

Welfare Fund COBRA Continuation of Benefits for Adjunct Members

If adjunct basic benefit coverage is lost, participants and covered eligible dependents may continue to receive benefits by paying a premium. The right to continuation coverage was created by federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985, otherwise known as **COBRA**.

COBRA provides for a continuation of benefits when coverage would otherwise terminate due to a “**qualifying event**.” Specific qualifying events are listed below. After a qualifying event, COBRA coverage is made available to each person who is a “qualified beneficiary.” Participants (employees), spouses, domestic partners and dependent children may become qualified beneficiaries. Those who elect COBRA continuation coverage must pay a premium in accordance with Federal COBRA regulations.

Employee qualifying events include:

- Hours of employment are reduced to the extent plan eligibility is lost
- Employment is terminated for any reason other than gross misconduct

Spouse qualifying events include:

- The participant (employee) dies
- The participant (employee's) hours of employment are reduced and plan eligibility is lost
- The participant (employee's) employment ends for any reason other than gross misconduct
- The participant (employee) and spouse divorce or legally separate resulting in a loss of coverage.

Dependent Child qualifying events include:

- The participant (employee) dies
- The participant (employee's) hours of employment are reduced and plan eligibility is lost
- The participant (employee's) employment is terminated for any reason other than gross misconduct
- The child loses eligibility as a “dependent child”

Qualified beneficiaries and Duration of Benefit

Each qualified beneficiary has an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, domestic partners and parents may elect COBRA continuation coverage on behalf of their children. A spouse or child may elect COBRA coverage independent of a terminated employee's decision.

When the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage lasts for up to **18 months**.

When the qualifying event is the death of the employee, divorce, termination of a domestic partnership or a dependent child's losing eligibility, COBRA continuation coverage lasts for up to **36 months** for spouses and children who are qualified beneficiaries.

Notification Responsibilities

The Fund can offer COBRA continuation coverage to qualified beneficiaries only if properly notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction of hours of employment, reporting is the responsibility of the employer.

For other qualifying events, the responsibility for reporting rests with the participant. With a divorce or termination of domestic partnership or with a child losing dependency status due to age or school discontinuance, the participant or affected parties must notify the Fund Office within 60 days of the date that the qualified beneficiary would lose coverage after the qualifying event or of the qualifying event itself. The Fund Office requires supporting documentation.

Type of Coverage

- If the COBRA event is the loss of coverage by the *adjunct participant*, the insurance coverage (carrier and contract size) in effect immediately prior to the event may be continued by paying the COBRA premium directly to the PSC-CUNY Welfare Fund.
- If the COBRA event is the *spouse's* loss of coverage due to divorce or the death of the adjunct participant, the insurance coverage (carrier) in effect immediately prior to the event may be continued by paying the COBRA premium directly to the PSC-CUNY Welfare Fund. The spouse will have an individual COBRA contract.
- If the COBRA event is the *dependent child's* loss of coverage due to the death of the adjunct participant, the child can join the surviving spouse on a family COBRA contract or elect individual coverage. If the COBRA event is the *dependent child's* loss of coverage due to exceeding the age limit or no longer being a full-time student, the child may elect an individual COBRA contract

The premium is set by law at 102% of the premium paid by the Fund to the carrier.

Termination of Coverage

COBRA continuation coverage is terminated at the earlier of the following:

1. Exhaustion of the benefit duration limit.
2. Failure to pay the COBRA premium on a timely basis. The premium is due the first day of the month of coverage (after the initial period). Benefits will be suspended with all vendors and carriers at the end of five (5) business days. If premium is not received by the end of the month, coverage is terminated permanently. The Fund does not bill.
3. Removal or reversal of the conditions of the qualifying event. This includes but is not limited to employment or re-employment or re-marriage that results in the opportunity for comparable group coverage.
4. Medicare eligibility

COBRA Rate Reduction under the American Recovery and Reinvestment Act

PSC-CUNY Welfare Fund participants have additional rights related to COBRA coverage. The American Recovery and Reinvestment Act of 2009 (ARRA) gives "Assistance Eligible Individuals" the right to pay reduced COBRA premiums (at 35% of the usual rate) for periods of coverage beginning on or after February 17, 2009. Coverage at the reduced rate can last up to 9 months or until December 31, 2009.

To qualify for reduced premiums, the participants:

- MUST be eligible for continuation coverage at any time during the period from September 1, 2008 through December 31, 2009 and elect the coverage;
- MUST have had **involuntary termination** of employment at some time from September 1, 2008 through December 31, 2009;
- MUST NOT be eligible for Medicare; AND
- MUST NOT be eligible for coverage under any other group health plan, such as a plan sponsored by a successor employer or a spouse's employer.

Individuals who experienced a qualifying event as the result of an involuntary termination of employment at any time from September 1, 2008 through February 16, 2009 and were offered, but did not elect, continuation coverage OR who elected continuation coverage and subsequently discontinued it may have the right to an additional 60-day election period.

More Information

COBRA regulations are voluminous and complex. Every effort has been made in this section to present highlights necessary to make appropriate decisions, but not to present all details of the program. Questions concerning COBRA continuation coverage rights may be addressed to the Fund Office or for more information, participants may wish to contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) or visit the EBSA website at dol.gov/ebsa. More details are also at psccunywf.org