

Toledo Electrical Welfare Fund
COBRA Continuation Coverage
Important Notice

To: All Employees, Spouses and Dependents

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 care coverage at group rates in certain instances where coverage under the plan would otherwise end.

This notice is intended to inform you of your rights and obligations under the continuation coverage provisions of the law. **(Both you and your spouse should take the time to read this notice carefully.)**

Continuation Coverage

Should any of the following events occur, each employee and/or spouse and/or dependents who are covered under the group health care plan will be eligible to continue coverage as a qualified beneficiary under the Toledo Electrical Welfare Fund (TEWF) for the maximum number of months specified below:

| | Event | Maximum Continuation Period |
|----|--|---|
| 1. | Employee terminates (for reason other than gross misconduct) | 18 months for employee and/or covered spouse/dependents |
| 2. | Employee's hours are decreased below minimum required by the plan | 18 months for employee and/or the covered spouse/dependents |
| 3. | Employee dies | 36 months for covered spouse/dependents |
| 4. | Spouse/dependents no longer eligible for the plan because employee becomes entitled for Medicare | 36 months for covered spouse/dependents |
| 5. | Employee divorces or legally separates | 36 months for covered spouse/dependents |
| 6. | Dependent child ceases to be "eligible" because of age or because is no longer a full-time student, if applicable | 36 months for covered dependent |
| 7. | Employee/spouse/dependent disabled within 60 days of Event 1 or 2 above and provides notice of disability determination (under Social Security Act II or XVI by the Social Security Administration) within 60 days but <u>prior to end of the 18th month</u> after Event 1 or 2 | 29 months from Event 1 or 2 for employee and/or covered spouse/dependents |

Similar rights may apply to certain retirees, spouses, and dependent children if your employer commences a bankruptcy proceeding.

Second Qualifying Event

If, during the 18-month continuation period following an employee's termination of employment or decrease in hours below the minimum required by the plan, a second event occurs (due to the employee's divorce, separation, entitlement for Medicare or death), an affected person may elect additional continuing coverage for a maximum continuation period of 36 months from the date of the original qualifying event.

Cancellation of Coverage

Continuation of coverage will automatically stop if:

- The person fails to pay the required premium on time;
- The person becomes covered by another group health care plan unless the other plan has a pre-existing condition limitation that applies to the qualified beneficiary*. In this case, COBRA can be continued up to the earlier of the maximum time period shown in the schedule above or the time in which the pre-existing condition is covered under the other plan;
- The person becomes entitled for Medicare;
- The Toledo Electrical Welfare Fund no longer provides group health coverage to any of its employees; or
- You extended coverage for up to 29 months due to your disability and there has been a final determination that you are no longer disabled. You must notify the Fund within 30 days if you are no longer disabled.

* The Health Insurance Portability and Accountability Act of 1996 (HIPAA) restricts the extent to which group health plans may impose pre-existing condition limitations. If you become covered under another group health plan that contains a pre-existing condition that affects you, your COBRA coverage cannot be terminated. However, if the other plan's pre-existing limitation does not apply to you by reason of HIPAA's restrictions on pre-existing condition clauses, the Toledo Electrical Welfare Fund may terminate your COBRA coverage.

Premium

The cost of the COBRA continuation coverage will be the full amount of monthly premium that is currently calculated to the Toledo Electrical Welfare Fund for coverage. Individuals who continue coverage will be charged our full single rate -- families will be charged our full family rate. Premiums will increase (decrease) on the date that rates change under our group health care plan.

There is a grace period of 30 days for payment of the regularly scheduled premium.

The cost of extended disability coverage for 11 additional months may not be more than 150% of the cost to the Fund for similar coverage.

Newborns and Adoptees

Any child who is born to or is placed for adoption with a person under COBRA coverage will be eligible to become a qualified beneficiary as long as notice is given to the Fund within 30 days of the birth or adoption.

Notification

You and/or your spouse/dependents will be notified within 14 days of your/their rights to continuation coverage if Events 1,2,3, or 4 above occur. **It is your or your family member's responsibility to notify the Toledo Electrical Welfare Fund within 60 days in the event of divorce, legal separation, child losing dependent status under the Toledo Electrical Welfare Fund, or becoming disabled (as determined by the Social Security Administration).**

Please also notify the Toledo Electrical Welfare Fund if there is a change in your marital status or in your address.

The Fund 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 later of the date you would lose coverage or the date you receive your notice to elect continuation coverage. If, and when, you make this election, coverage will become effective on the day after coverage would otherwise be terminated and all back premiums must be paid accordingly.

The Toledo Electrical Welfare Fund reserves the right to terminate your COBRA coverage retroactively if you are determined to be ineligible.

If you do not choose continuation coverage, your group health insurance coverage will terminate in accordance with the provisions outlined in your benefit booklet and be subject to the self-payment provisions of the plan.

Benefits

If you choose continuation coverage, the Toledo Electrical Welfare Fund is required to give you health coverage which, as of the time coverage is being provided, is identical to the coverage provided by the Fund to similarly situated employees or family members. Health coverage includes medical, dental and vision.

If you have any questions regarding the above information, please contact the Toledo Electrical Welfare Fund.

Administrative Manager
Toledo Electrical Welfare Fund
P.O. Box 60408
Rossford, OH 43460-0408
(419) 666-4450