

## YOUR RIGHTS UNDER COBRA

On April 7, 1986, a Federal law was enacted (Public Law 99-272, Title X) requiring that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called "continuation coverage") at group rates in certain instances where coverage under the plans would otherwise end.

If you are an employee of the City of Baltimore (the City) and covered by the Plan, you have the right to choose this continuation coverage if you lose your group health 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 and you are covered by the Plan, you have the right to choose continuation coverage for yourself if you lose group health coverage under the Plan for *any* of the following reasons:

- (1) The death of your spouse;
- (2) The termination of your spouse's employment (for reasons other than gross misconduct) or a reduction in your spouse's hours of employment with the City;
- (3) Divorce from your spouse;
- (4) Your spouse becomes entitled to (that is, covered by) Medicare.

In the case of a covered dependent child of the employee, he or she has the right to choose continuation coverage if group health plan coverage under the Plan is lost for *any* of the following reasons:

- (1) The death of the employee;
- (2) The termination of the employee's employment (for reasons other than gross misconduct) or a reduction in the employee's hours of employment with the City;
- (3) The employee's divorce;
- (4) The employee becomes entitled to (that is, covered by) Medicare;
- (5) The dependent ceases to be a "dependent child" under the Plan.

Under the law, the employee or a family member has the responsibility to inform the Plan Administrator of a divorce or of a child losing dependent status under the Plan, within 60 days of the event. Contact the Employee Benefits Division at 410-396-4896. Failure to meet this requirement results in loss of continuation rights. The City has the responsibility to notify the Plan Administrator of the employee's death, termination, reduction in hours of employment, or Medicare entitlement.

When the Plan Administrator is notified that one of these qualifying events has happened, the Plan Administrator 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 to inform the Plan Administrator that you want to continue coverage. **Contact ADP Benefits Services, the administrator of our COBRA program, to elect coverage. ADP Benefits Services can be reached by calling 1-800-526-2720.**

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

If you choose continuation coverage, The City is required to give you coverage which, at the time coverage is being provided, is identical to the coverage provided under the Plan to similarly situated employees or family members. The law requires that you be afforded the opportunity to maintain continuation coverage for 36 months unless you lost group health coverage because of a termination of employment or reduction in hours. In that case, the required continuation coverage period is generally 18 months. In no event will continuation coverage last beyond 36 months from the date of the event that originally made an individual eligible to elect coverage.

The 18 months may be extended to 29 months if an individual is determined by the Social Security Administration to be disabled (for Social Security purposes) as of the termination or reduction in hours of employment (or during the 60 day period thereafter). To benefit from this extension, you must notify the Employee Benefits Division of that determination within 60 days of the date of the determination and before the end of the original 18 month period. The affected individual also must notify Employee Benefits Division within 30 days of any final determination that the individual is no longer disabled. Please notify Employee Benefits Division by calling 410-396-4896.

The law provides that your continuation coverage will be cut short for any of the following reasons:

- (1) The City of Baltimore no longer provides group health coverage to any of its employees;
- (2) The premium for your continuation coverage is not paid on time;
- (3) After the date of your continuation coverage election, you become covered under another group health plan that does not contain any exclusion of limitation with respect to any pre-existing condition you may have;
- (4) You become entitled to (that is, covered by) Medicare after you elect COBRA; or
- (5) You extended coverage for up to 29 months due to disability and, while you are in the 11 month extension period, there is a final determination that the disabled individual is no longer disabled.

Children born to, or placed for adoption with, a covered employee during a continuation coverage period also have the right to elect COBRA continuation coverage.

You do not have to show that you are insurable to choose continuation coverage. However, continuation coverage under COBRA is provided subject to your eligibility for coverage. The City reserves the right to terminate your COBRA coverage retroactively if you are determined to be ineligible.

Under the law, you must pay all the cost of your continuation coverage. If continued coverage is elected, the individual, spouse or qualified dependents must pay the full cost of coverage, plus a 2% administrative fee. There is a grace period of at least 30 days for payment of the regularly scheduled premium.

If there are any changes to your marital status, your or your spouse's address(es), or the dependent status of any of your children under the Plan, please notify ADP Benefit Services immediately.

**Please note that this is a summary of a very complicated federal law. In the event of any inconsistency between this summary and federal law, federal law will control.**