

TASC HRA – Notice of Right to Elect COBRA

Date of Notice _____

To: Employee _____ From: Employer/Plan Sponsor _____

Address _____ Phone Number _____

City, State, ZIP _____

Your participation in the Health Reimbursement Arrangement (HRA) will terminate because you have experienced one of the following qualified events:

- a. Termination of employment or reduction of work hours below the eligibility requirements.
- b. Death.
- c. Entitlement to receive Medicare benefits.
- d. Divorce or legal separation.
- e. Dependent ceasing to be a dependent.

Under a provision of the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, this qualifying event will entitle you, your spouse, and any dependent child(ren) to elect to continue coverage under the HRA Plan .

To continue coverage, you must complete and submit the attached election form to the employer within 60 days of this notice. This same notice is being sent separately to your spouse (if any). However, only one of you needs to elect continuation coverage in order for the coverage to be implemented. Furthermore, because COBRA gives you the right to elect coverage independently, you, your spouse, or your dependent child(ren), if any, may elect single coverage and you may choose not to include those individuals who do not wish coverage.

The current premium due will equal the total cost of the Plan premiums plus any administrative fees that the employer may charge (up to 2% of the premium cost). This premium rate may change in the future. If you elect COBRA, it will last up to 36 months dependent upon the type of COBRA Qualifying Event that has occurred (employment termination and reduction of working of hours has a maximum COBRA coverage period of 18 months).

A child who is born or placed for adoption with the covered employee during a period of COBRA coverage is automatically eligible as a qualified beneficiary. In accordance with terms of the HRA and the requirements of the federal law, these qualified beneficiaries may be added to COBRA coverage upon proper notification to the employer of the birth or adoption.

COBRA coverage may terminate early if:

- The required premium payment is not paid when due.
- After the date of the COBRA election, you and your spouse or dependent child(ren), if any, become covered under another group health plan that does not contain any exclusion or limitation for any of your pre-existing conditions.

The Health Insurance Portability and Accountability of Act of 1996 (HIPAA) restricts the extent to which group health plans may impose pre-existing condition limitations. These rules are generally effective for Plan Years beginning after June 30, 1997. HIPAA coordinates COBRA's other coverage cut-off rule with these new limits as follows.

If you become covered by another group health plan and that plan contains a pre-existing condition limitation that affects you, your COBRA coverage cannot be terminated. However, if the other plan's pre-existing condition rule does not apply to you by reason of HIPAA's restrictions on pre-existing clauses, the health HRA may terminate your COBRA coverage if:

- After the date of your COBRA election, you, your spouse, or dependent child(ren), if any, become entitled to Medicare benefits,
- All of the company's group health plans terminate.

For your records only. Please do not return this form.



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