

Information on this page is drawn from the Welfare Fund Summary Plan Description for Full-Time Active employees. The full text is available on the Welfare Fund website, psccunywf.org.

PSC-CUNY Welfare Fund COBRA Continuation of Benefits

If Welfare Fund benefit coverage is lost, participants and dependents may be eligible to continue to receive some or all of those benefits by paying a premium. The right to continuation of benefits and the method for setting the premium rates were established according to a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985, otherwise known as **COBRA**.

COBRA extends benefits when they would otherwise end due to a “**qualifying event**.” Specific qualifying events are listed below. COBRA coverage is then made available to each person who is a “qualified beneficiary.” Participants (employees), spouses, domestic partners and dependent children may become qualified beneficiaries.

Welfare Fund COBRA coverage is separate from NYC basic Health Insurance COBRA coverage. Information on basic Health Insurance COBRA is available from CUNY Benefits offices, and on the Fund website, psccunywf.org. *Enrolling in basic Health insurance COBRA does not assure enrollment in Welfare Fund COBRA, and vice versa.*

Employee qualifying events include:

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

Dependant 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 is terminated for any reason other than gross misconduct,
- The participant (employee) and spouse divorce or legally separate resulting in a loss of coverage,
- The participant (employee)’s plan coverage changes from family to individual, or
- The participant (employee) becomes entitled to Medicare

Dependent Child qualifying events include:

- The participant (employee) dies,
- The participant (employee’s)’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 parents divorce or legally separate resulting in a loss of coverage,
- Coverage under the plan changes from family to individual, or
- 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 or domestic partners, and parents may elect COBRA continuation coverage on behalf of their children. A spouse, domestic partner 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, change in plan coverage from family to individual or a dependent child's losing eligibility*, COBRA continuation coverage lasts for up to **36 months** for spouses, domestic partners and children who are qualified beneficiaries.

There are circumstances that may extend the eligibility period:

1) If a COBRA participant is determined by the Social Security Administration to have become disabled prior to the 60th day of COBRA coverage, qualified beneficiaries in the family may receive coverage for an additional 11 months or until the termination of the disabling condition.

2) If a family experiences another qualifying event (participant death or a divorce or separation) while receiving 18 months of COBRA coverage, the spouse and dependent children may get up to 18 additional months of COBRA coverage, to a maximum of 36 months. If the second qualifying event is a child's loss of coverage, the right extends only to the child.

Notification Responsibilities

The Fund will 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, reporting is the responsibility of the employer. CUNY campus HR offices distribute Welfare Fund COBRA information to new hires and qualified beneficiaries. Each person who then has a qualifying COBRA event should receive a basic insurance COBRA notice and application as well as a Welfare Fund notice and enrollment form as well as requirements for timely decisions and premium payments.

For other qualifying events the responsibility for reporting rests with the participant. In the case of divorce, termination of domestic partnership or a child's losing dependency status due to age or school discontinuance, the affected parties must notify the Fund Office within 60 days of the qualifying event or the date that coverage would end, whichever is later. The Fund Office and CUNY require supporting documentation.

Choice of Coverage

Coverage and premium costs depend upon three factors:

- 1)** The selection of "**Core Coverage**" or "**Full Coverage**"
 - **Core coverage** includes drug, hearing aid, death and extended medical benefits (as applicable)
 - **Full coverage** adds optical and dental (Guardian or Delta) to Core coverage benefits
- 2)** The CUNY Basic Health Insurance of the participant:
 - GHI-CBP / Blue Cross
 - All other carriers or
 - None
- 3)** Contract size
 - Individual or
 - Family

The combination of the three factors determines the monthly premium. Under Full Coverage, the choice of dental plan (Guardian or Delta) will vary the rate slightly. Rates are available from campus benefit offices or from the PSC-CUNY Welfare Fund.

Termination of COBRA Coverage

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

1. Exhaustion of the basic or extended benefit periods.
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 eight 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 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 of their NYC basic health insurance and Welfare Fund benefits. 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 be eligible 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.

The ARRA legislation also permits eligible individuals to elect to enroll in COBRA benefit options that are different than the coverage in which they are or were previously enrolled. If you would like to change your coverage, you may submit a change form, available from your campus benefits office, along with your enrollment application.

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 www.dol.gov/ebsa. More details are also at psccunywf.org