

Partnership for Children of Cumberland County, Inc.
Human Resources Policies and Procedures

Employment Information – Benefits

Section 425 – Continuation of Benefits (COBRA)

1. General Information

- a. Under the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA), if an employee resigns or is terminated from the Partnership for Children of Cumberland County, Inc.'s (PFC) employ or if work hours are reduced, and if this event makes the employee or their dependents no longer eligible to participate in one of the group health insurance plans, the employee or dependents may have the right to continue to participate for up to 18 months at the employee's (or dependents') expense. If the employee is determined to be disabled under the Social Security Act at the time of termination or reduction in hours occurs or within 60 days of these events, the employee may be entitled to continuation of coverage for up to 29 months.
- b. The employee's eligible dependents may also extend coverage, at their expense, for up to 36 months in the group health insurance plans in the event of the employee's death, divorce, legal separation, or enrollment for Medicare benefits, or when a child ceases to be eligible for coverage as a dependent under the terms of the plan.
- c. If the employee or their eligible dependents elect to continue as members of PFC's plans, the employee (or dependents) will be charged the applicable premium and administrative fee charged to PFC by the insurance carriers.
- d. The employee insurance premium payments are due on the first day of the month and the employee has a 30-day grace period to make the payments.
- e. Continuation of coverage may end, however, if any of the following events occur:
 - 1) failure to make timely payments (within the applicable 30-day grace period) of all premiums;
 - 2) assumption of coverage under another group health plan, which does not exclude or limit coverage provided to the employee on account of a pre-existing medical condition unless the pre-existing condition does not apply due to HIPAA; or
 - 3) PFC's termination of its group health plans.
 - 4) If the employee enrolls for Medicare, the employee will no longer be eligible for continued coverage, but, as noted earlier in this statement, the employee's spouse and dependent children may be entitled to extend their continuation of coverage.
 - 5) If coverage has been extended for up to 29 months due to disability and there has been a final determination that the disabled individual is no longer disabled.

2. Policies

- a. The plan administrator or Human Resources Coordinator will contact the employee concerning these options at the time termination occurs or work hours are reduced.

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- b. The plan administrator or Human Resources Coordinator will contact the qualified beneficiaries in the event of the employee's death or enrollment in Medicare benefits.
- c. In the event that the employee becomes divorced or legally separated, or one of the dependents ceases to be eligible for coverage under the group health insurance plans, the employee and dependents are responsible for contacting the Human Resources Coordinator and the plan administrator to discuss continuation/conversion rights.
- d. The employee and qualified beneficiaries are also responsible for notifying the Human Resources Coordinator and the plan administrator within 60 days of qualifying for social security disability benefits.