

# COBRA

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 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 and dependent children may become qualified beneficiaries. Those who elect COBRA continuation coverage must pay a premium which is established by the Fund actuaries in accordance with Federal COBRA regulations.

Welfare Fund COBRA coverage is separate and apart from basic Health Insurance COBRA coverage. Information on basic Health insurance COBRA is available from CUNY Benefits offices. 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.

## **Spouse qualifying events include:**

- The participant (employee) dies,
- The participant (employee)'s hours of employment are reduced to the extent plan eligibility is lost,
- The participant (employee)'s employment is terminated for any reason other than your 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 hours of employment are reduced to the extent plan eligibility is lost,
- The participant (employee)'s employment is terminated for any reason other than your 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, 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, 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 and children who are qualified beneficiaries.

There are circumstances that may extend the eligibility period:

- If a terminated participant covered through COBRA is determined by the Social Security Administration to have become disabled prior to the 60th day of COBRA coverage, the applicable family unit may be entitled to receive up to an additional 11 months or up until the termination of the disabling condition.
- 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 in the applicable family 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.

### Other coverage options besides COBRA:Health Insurance Marketplace

[www.healthcare.gov](http://www.healthcare.gov)

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 of employment, reporting is the responsibility of the employer.

For some 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 affected parties must notify the Fund Office within 60 days of the later of date that the qualified beneficiary would lose coverage after the qualifying event or the qualifying event itself. The Fund Office and CUNY require supporting documentation.

As a practical matter CUNY campus HR offices distribute Welfare Fund COBRA information to new hires and COBRA qualified beneficiaries simultaneous with basic insurance COBRA information. Each person who has a qualifying COBRA event should receive basic insurance COBRA notice and enrollment material as well as Welfare Fund notice and enrollment form. Notice will include requirements for timely decisions and remittance of premium.

## Choice of Coverage

Coverage and premium costs depend upon three factors:

- qualified beneficiary's selection of "**Core coverage**" or "**Full coverage**"
- Core coverage includes drug, hearing aid and extended medical (as applicable)
  - Full coverage includes: core coverage (above) plus optical and dental
- the CUNY **Basic Health Insurance** of the participant:
  - GHI-CBP/Blue Cross
  - All other carriers, or
  - None
- **contract size:**
  - Individual, or
  - Family.

The combination of the three factors determines the monthly premium. Rates are available from campus benefit offices or from the PSC-CUNY Welfare Fund.

## Termination of Coverage

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

- exhaustion of the basic and (if applicable) extended periods as defined herein
- 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 (8) business days. If premium is not received by the end of the month, coverage is terminated permanently. The Fund does not bill.
- 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
- Medicare eligibility

**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 want 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](#).**