

Your Rights under COBRA

The health care program gives you and your dependents the option to extend your health care coverage in certain instances when coverage under the program would otherwise end. This is called COBRA coverage. A federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), created the right to COBRA continuation coverage.

What is COBRA Continuation Coverage?

COBRA continuation coverage is a continuation of medical, prescription drug, dental and health care flexible spending account coverage when such coverage would otherwise end because of a life event known as a “qualifying event.”

What is a Qualifying Event under COBRA?

Qualifying events include:

- Employee loses coverage because of reduced work hours
- Employee retires or terminates for any reason (except gross misconduct)
- Employee or dependent is disabled (as defined by Title II or XVI of the Social Security Act) during the first 60 days of COBRA coverage, and provides notice within 60 days of determination, but no later than the end of the initial 18-month period
- Employee dies
- Employee and spouse are divorced or legally separated
- Employee enrolls in Medicare within 18 months before a qualifying event that is a termination of employment or reduction of hours
- Child no longer qualifies as dependent

Who is a Qualified Beneficiary?

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 medical, prescription drug, dental and health care flexible spending account coverage is lost because of the qualifying event.

If you are an employee, you will become a qualified beneficiary if you lose your 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 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; or
- The child stops being eligible for coverage under the plan as a "dependent child."

When Is COBRA Coverage Available?

COBRA continuation coverage will be offered to qualified beneficiaries only after the Stamford Public Schools Benefits Administration Office has been notified that a qualifying event has occurred. When coverage has been lost due to the end of employment, a reduction of hours of employment or the death of the employee, Human Capital Development will notify the Benefits Administration Office.

What Is Your Responsibility?

You and your dependents are responsible for notifying the Benefits Administration Office to request COBRA materials in the event of:

- Divorce or legal separation of the active employee and spouse
- A dependent child's loss of eligibility for coverage as a dependent child

You must notify the Benefits Administration Office within 60 days of the divorce or legal separation. You must notify the Benefits Administration Office within 30 days of a dependent child's loss of eligibility for coverage as a dependent child.

How Is COBRA Provided?

Once the Stamford Public Schools Benefits Administration Office 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.

Coverage Details

If COBRA is elected, your medical, prescription drug and dental coverage previously in effect will generally be continued. You will be given the opportunity to make a new election during annual enrollment or when you have a change in status. Any newly eligible dependents you may have may be enrolled under the same rules that apply to active employees.

You or your eligible dependents have 60 days from the later of the COBRA election notice date or the date of loss of coverage to elect continued participation under COBRA. Once you make your election, you will have 45 days to pay the initial premium payment. At the time your first premium payment is made, your coverage will be retroactively restored to ensure there is no break between when your coverage was lost and when your COBRA continuation coverage begins.

How long will COBRA Continuation Coverage last?

COBRA continuation coverage is a temporary continuation of coverage. When the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage generally lasts for only up to a total of 18 months. When the qualifying event is the death of the employee, the employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), your divorce or legal separation, or a dependent child's losing eligibility as a dependent child, COBRA continuation coverage lasts 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 continuation coverage for qualified beneficiaries other than the employee lasts until 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 terminates, COBRA continuation coverage for his spouse and children 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).

Under what circumstances is continuation coverage terminated before the end of the maximum period?

Continuation coverage will be terminated before the end of the maximum period if:

- Stamford Public Schools no longer provides group health coverage to any of its employees.
- Any required premium is not paid; your coverage will not be terminated for non-payment of premiums until you have been contacted by the Stamford Public Schools Benefits Administration Office.
- A qualified beneficiary becomes covered, after electing continuation coverage, under another group health plan that does not impose any pre-existing condition exclusion for a pre-existing condition of the qualified beneficiary.
- A qualified beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing continuation coverage.

Continuation coverage may also be terminated for any reason the Plan would terminate coverage of a participant or beneficiary not receiving continuation coverage (such as fraud).

How can you extend the length of COBRA continuation coverage?

If you elect continuation coverage, an extension of the maximum period of coverage may be available if a qualified beneficiary is disabled or a second qualifying event occurs and the initial coverage period is less than 36 months. You must notify the Stamford Public Schools Benefits Administration Office of a disability or a second qualifying event in order to extend the period of continuation coverage. Failure to provide notice of a disability or second qualifying event may affect the right to extend the period of continuation coverage.

Disability extension of 18-month period of continuation coverage

If you or anyone in your family covered under the Plan is determined by the Social Security Administration to be disabled and you notify the Stamford Public Schools Benefits Administration Office 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 continuation coverage.

Second qualifying event extension of 18-month period of continuation coverage

If your family experiences another qualifying event while receiving 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 Stamford Public Schools Benefits Administration Office. This extension may be available to the spouse and any dependent children receiving 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.

How can you elect COBRA continuation coverage?

To elect continuation coverage, you must complete the Election Form and submit it to the Stamford Public Schools Benefits Administration Office within 60 days of the loss of your coverage.

How much does COBRA continuation coverage cost?

Each qualified beneficiary must pay the entire cost of continuation coverage. The amount a qualified beneficiary may be required to pay may not exceed 102 percent of the cost to the group health plan (including both Stamford Public Schools and employee contributions) for coverage of a similarly situated plan participant or beneficiary who is not receiving continuation coverage. The required payment for each continuation coverage period is provided in the Election Form.

When and how must payment for COBRA continuation coverage be made?

First payment for continuation coverage

If you elect continuation coverage, you do not have to send any payment with the Election Form. After the Stamford Public Schools Benefits Administration Office has received your Election Form, you will receive a COBRA Premium Notice with instructions regarding your first payment. You must make your first payment for continuation coverage not later than 45 days after the date of your election. (This is the date the Election Notice is post-marked, if mailed.) If you do not make your first payment for continuation coverage in full not later than 45 days after the date of your election, you will lose all continuation coverage rights under the Plan. You are responsible for making sure that the amount of your first payment is correct.

Monthly Premium payments for continuation coverage

After you make your first payment for continuation coverage, you will be required to make monthly premium payments for each subsequent coverage period. The amount due for each coverage period for each qualified beneficiary is shown in your COBRA Premium Notice. The monthly premium payments can be made on a monthly basis. Under the Plan, each of these monthly payments for continuation coverage is due on the 1st day of each month for that coverage period. If you make a monthly payment on or before the first day of the coverage period to which it applies, your coverage under the Plan will continue for that coverage period without any break.

All monthly premium payments for continuation coverage should be made payable to the Stamford Board of Education and sent to: Stamford Public Schools, Benefits Administration Office, P.O. Box 9310, Stamford CT 06904.

For more information, contact the Stamford Public Schools, Benefits Administration Office at 203-977-4773 or 203-977-4196.