

**\*\* GENERAL NOTICE OF EXTENDED COVERAGE RIGHTS UNDER COBRA\*\***  
**Henrico County Human Resources Department**  
**P.O. Box 90775, Henrico, VA 23273-0775**  
**(804) 501-4355 or (804) 501-7371**

You are receiving this notice because you have recently become covered under Henrico County's Group Health, Dental and/or Flexible Spending Account Plan(s) (the Plans). This notice contains important information about your right to COBRA continuation coverage, which is a temporary extension of coverage under the Plan(s). The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you and to other members of your family who are covered under the Plan(s) when you would otherwise lose your group health, dental and/or flexible spending account coverage. **This notice generally explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it.** This notice gives only a summary of your COBRA continuation coverage rights. COBRA continuation coverage for the Plan(s) is administered by Henrico County, Human Resources Department, P.O. Box 90775, Henrico, VA 23273-0775, (804) 501-4355.

**COBRA Continuation Coverage and "Qualifying Events"**

COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events are listed later in this notice. COBRA continuation coverage must be offered to each person who is a "qualified beneficiary." A qualified beneficiary is someone who will lose coverage under the Plan(s) because of a qualifying event. Depending on the type of qualifying event, employees, spouses of employees, and dependent children of employees may be qualified beneficiaries. Under the Plan(s), qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA coverage.

If you are an **employee**, you will become a qualified beneficiary if you will lose your coverage under the Plan(s) because either one of the following qualifying events happens:

- (1) Your hours of employment are reduced,
- (2) Your employment ends for any reason other than your gross misconduct.

If you are the **spouse of a covered employee**, you will become a qualified beneficiary if you lose your coverage under the Plan(s) because any of the following qualifying events occur:

- (1) Your spouse dies;
- (2) Your spouse's hours of employment are reduced;
- (3) Your spouse's employment ends for any reason other than his/her gross misconduct;
- (4) Your spouse becomes enrolled in Medicare (Part A, Part B, or both);
- (5) You become divorced from your spouse. Note that if your spouse cancels your coverage in anticipation of a divorce and a divorce later occurs, then the divorce will be considered a qualifying event even though you actually lost coverage earlier. **If you notify Henrico County Human Resources within 60 days after the divorce and can establish that the employee canceled the coverage earlier in anticipation of the divorce, then COBRA coverage may be available for a period after the divorce (but not for the period between the date your coverage ended, and the date of divorce).** You must provide timely notice of the divorce to Henrico County Human Resources or you will not be able to obtain COBRA coverage after the divorce.

Your **covered dependent children** will become qualified beneficiaries if they will lose coverage under the Plan(s) because any of the following qualifying events happens:

- (1) The parent-employee dies;
- (2) The parent-employee's hours of employment are reduced;
- (3) The parent-employee's employment ends for any reason other than his/her gross misconduct;
- (4) The parent-employee becomes enrolled in Medicare (Part A, Part B, or both);
- (5) The parents become divorced ; or
- (6) The child stops being eligible for coverage under the plan as a "dependent child."

**When is COBRA Coverage Available?**

The Plan(s) will offer COBRA continuation coverage to qualified beneficiaries only after Henrico County Human Resources Department has been **timely notified** that a qualifying event has occurred. When the qualifying event is: (1) end of employment (2) reduction of hours of employment (3) death of the employee (4) enrollment of the employee in any part of Medicare. Henrico County will offer COBRA continuation coverage to each of the qualified beneficiaries.

For the other qualifying events (divorce of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you or someone on your behalf must notify Henrico County Human Resources Department in writing within 60 days after the qualifying event occurs, using the procedures specified below. If these procedures are not followed or if the notice is not provided in writing to Henrico County Human Resources during the 60-day notice period, any spouse or dependent child who loses coverage will not be offered the option to elect continuation coverage.

#### NOTICE PROCEDURES:

To fulfill this requirement, you must send a written notice (oral notice, including by telephone, is not acceptable) you must fax, mail or hand-deliver to: *Henrico County Human Resources Department, P. O. Box 90775, Henrico, VA 23273-0775, fax 804-501-4426*. This notice must include: 1) name and address of the employee covered under the plan, 2) name(s) and address(es) of the qualified beneficiary(ies), 3) qualifying event and the date it happened 4) copy of the final divorce decree (if divorce is the qualifying event).

#### How is COBRA Coverage Provided?

Once Henrico County Human Resources Department receives timely notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary has an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage for their spouses, and parents may elect COBRA continuation coverage on behalf of their children. For each qualified beneficiary who elects COBRA continuation coverage, Cobra will begin on the date that coverage under the Plan(s) would otherwise have been lost. **If you or your spouse or dependent children do not elect continuation coverage within the 60-day election period described above, you will lose your right to elect continuation coverage.**

#### Duration of COBRA Coverage

COBRA continuation coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee, enrollment of the employee in Medicare (Part A, Part B, or both), your divorce or a dependent child losing eligibility as a dependent child, COBRA continuation coverage lasts for up to **36 months**.

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**.

#### Shorter Maximum Coverage Period for Health Flexible Spending Accounts

The maximum COBRA coverage period for a health flexible spending arrangement (health "FSA") maintained by the employer ends on the last day of the flexible benefits "plan year" in which the qualifying event occurred. In addition, if at the time of the qualifying event the employee has withdrawn (during the plan year) more from the FSA than the employee has had credited to the FSA, no COBRA right is available at all.

**There are two ways in which the 18-month period of COBRA continuation coverage can be extended.**

#### Disability extension of 18-month period of continuation coverage

If you or anyone in your family covered under the Plan(s) is determined by the Social Security Administration to be disabled at any time during the first 60 days of COBRA continuation coverage and **you notify the Henrico County Human Resources Department in a timely fashion**, you and your entire family can receive up to an **additional 11 months** of COBRA continuation coverage, for a total maximum of **29 months**.

**You must make sure that the Henrico County Human Resources Department is notified in writing of the Social Security Administration's determination within 60 days after (i) the date of the determination or (ii) the date of the qualifying event or (iii) the date coverage is lost due to the qualifying event, whichever occurs last. But in any event the notice must be provided before the end of the 18-month period of COBRA continuation coverage.** The plan requires you to follow the procedures specified in the "Notice Procedures" stated above. In addition you must include: (1) name of the qualified beneficiary, (2) date that the qualified beneficiary became disabled (3) date that the Social Security Administration made its determination. (4) you must include a copy of the Social Security Administration's determination. **If these procedures are not followed or if the notice is not provided in writing to Henrico County Human Resources within the required period, then there will be no disability extension of COBRA continuation coverage.**

#### Second qualifying event extension of 18-month period of continuation coverage

If your family experiences **another qualifying event** while receiving COBRA continuation coverage, the spouse and dependent children in your family can get additional months of COBRA continuation coverage, up to a maximum of **36 months (including the initial period of Cobra coverage)**. This extension is available to the **spouse and dependent children** if while they and the covered former employee purchasing Cobra coverage: (1) dies, (2) enrolls in any part of Medicare, (3) gets divorced. The extension is also available to a **dependent child** when that child stops being eligible under the Plan as a dependent child. **In all of these cases, you must make sure that the Henrico County Human Resources Department is notified in writing of the second qualifying event**

within **60 days** of the second qualifying event or the date coverage is lost whichever occurs last. The plan requires you to follow the procedures specified in "*Notice Procedures*" stated above. This notice must include: 1) the name of the COBRA continuation coverage subscriber, 2) the name(s) of the spouse or dependent child who experienced a qualifying event, 3) the nature of the qualifying event (divorce, death of the former employee or subscriber, Medicare enrollment, or dependent child's losing eligibility for coverage), 4) date of qualifying event, 5) documentation of the qualifying event (for example, a copy of the final divorce decree, a copy of the Social Security award showing the determination date and effective date of the award, or a copy of the death certificate), and 6) the address where you want COBRA continuation coverage information to be sent. If these procedures are not provided in writing to Henrico County Human Resources within the required 60-day period, then there will be no extension of Cobra continuation coverage due to the second qualifying event.

#### **Other Rules and Requirements**

**Same Rights as Active Employees to Add New Dependents.** A qualified beneficiary generally has the same rights as similarly situated active employees to add or drop dependents, make enrollment changes during open enrollment, etc. Contact Henrico County Human Resources for more information. **Promptly notify Henrico County Human Resources if you need to make a change to your COBRA coverage. Henrico County Human Resources must be notified in writing within 31 days of the date you wish to make such a change.** (adding or dropping dependents, for example). Notice should be made by following the procedures stated in "*Notice Procedures*" stated above.

**Children Born to Adopted by or Placed for Adoption with the Covered or Former Employee During COBRA Period,** is considered to be a qualified beneficiary provided that, If the covered employee or former employee is a qualified beneficiary, the employee has elected COBRA continuation coverage for himself or herself. The child's COBRA coverage begins when the child is enrolled in the plan, whether through special enrollment or open enrollment, and lasts as long as COBRA coverage lasts for other family members of the employee. To be enrolled in the plan, the child must satisfy the otherwise applicable plan eligibility requirements (for example, age requirements). **Promptly notify Henrico County Human Resources if you need to make a change to your COBRA coverage. Henrico County Human Resources must be notified in writing within 31 days of the date you wish to make such a change.** Notice should be made by following the procedures stated in "*Notice Procedures*" stated above.

**Alternate Recipients Under Qualified Medical Child Support Orders.** A child of the covered employee or former employee who is receiving benefits under the plan pursuant to a Qualified Medical Child Support Order (QMCSO) received by Henrico County Human Resources during the employee's period of employment with the employer is entitled the same rights under COBRA as a dependent child of the covered employee, regardless of whether that child would otherwise be considered as a dependent. **Promptly notify Henrico County Human Resources if you need to make a change to your COBRA coverage. Henrico County Human Resources must be notified in writing within 31 days of the date you wish to make such a change.** Notice should be made following the procedures stated in "*Notice Procedures*" stated above.

#### **If You Have Questions**

For questions about your COBRA continuation coverage, contact Henrico County Human Resources Department at (804) 501-4355 or (804) 501-7371 or you may contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

#### **Keep Your Plan Informed of Address Changes**

To protect your family's rights, keep the Henrico County Human Resources Department informed of any changes in the addresses of family members. Keep a copy, for your records, of any notices you send to the Henrico County Human Resources Department.

June 11, 2009