GENERAL NOTICE OF COBRA CONTINUATION COVERAGE RIGHTS

Introduction: You are receiving this notice because you are covered under the ISD No. 709 Group Health Plan, ISD No. 709 Group Dental Plan, ISD No. 709 Group Life Plan, and/or ISD No. 709 Section 125 Cafeteria Plan for Medical Reimbursement (herein referenced as the “Plan”). This notice explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect your right to receive it. When you become eligible for COBRA, you may also become eligible for other coverage options that may cost less than COBRA continuation coverage.

The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you and other members of your family when group health coverage would otherwise end. For more 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 Plan Administrator: Benefits Coordinator, Duluth Public Schools No. 709, 215 N. First Avenue E., Duluth, MN 55802.

You may have other options available to you when you lose group health coverage. For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse’s plan), even if that plan generally doesn’t accept late enrollees.

What is COBRA continuation coverage? COBRA continuation 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, COBRA continuation coverage must be offered to each person who is a “qualified beneficiary”.

You, your spouse and your dependent children could become qualified beneficiaries if coverage under the Plan is lost because of the qualifying event. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

- If you are an employee, you will become a qualified beneficiary if you lose your coverage under the Plan because any of the following qualifying events happens:
  - Your hours of employment are reduced, or
  - Your employment ends for any reason other than gross misconduct

- If you are spouse of an employee, you will become a qualified beneficiary if you lose your 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;
  - Your spouse becomes entitled to Medicare benefits (under Part A, Part B, or both) or;
  - You become divorced or legally separated from your spouse

- Your dependent children will become qualified beneficiaries if they lose 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 parent-employee becomes entitled to Medicare benefits (Part A, Part B, or both);
  - The parents become divorced or legally separated;
  - The child stops being eligible for coverage under the Plan as a “dependent child” (26th birthday)

(Sometimes, filing a proceeding in bankruptcy under Title 11 of the United States Code can be a qualifying event. If a proceeding in bankruptcy is filed with respect to ISD No. 709, and that bankruptcy results in the loss of coverage of any retired employee covered under the Plan, the retired employee will become a qualified beneficiary with respect to the bankruptcy. The retired employee’s spouse, surviving spouse and dependent children will also become qualified beneficiaries if bankruptcy results in the loss of their coverage under the Plan.)

When is COBRA continuation coverage available? The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction of hours of employment, death of the employee, commencement of a proceeding in bankruptcy with respect to the employer or the employee’s becoming entitled to Medicare benefits (under Part A, Part B, or both) the employee must notify the Plan Administrator of the qualifying event. 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, you must notify the Plan Administrator within 60 days after the qualifying event occurs. You must provide this notice to: Benefits Department, Duluth Public Schools No. 709, 215 N. 1st Avenue East, Duluth, MN, 55802.
**How is COBRA continuation coverage provided?**  Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses and parents may elect COBRA continuation coverage on behalf of their children.

You and/or your covered dependents have 60 days from the date you would lose coverage to elect continuation coverage. If you do not choose continuation coverage, your group health, dental and/or life insurance will end.

COBRA continuation coverage is a temporary continuation of coverage that generally lasts for 18 months due to employment termination or reduction of hours of work. (Employees who retire from the District, can continue their health and dental insurance coverage indefinitely.) Certain qualifying events or a second qualifying event during the initial period of coverage may permit a beneficiary to receive a maximum of 36 months of coverage. (Note: Minnesota state statutes may allow additional coverage in the cases of death, divorce and disability. Contact the Plan Administrator for additional information.)

There are two (2) ways in which this 18-month period of COBRA continuation coverage can be extended:

- **Disability extension of 18-month period of COBRA continuation coverage.** If you or anyone in your family covered under the Plan is determined by Social Security to be disabled and you notify the Plan Administrator in a timely fashion, you and your entire family may be entitled to receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. The disability would have to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of COBRA continuation coverage.

- **Second qualifying event extension of 18-month period of COBRA continuation coverage.** If your family experiences another qualifying event during the 18 months of COBRA continuation coverage, the spouse and dependent children in your family can get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if notice of the second qualifying event is properly given to the Plan Administrator. This extension may be available to the spouse and any dependent children receiving COBRA continuation coverage if the employee or former employee dies, becomes entitled to Medicare benefits (under Part A, Part B, or both), 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.

In all of these cases, you must make sure that the Plan Administrator is notified of the second qualifying event within 60 days of the second qualify event.

**Are there other coverage options besides COBRA Continuation Coverage?** Yes. Instead of enrolling in COBRA continuation, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid or other group health plan coverage options (such as a spouse’s plan) through what is called a “special enrollment period”. Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at [www.healthcare.gov](http://www.healthcare.gov).

**Termination of continuation coverage.** The law provides that your continuation coverage may be cut short for any of the following reasons:

- The Duluth Public Schools No. 709 no longer provides group coverage to any of its employees;
- The premium for your continuation coverage is not paid on time;
- A final determination has been made you are no longer disabled. Termination of coverage is effective in the month that begins more than 30 days after the final determination.

**Payment for COBRA continuation coverage.** You will have 45 days from the date you elect COBRA continuation coverage in which to make your first premium payment. When you make your first payment, you are required to pay all past months’ premiums as well as any current premiums due in one lump sum. After your first payment, you have a grace period of 30 days to pay future premiums.

**If you have questions.** Questions concerning your Plan or your COBRA continuation coverage rights should be addressed to the contact or contacts identified below. For more information about your rights under the Employee Retirement Income Security Act (ERISA), including COBRA, the Patient Protection and Affordable Care Act 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 [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.) For more information about the Marketplace, visit [www.HealthCare.gov](http://www.HealthCare.gov).

**Keep your Plan informed of address changes.** To protect you and your family’s rights, let the Duluth Public Schools No. 709 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 ISD No. 709.

**Plan contact information:** Benefits Department, Duluth Public Schools No. 709, 215 N. 1st Avenue E., Duluth, MN, 55802, (218) 336-8723

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