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 provided to the City and Borough of Sitka 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 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 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 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, 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. (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 the City and Borough of Sitka in writing of the second qualifying event within 60 days after the later of:**

- the date of the second qualifying event; and
- the date on which the qualified beneficiary would lose coverage under the terms of Plan as a result of the second qualifying event (if it had occurred while the qualified beneficiary) was still covered under the Plan).

**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 the City and Borough of Sitka at no charge, or you can download the form at [www.cityofsitka.com](http://www.cityofsitka.com)), 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 the City and Borough of Sitka 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 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 lasts for other family members of the employee. To be enrolled in the Plan, the qualified 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 the City and Borough of Sitka during the covered employee's period of employment with the City and Borough of Sitka is entitled to the same rights to elect COBRA as an eligible dependent child of the covered employee.

## **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 ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPPA), 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 the EBSA website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa). (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website)

## **Keep Your Plan Informed of Address Changes**

In order to protect your family's rights, you should keep the City and Borough of Sitka informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the City and Borough of Sitka.

## **Plan Contact Information**

You may obtain information about the Plan and COBRA coverage on request from:

Mark Danielson  
Human Resources Director  
City and Borough of Sitka  
100 Lincoln St.  
Sitka, AK 99835  
(907) 747-1816  
[markd@cityofsitka.com](mailto:markd@cityofsitka.com)

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 the City and Borough of Sitka).

## 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 the City and Borough of Sitka without charge or download them at [www.cityofsitka.com](http://www.cityofsitka.com)). Oral notice, including notice by telephone, is not acceptable. Electronic (including e-mailed or faxed) notices are not acceptable.

**How, When and Where to Send Notices:** You must mail or hand deliver your notice to:

Mark Danielson  
Human Resources Director  
City and Borough of Sitka  
100 Lincoln St.  
Sitka, AK 99835  
(907) 747-1816  
[markd@cityofsitka.com](mailto:markd@cityofsitka.com)

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 the City and Borough of Sitka).

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 (City and Borough of Sitka 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 the City and Borough of Sitka that your Plan coverage was reduced or eliminated in anticipation of the divorce or legal separation, your notice must include evidence satisfactory to the City and Borough of Sitka 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.

**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.