

Dear Plan Participant,

You experienced an event of a/an Loss of Eligibility which constitutes a qualifying event under the group health plan(s). As a result, your coverage, and that of your covered dependent(s), if any, will end on the date(s) set forth on the COBRA Continuation Election Form accompanying this letter. Under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) this entitles you and your covered dependent(s) if any, to elect to continue coverage (referred to as COBRA coverage) under the plan(s) enrolled as active member(s). The first day of COBRA coverage and the maximum continuation period is determined by plan. Please refer to your COBRA Election Form enclosed to determine your first day of COBRA coverage and maximum continuation period ("Last Day of COBRA").

How to Elect COBRA Coverage

Under COBRA, you have a limited number of days to elect continuation coverage. Your election window is determined by the plan and is calculated from the date your coverage under the plan is lost because of the event described above or the date this notice of your election rights is sent to you, whichever is later. To elect COBRA coverage, you must complete and submit the enclosed election form to PlanSource no later than the Election Period End date ("Last Day to Elect") listed on the enclosed COBRA Election Form. COBRA gives you right to elect coverage independently; that is, you, your spouse, or dependent child(ren), if any may elect single coverage and not include those individuals who do not wish to continue coverage.

Instead of enrolling in COBRA continuation coverage, there may be other more affordable coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plans (such as a spouse's plan), which are available through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage.

You should compare your other coverage options with COBRA continuation coverage and choose the coverage that is best for you. For example, if you move to other coverage you may pay more out of pocket than you would under COBRA because the new coverage may impose a new deductible.

When you lose job-based health coverage, it's important that you choose carefully between COBRA continuation coverage and other coverage options, because once you've made your choice, it can be difficult or impossible to switch to another coverage option.

Can I enroll in Medicare instead of COBRA continuation coverage after my group health plan coverage ends?

In general, if you don't enroll in Medicare Part A or B when you are first eligible because you are still employed, after the initial enrollment period for Medicare Part A or B, you have an 8-month special enrollment period to sign up, beginning on the earlier of

- The month after your employment ends; or
- The month after group health plan coverage based on current employment ends.

If you don't enroll in Medicare Part B and elect COBRA continuation coverage instead, you may have to pay a Part B late enrollment penalty and you may have a gap in coverage if you decide you want Part B later. If you elect COBRA continuation coverage and then enroll in Medicare Part A or B before the COBRA continuation coverage ends, the Plan may terminate your continuation coverage. However, if Medicare Part A or B is effective on or before the date of the COBRA election, COBRA coverage may not be discontinued on account of Medicare entitlement, even if you enroll in the other part of Medicare after the date of the election of COBRA coverage.



If you are enrolled in both COBRA continuation coverage and Medicare, Medicare will generally pay first (primary payer) and COBRA will pay second. Certain COBRA continuation coverage plans may pay as if secondary to Medicare, even if you are not enrolled in Medicare.

For more information visit <https://www.medicare.gov/medicare-and-you>.

Payment of COBRA Coverage Premiums

The current amount of this premium and the due date for payment are explained in the enclosed COBRA Election Form. The premium may change in the future.

Length of COBRA Coverage Period

If you and your spouse or dependent child(ren), if any, elect coverage, it can last for a maximum continuation period ("Last Day of COBRA") described in the enclosed COBRA Election Form beginning on the date of your qualifying event, or loss of coverage, whichever is later. The first day of COBRA coverage will be determined by the plan. The continuation period may be extended for the following reasons:

1. Death of employee, divorce, legal separation or change in dependent status

If these events occur during the original maximum continuation period of COBRA coverage, the period of coverage for your spouse and dependent child(ren), if any, may be extended for an additional 18 months (for up to a maximum of 36 months of COBRA coverage). These events extend the original maximum continuation period of COBRA coverage only if they would have caused your spouse or dependent child(ren), if any, to lose coverage under the plan if the original qualifying event had not occurred. Note that to receive this extension, you and/or your spouse and dependent child(ren), must notify the Plan Administrator within 60 days of the occurrence of these events.

2. Medicare entitlement of employee

If you became entitled to Medicare BEFORE your qualifying event, COBRA laws allow you to remain eligible for up to 18 months of COBRA coverage. However, your spouse and dependent child(ren), if any, may receive extended COBRA coverage for up to the greater of either: (a) 36 months from the date of your Medicare entitlement; or (b) 18 months from the date of your qualifying event, or loss of coverage, whichever is later.

If you become entitled to Medicare AFTER your qualifying event but within the original maximum continuation period of your qualifying event, your spouse and dependent child(ren), if any, may receive an additional 18 months of COBRA coverage, but only if your Medicare entitlement would have caused your spouse or dependent child(ren), if any, to lose coverage under the plan if the original qualifying event had not occurred. Note that a person generally has become entitled to Medicare when he or she has applied for Social Security income payments or has filed an application for benefits under Part A or Part B of Medicare.

3. Disability determination

If it is determined that you and/or your spouse or dependent child(ren), if any, were determined to be disabled (by the Social Security Administration) during the first 60 days of COBRA coverage and you are still disabled at the end of your original maximum continuation period of coverage, the original maximum continuation period may be extended for an additional 11 months for all individuals covered under COBRA coverage from the date on which COBRA coverage would have expired. In this situation, you may receive up to a total of 29 months of COBRA coverage (assuming the individual remains disabled for the entire 11 month extension period). This extension only applies if the Plan Administrator is notified within 60 days of a disability determination and before the end of the original maximum continuation period. Federal law requires that you notify the Plan Administrator of a determination by the Social Security Administration that you, your spouse, or dependent child(ren) are no longer disabled within 30 days of such a determination. The PAISBOA Health Benefit Trust may be reached at 484-580-8844 during business hours.

4. Bankruptcy filing

If the employer files for bankruptcy reorganization and retiree health coverage is lost within one year before or after the bankruptcy filing, COBRA coverage could continue until the death of a retiree (or a surviving spouse of a deceased retiree) or for 36 months from the retiree's death (after the bankruptcy filing) in the case of the spouse and dependent child(ren).



Newborns and Adoptees

A child who is born to or placed for adoption with you during a period of COBRA coverage will be eligible to become covered under the plan. In accordance with the terms of the group health benefits plan and the requirements of Federal law, these qualified beneficiaries can be added to COBRA coverage upon proper notification to the Plan Administrator of the birth or adoption.

Early Termination of COBRA Coverage

COBRA coverage may terminate early if:

- (1) The required premium payment is not paid when due.
- (2) After the date of your COBRA election, you and your spouse or dependent child(ren), if any, become covered under another group health plan.
- (3) After the date of your COBRA election, you, your spouse or dependent child(ren), if any, become entitled to Medicare benefits.
- (4) All of the group health plans are terminated.
- (5) If coverage is extended an additional 11 months due to disability, a determination that the individual is no longer disabled.
- (6) COBRA coverage may also be terminated for any reason the plan would terminate coverage of a participant or beneficiary not receiving COBRA coverage (such as fraud).

Continuation coverage under COBRA is provided subject to your eligibility at the time of your qualifying event. The Plan Administrator reserves the right to terminate your COBRA coverage retroactively if you are determined to have been ineligible for coverage to the extent such retroactive termination is allowed by applicable law.

You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA continuation coverage. You can learn more about the Marketplace below.

What is the Health Insurance Marketplace?

The Marketplace offers “one-stop shopping” to find and compare private health insurance options. In the Marketplace, you could be eligible for a new kind of tax credit that lowers your monthly premiums and cost-sharing reductions (amounts that lower your out-of-pocket costs for deductibles, coinsurance, and copayments) right away, and you can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. Through the Marketplace you’ll also learn if you qualify for free or low-cost coverage from Medicaid or the Children’s Health Insurance Program (CHIP). You can access the Marketplace for your state at www.HealthCare.gov. You can also call 1-800-318-2596.

Coverage through the Health Insurance Marketplace may cost less than COBRA continuation coverage. Being offered COBRA continuation coverage won’t limit your eligibility for coverage or for a tax credit through the Marketplace.

When can I enroll in Marketplace coverage?

You always have 60 days from the time you lose your job-based coverage to enroll in the Marketplace. That is because losing your job-based health coverage is a “special enrollment” event. After 60 days your special enrollment period will end and you may not be able to enroll, so you should take action right away. In addition, during what is called an “open enrollment” period, anyone can enroll in Marketplace coverage. To find out more about enrolling in the Marketplace, such as when the next open enrollment period will be and what you need to know about qualifying events and special enrollment periods, visit www.HealthCare.gov.

If I sign up for COBRA continuation coverage, can I switch to coverage in the Marketplace? What about if I choose Marketplace coverage and want to switch back to COBRA continuation coverage?



If you sign up for COBRA continuation coverage, you can switch to a Marketplace plan during a Marketplace open enrollment period. You can also end your COBRA continuation coverage early and switch to a Marketplace plan if you have another qualifying event such as marriage or birth of a child through something called a "special enrollment period." If you terminate COBRA continuation early without another qualifying event, you'll have to wait to enroll in Marketplace coverage until the next open enrollment period and may be without health coverage in the interim. When you've exhausted COBRA continuation and the coverage expires, you'll be eligible to enroll in Marketplace coverage through a special enrollment period even if the Marketplace open enrollment has ended. If you sign up for Marketplace coverage instead of COBRA, you cannot switch to COBRA continuation coverage under any circumstances.

Can I enroll in another group health plan?

You may be eligible to enroll in coverage under another group health plan (like a spouse's plan), if you request enrollment within 30 days of your loss of coverage under the group health plan.

If you or your dependent chooses to elect COBRA continuation coverage instead of enrolling in another group health plan for which you're eligible, you'll have another opportunity to enroll in the other group health plan within 30 days of losing your COBRA continuation coverage.

What factors should I consider when choosing coverage options?

When considering your options for health coverage, you may want to think about:

- **Premiums:** Your previous plan can charge up to 102% of total plan premiums for COBRA coverage. Other options, like coverage on a spouse's plan or through the Marketplace, may be less expensive.
- **Provider Networks:** If you're currently getting care or treatment for a condition, a change in your health coverage may affect your access to a particular health care provider. You may want to check to see if your current health care providers participate in a network as you consider options for health coverage.
- **Drug Formularies:** If you're currently taking medication, a change in your health coverage may affect your costs for medication – and in some cases, your medication may not be covered by another plan. You may want to check to see if your current medications are listed in drug formularies for other health coverage.
- **Severance payments:** If you lost your job and got a severance package from your former employer, your former employer may have offered to pay some or all of your COBRA payments for a period of time. In this scenario, you may want to contact the Department of Labor at 1-866-444-3272 to discuss your options.
- **Service Areas:** Some plans limit their benefits to specific service or coverage areas – so if you move to another area of the country, you may not be able to use your benefits. You may want to see if your plan has a service or coverage area, or other similar limitations.
- **Other Cost-Sharing:** In addition to premiums or contributions for health coverage, you probably pay copayments, deductibles, coinsurance, or other amounts as you use your benefits. You may want to check to see what the cost-sharing requirements are for other health coverage options. For example, one option may have much lower monthly premiums, but a much higher deductible and higher copayments.

For More Information

Please be advised of your right to obtain a copy of the Summary Plan Description (SPD) for your group health plan by contacting the The PAISBOA Health Benefit Trust at 484-580-8844. The SPD contains a complete description of your benefits.

This notice is a summary of your COBRA rights. For answers to specific questions, please contact our Customer Service Department at (888) 266-1732 during business hours, 8:00 AM to 11:00 PM, Eastern Standard Time.

For more information about your rights under the Employee Retirement Income Security Act (ERISA), including COBRA, the Patient Protection and Affordable Care Act, and other laws affecting group health plans, visit the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) website at www.dol.gov/ebsa or call their toll-free number at 1-866-444-3272. For more information about health insurance options available through the Health Insurance Marketplace, and to locate an assister in your area who you can talk to about the different options, visit www.HealthCare.gov.

Keep Your Plan Informed of Address Changes

To be sure that you, your spouse and your dependent child(ren), if any, receive the necessary information concerning your rights, you should keep PlanSource informed of any address changes.



Sincerely,

PlanSource



THIS PAGE INTENTIONALLY LEFT BLANK

COBRA CONTINUATION COVERAGE ELECTION FORM



**IMPORTANT: PLEASE RETAIN A COPY OF THIS COBRA ELECTION FORM FOR FUTURE REFERENCE.
THIS FORM CONTAINS INFORMATION ABOUT YOUR RIGHTS UNDER COBRA.**

To continue coverage, you must complete and submit this election form to PlanSource no later than the Election Period End date ("Last Day To Elect") listed below. If this election form is not returned within the enrollment period described below for each plan, you will lose your right to elect coverage. After you have elected to continue coverage under COBRA, you must pay the Initial Premium, which includes the premiums for the period of coverage from your First Day of COBRA to the date of your election and any regularly scheduled monthly premiums that become due between your election date and the end of the Initial Premium Payment period. Your Initial Premium Period will end at the end of your Initial Grace Period which is listed below and which is measured as a number of days after the date of your election. To become "fully enrolled" under COBRA, you must "pay your account to current" no later than the end of your Initial Grace Period. You may certainly though "pay to current" and become fully enrolled under COBRA before the end of your Initial Grace Period. Paying to current is defined as paid to the month in which it currently is.

If you waive coverage under COBRA before the end of the enrollment period, you can change your mind and continue coverage by submitting your completed election form before the end of the enrollment period described below for each plan.

If you have questions about COBRA or need assistance to complete your election form, please contact our Customer Service Department at (888) 266-1732 during business hours.

Qualified Beneficiary(QB):

Event Date:
Event Type:

Second Event:

COBRA gives you the right to elect coverage independently. You, your spouse or dependent child(ren), if any, may elect single coverage and not include those individuals who do not wish to continue coverage.

Please note that if you are enrolling your dependents only; your premium amounts listed on the following pages may vary: Enrolling a single dependent will be the cost of single coverage. Enrolling a spouse and dependent child(ren) will be the cost of employee+child(ren) coverage. Enrolling multiple dependent children will result in each child having their own COBRA account and the cost of each account will be the single coverage premium amount. Please contact our office with any questions at 888-266-1732.

Premium Information:

Plan Name	Coverage Level	Monthly Premium
		Total Premium:

Continuation Information:

Plan Name	First Day of COBRA	Last Day of COBRA	# Months of COBRA	Last Day To Elect	Initial Grace Period Days	Subsequent Grace Period Days

Election Options (Individuals Enrolled Prior to Qualifying Event):

Please indicate the COBRA continuation coverage you are electing by checking the applicable box(es).

Name

Relationship

Date of Birth

SSN



Accept Waive

For your benefit, we are documenting up to your next 12 months of continuation premiums. Please be advised, this table is prepared based upon current information and current rates in effect and is subject to change based upon completed elections.

Projected Plan Premiums

**Premium
Due Date**

Completed election forms and premium payments should be remitted directly to the address below. Payment must be in the form of a check or money order. DO NOT send cash.

PlanSource
PO Box 3850
Omaha, NE 68103

%UseCOCOPaymentService%

[] I have read this form and the notice of my election rights. I understand my rights to elect COBRA coverage and would like to take the action indicated above. I understand that if I elect COBRA coverage, my continuation coverage will terminate under several circumstances according to COBRA regulations, including: non-payment of premium, the date I or a continued dependent become covered under another Group Health Plan or become entitled to Medicare after the COBRA election, or on the date which this Group Plan ends. I also understand that if I was determined to be disabled by the Social Security Administration within 60 days of my Qualifying Event, I may be eligible for extended COBRA coverage.

I understand that future premiums are due the first of each month. I also understand that failure to pay timely the required premiums will result in termination of COBRA rights and coverage without.

Signature _____ **Date** _____

*NOTE: If signature line is on a second page, be sure to include all pages of the election form. We will not be able to process your election without the entire form.



An integral part of our broad service offering is our Member Self-Service Portal (Member Portal). We have designed the Member Portal to be an information-rich and secure website empowering you with the tools and information to efficiently and accurately manage your continuation under the group health plans. We encourage you to leverage the powerful tools contained in the Member Portal anytime, from any location. Examples of information and tools you'll find on the Member Portal include:

1. Initial COBRA Online Election

- 2. Payment Information (last received and next due)
- 3. Coverage Information (plans and critical dates)
- 4. Copies of all communications we've sent to you

5. Make Payments Online

Below is your unique registration identification number needed to become an authorized user of our website.

Please visit <https://COBRApoint.benaissance.com> and click on the NEW USER link and follow the registration process as described.

Please note you will be asked to supply a second piece of identification which will be your social security (SSN) number. In order to expedite the registration process, please make sure you have this information with you before beginning the new user registration process.

eFMVAFTS

SCHEDULED ACH PREMIUM PAYMENT OPTION

Did you know you can set up scheduled ACH for your payments? ACH is a safe, fast and secure way to ensure your payment is made on time. To sign up, login to your Member portal and proceed to the Recurring payments section. Also, you may contact our offices and we will help you with any questions or concerns.

If you should ever have any questions or comments, please do not hesitate to contact our offices at (888) 266-1732 during business hours. Our entire staff is looking forward to getting to work for you.

You can now elect online through your Member Self-Service Portal (Member Portal). Online election is available for you to elect any combination of plans for yourself and your dependents (if any) that you had before your Qualifying Event. Online election is available until 11:59 PM Central Time on the Last Day to Elect listed on your COBRA Continuation Election Form. Electing online is a safe, fast and secure way to ensure your elections are processed. Please visit <https://COBRApoint.benaissance.com> to register and complete your online election. Be advised that it may take 3-5 business days for your coverage to be updated with the carriers.