

Understanding your COBRA Benefits

This document is designed to answer many questions you may have regarding your COBRA benefits. Please refer to your COBRA General Rights Notices or Specific Rights Notices for more information.

What is COBRA? COBRA (or the Consolidated Omnibus Budget Reconciliation Act) requires continuation coverage to be offered to covered employees, their spouses, former spouses and dependent children when group health coverage would otherwise be lost due to certain Qualifying Events.

What is a Qualifying Event? Common events include: termination of employment, reduction of hours, divorce or legal separation, cessation of dependent status, employee death, failure to return from FMLA or certain employer bankruptcy.

How long do I have to be covered under the company insurance before I (or my covered dependents) are eligible for COBRA ? As long as you were covered on the day prior to the Qualifying Event, you are eligible for COBRA.

How long can I continue coverage? As an employee, the coverage for yourself and covered dependents can be continued for 18 months for termination or reduction of hours. Covered dependents can continue coverage for 36 months as a result of divorce or legal separation, cessation of dependent status, employee entitlement of Medicare or employee death.

Is my Domestic Partner covered? In most cases, if your Domestic Partner was covered prior to the Qualifying Event, they will be provided COBRA-like benefits, although the IRS does not deem them to be Qualified Beneficiaries. Therefore, they can only participate as long as they are covered by the former employee.

Why is my COBRA premium so high? While you were employed, the employer may have paid some or all of the premium for yourself and covered dependents. Once you go on COBRA, you pay the entire premium plus a 2% administration fee.

Can my COBRA premium change? Yes. If the employer's insurance premium increases, your COBRA premium will also increase.

What if I am disabled? If it is determined by the Social Security Administration (SSA) that you were disabled within the first 60 days of COBRA coverage and you receive the determination from SSA prior to the 18th month of COBRA coverage, you may be continued up through the 29th month for yourself and covered dependents. The premium for the disabled Qualified Beneficiary can be increased to 150%.



Key Timeframes

- Your employer terminates your coverage with the insurance carrier(s) at termination or the loss of coverage.
- The employer notifies Benefit Resource that your coverage has been terminated within 30 days of the loss of coverage.
- Within 14 days, Benefit Resource will send you a Specific Rights Notice by First Class Mail to your last known address. (Separate letters will be sent to Qualified Beneficiaries who do not reside at the same address.)
- You will have 60 days from the postmark on the envelope to make your COBRA election. The Insurance Carrier may require additional documentation to be completed.
- Your first payment, including amounts due to-date, must be mailed within 45 days of the COBRA election.
- Once Benefit Resource receives your COBRA election, Insurance Carrier forms (if applicable) and payment, the coverages elected will be reinstated back to the loss of coverage.
- Future payments are due on the 1st of the month and must be post-marked by the 30th of the month. Late payments will result in termination of COBRA Benefits.

For additional details regarding your available benefits, please refer to your COBRA General Rights Notices or Specific Rights Notices.

View your COBRA benefits online at:
cobra.benefitresource.com



