City of Seattle
Seattle Human Resources
Kimberly Loving, Director

Dear City of Seattle Employee and Family:

It is important that all covered individuals (employee, spouse, and eligible dependent children, if able) take the time to read this notice carefully and be familiar with its contents. If there is a covered dependent not living at your address, please provide written notification to the benefit section in your department so a notice may be sent to them as well.

Under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) law, the City of Seattle is required to offer covered employees and covered family members the opportunity for a temporary extension of health coverage (called "Continuation Coverage") at group rates when coverage under the health plan would otherwise end due to certain qualifying events. This notice is intended to inform you (and your covered dependents, if any) of your potential **future** options and obligations under the continuation coverage provisions of the COBRA law. Should an actual qualifying event occur in the future, the City of Seattle will send you additional information and the appropriate election notice at that time. **Please note your notification obligations**, which are highlighted at the bottom of this page.

Qualifying Events for Covered Employee: If you are the covered employee, you may have the right to elect this health plan continuation coverage **if** you lose your group medical and dental coverage because of a termination of your employment or a reduction in your hours of employment.

Qualifying Events for Covered Spouse and Covered Dependent Children: If you are the covered spouse/domestic partner or covered dependent child of an employee, you may have the right to elect this health plan continuation coverage for yourself **if** you lose group medical and dental coverage under any of the health plans offered by the City of Seattle because of the following reasons:

1. A termination of the employee's employment or reduction in the employee's hours of employment with the City of Seattle.
2. The death of the employee.
3. Divorce or legal separation of the employee and spouse.
4. Termination of domestic partnership.
5. The employee becomes entitled to Medicare; or
6. The dependent child ceases to be a "dependent child" under the terms of the health plan.

IMPORTANT Employee, Spouse/Domestic Partner and Dependent Notifications Required

Under the law, the employee, spouse/domestic partner or other family member has the responsibility to notify the City of Seattle of a divorce, legal separation, or a child losing dependent status under the City of Seattle's group health plans. This notification must be made within 60 days from whichever date is later, the date of the event or the date on which health plan coverage would be lost under the terms of the insurance contract because of the event. **You must notify the benefits section in your department and complete a new Benefit Election form removing the dependent(s) from your coverage.**

If this notification is not completed according to the above procedures and within the required 60 day notification period, the rights to continuation coverage will be forfeited. Carefully read the dependent eligibility rules contained in your plan description booklet, so you are familiar with when a dependent ceases to be a dependent under the terms of the plan. Your department will notify the central Benefits Unit of the employee's termination of employment, reduction in hours or death.

Length of Continuation Coverage – 18 Months: If the event causing the loss of coverage is termination of employment (other than reasons of gross misconduct) or a reduction in work hours, then each eligible and enrolled individual will have the opportunity to continue coverage for 18 months from the date the group coverage ended.

Length of Continuation Coverage – 29 Months: If you are paying for coverage during the 18-month period, and you or your enrolled family member receives a determination from the Social Security Administration that you or your enrolled family member is disabled at the time of the termination of employment or reduction of hours or at any time during the first 60 days of continuation coverage, the disabled individual and enrolled family members may be eligible for a total of 29 months of continued coverage. However, the premium charged during the 11-month extension will be 150% of the premium charged during the initial 18-month coverage period. To receive this extension, the disabled individual must provide the Benefits Unit of Seattle Human Resources with a copy of the Social Security disability determination within the initial 18-month coverage period and within 60 days of the determination in order for the disabled individual to receive the 11-month extension.

Length of Continuation Coverage – 36 Months: If your spouse/domestic partner or dependent children (if any) are enrolled in a City health care plan and lose coverage due to a "qualifying event," they may purchase continued coverage under the group plan for up to 36 months. If they elect continuation coverage, they must pay the full cost of coverage each month. If they do not elect to purchase continuation coverage, your other enrolled family members may separately purchase continuation coverage for themselves for up to 36 months.

Election Period: You must decide whether you want to purchase continuation coverage within 60 days after the date you are notified of your eligibility for continuation coverage, or the date coverage would otherwise terminate (whichever is later).

Payment Procedure: If you or a family member elects continuation coverage, you will be required to pay for coverage beginning with the first month after your City-paid coverage ends. Premium payments are due by the 15th of the month for the following month's coverage. You will not be billed for the premium each month by the City. It is your responsibility to remit payment. You have a thirty-day grace period in which to send your payment. If payment is not received in that time period, coverage will be canceled retroactively to the last day of the month for which the premium was received.

Termination of Your Right to Purchase Coverage: The right to continue purchasing group coverage may terminate before 18, 29 or 36 months (whichever applies) if:

1. The individual receiving continuation coverage fails to pay the required premium on time. The individual receiving continuation coverage becomes entitled to Medicare. This would terminate medical coverage only; however, if you or your dependents are entitled to Medicare due to end-stage renal disease, special provisions may apply. In this situation, you or your family members must contact the Benefits Unit for additional information.
2. The individual receiving continuation coverage is covered under another group plan not maintained by the City. If the new coverage does not cover a specific pre-existing condition of the individual, the affected individual may continue COBRA coverage until the earlier of: (1) recovery from the pre-existing condition; or (2) the end of the COBRA eligibility period for any reason.
3. The individual receiving an 11-month extension due to disability is determined to have recovered.
4. The City terminated all group medical and/or dental plans for all employees.

COBRA Changes: Your COBRA rights are subject to change. Coverage will be provided only as required by law. If the law changes, your rights will change accordingly.

If you have any questions about this continuation coverage, please contact the Benefits Unit at (206) 615-1340.