

APPENDIX A

Election of Federal Continuation of Coverage (COBRA)

Within 14 days after notice of a qualifying event is received, federal law requires Lincoln Public School (LPS) to send you or your dependents written notice of the right to continue health, dental and/or vision insurance if enrolled in one or more of these plans through LPS. This notice is intended to inform you, in a summary fashion, of your rights and obligations under the continuation coverage provisions of the law.

Qualifying events are:

- A reduction in your work hours which causes you to be ineligible;
- Termination of your employment;
- You are discharged from your job for misconduct (other than gross misconduct);
- Your death;
- Your covered child loses dependent status;
- Your covered spouse and children lose coverage due to divorce or separation; or
- Your covered spouse and children lose coverage as the result of you becoming entitled to Medicare.

In the case of a divorce or legal separation, or if a child loses dependent status, you must notify LPS of this qualifying event within 60 days after the later of the event or the date the coverage would be lost. You or your covered dependent(s) must make written request to continue insurance by no later than 60 days after the day group insurance would otherwise end, or 60 days after the notice is sent by LPS.

Continued coverage may only begin on the day after group insurance under the policy would otherwise end. You or your dependents must pay the required premium, including any retroactive premium, from the day the coverage would have otherwise ended. The premium must be paid within 45 days after the day continued coverage is elected. Succeeding premiums must be paid within 30 days of the premium due date. LPS will initially inform you or your dependents of the monthly premium to be paid and where such premium shall be paid.

An insured person's continued insurance will end at midnight on the earliest of:

- The day LPS ceases to provide the group insurance to any employee;
- The day the premium is due and unpaid;
- The day an insured person first becomes covered under any other group plan (after the COBRA election), which does not exclude or limit any pre-existing conditions or to whom such an exclusion is not applicable due to creditable coverage;
- The day an insured person again becomes covered as an employee or dependent under the policy;
- The day the continued insurance is converted to conversion coverage;
- The day an insured person becomes entitled to benefits under Medicare; or
- The day insurance has been continued for the maximum period of time allowed which is 18 months, 29 months (in the case of a disability as determined by the Social Security Administration) or 36 months.

COBRA law requires that you be afforded the opportunity to maintain continuation coverage for 18 months in the case of termination of employment or reduction in hours. Otherwise the continuation coverage is for 36 months. In the event more than one continuation provision applies, the periods of continued coverage may run concurrently, but never for more than 36 months.

Following the end of the continuation of coverage period, conversion privileges to a non-group contract may be available for health coverage.

If you have any questions about COBRA, have a change in marital or family status, or if a child loses dependent status, please contact the Human Resources Benefits Department as soon as possible, 436-1593.