

# COBRA Rights Notice

Insurance coverage terminates on the last day of the month in which the employee separates from service with the School Board of Polk County. An information packet, including written notice explaining the terminated employee's rights under COBRA will be sent by the School Board of Polk County COBRA administrator, Ceridian. This information will be sent to the address on file in SAP, so it is very important to update your contact information anytime you have an address change.

Each qualified beneficiary must be offered the option to continue coverage following a qualifying event. Qualifying beneficiaries include any eligible dependent that is covered on the insurance coverage at the time of the employee's separation of service that is eligible and that continues to be eligible for coverage. Any qualifying beneficiary that experiences a qualifying event separate from the employee separating from service, i.e. a spouse in the case of a divorce, must also be offered the option to continue coverage.

The Consolidated Omnibus Budget Reconciliation Act of 1993 (COBRA) allows you to continue the coverage you had as an active employee if you elect to continue the coverage by paying the full amount of the premium plus an administrative charge of 2 percent.

REASON FOR LOSS OF COVERAGE	EMPLOYEE	SPOUSE	CHILD(REN)
Employee separation from service	18 MONTHS	18 MONTHS	18 MONTHS
Employee reduction of hours (no longer eligible for coverage through employer)	18 MONTHS	18 MONTHS	18 MONTHS
Employee, spouse or dependent become legally disabled	29 MONTHS	29 MONTHS	29 MONTHS
Death of Employee		36 MONTHS	36 MONTHS
Divorce or Legal Separation		36 MONTHS	36 MONTHS
Entitled to Medicare		36 MONTHS	36 MONTHS
Child no longer qualifies			36 MONTHS



## Summary of the COBRA Premium



### Reduction Provisions under ARRA

President Obama signed the American Recovery and Reinvestment Act (ARRA) on February 17, 2009. The law gives "Assistance Eligible Individuals" the right to pay reduced COBRA premiums for periods of coverage beginning on or after February 17, 2009 and can last up to 9 months.

To be considered an "Assistance Eligible Individual" and get reduced premiums you:

- MUST be eligible for continuation coverage at any time during the period from September 1, 2008 through December 31, 2009 and elect the coverage;
- MUST have a continuation coverage election opportunity related to an involuntary termination of employment that occurred at some time from September 1, 2008 through December 31, 2009;
- MUST NOT be eligible for Medicare; AND
- MUST NOT be eligible for coverage under any other group health plan, such as a plan sponsored by a successor employer or a spouse's employer.\*

Individuals who experienced a qualifying event as the result of an involuntary termination of employment at any time from September 1, 2008 through February 16, 2009 and were offered, but did not elect, continuation coverage OR who elected continuation coverage and subsequently discontinued it may have the right to an additional 60-day election period.

#### ◆ IMPORTANT ◆

- ◇ If, after you elect COBRA and while you are paying the reduced premium, you become eligible for other group health plan coverage or Medicare you MUST notify the plan in writing. If you do not, you may be subject to a tax penalty.
- ◇ Electing the premium reduction disqualifies you for the Health Coverage Tax Credit. If you are eligible for the Health Coverage Tax Credit, which could be more valuable than the premium reduction, you will have received a notification from the IRS.
- ◇ The amount of the premium reduction is recaptured for certain high income individuals. If the amount you earn for the year is more than \$125,000 (or \$250,000 for married couples filing a joint federal income tax return) all or part of the premium reduction may be recaptured by an increase in your income tax liability for the year. If you think that your income may exceed the amounts above, you may wish to consider waiving your right to the premium reduction. For more information, consult your tax preparer or visit the IRS webpage on ARRA at [www.irs.gov](http://www.irs.gov).

For general and specific information regarding your plan's COBRA coverage, please visit our Web site [www.ceridianbenefits.com](http://www.ceridianbenefits.com), or contact the COBRA Services Center by mail - 3201 34th Street South, St. Petersburg, Florida 33711. For quick access to information, go to [www.ceridian-benefits.com](http://www.ceridian-benefits.com). You may also call 800-877-7994. Please note that the COBRA Services Center is experiencing heavy call volume due to this new legislation. To avoid phone delays we strongly encourage you to use the Web site if at all possible.

To notify Ceridian of your ineligibility to continue paying reduced premiums, mail the Notification of Ineligibility of Premium Reduction form to: Ceridian COBRA Continuation Services, Attn: COBRA Benefits Administration, 3201 34th Street South, St. Petersburg, Florida 33711. The form is provided to you in this package, and is also available on [www.ceridian-benefits.com](http://www.ceridian-benefits.com). If you are denied treatment as an "Assistance Eligible Individual" you may have the right to have the denial reviewed. For more information regarding reviews or for general information about the ARRA Premium Reduction go to:

[www.dol.gov/COBRA](http://www.dol.gov/COBRA) or call 1-866-444-EBSA (3272)

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\* Generally, this does not include coverage for only dental, vision, counseling, or referral services; coverage under a health flexible spending arrangement; or treatment that is furnished in an on-site medical facility maintained by the employer.