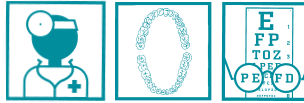


## SECTION K



# CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT (COBRA)

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## K. CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT (COBRA)



The Federal Consolidated Omnibus Budget Reconciliation Act of 1985 (called COBRA) requires the City of New York to offer employees, retirees, their covered dependents, and any child(ren) born or adopted during the COBRA continuation period, the opportunity to continue benefit fund coverage in certain instances when the coverage would otherwise terminate.

The maximum periods of coverage continuation are 18, 29, or 36 months depending upon the reason for benefit continuation. The monthly premium is 102% of the group rate (or 150% of the group rate for the 19th through 29th months in case of total disability). You will be billed directly by Healthplex, the MBF COBRA administrator, for premiums on a monthly basis.

### COBRA CONTINUATION FOR MEMBERS

- Fund members are eligible for COBRA continuation if their benefits terminate due to:
  - a reduction in hours of employment, or
  - termination of employment (including unpaid leave of absence) for reasons other than gross misconduct, or,
  - deferred retirement.
- The maximum period of coverage is 18 months measured from the date of coverage termination.
- If the member is totally disabled on the date of benefit coverage termination or within 60 days from this date, the maximum period of coverage may be extended to 29 months, if the Social Security Administration has determined that the member is totally disabled.

### COBRA CONTINUATION FOR SPOUSES/DOMESTIC PARTNERS

- The spouse/domestic partner of a member has the right to choose COBRA continuation coverage if benefit coverage is lost due to any of the following reasons:
  - Death of the member. (Coverage is available at no premium cost through the MBF Survivor Benefit)
  - Termination of the member's employment for reasons other than gross misconduct.
  - Loss of benefit coverage due to the member's reduction in hours of employment.
  - Divorce or termination of the domestic partnership with the member.
  - Deferred retirement of the member.
- If coverage for the spouse/domestic partner ends due to member termination or reduction in work schedule, or deferred retirement, the maximum coverage continuation period is 18 months, measured from the date of benefit coverage termination. If the spouse/domestic partner is totally disabled on the date of benefit coverage termination, or within 60 days from this date, the maximum period of coverage may be extended to 29 months, if the Social Security Administration has determined that the spouse/domestic partner is totally disabled. There is a premium rate change covering this 11-month extension period. The premium rate can be obtained by contacting the Fund at (212) 306-7290.
- If coverage for the spouse/domestic partner ends due to member death, divorce, or termination of domestic partnership, the maximum coverage continuation period is 36 months, measured from the date of benefit coverage termination.

### COBRA CONTINUATION FOR DEPENDENT CHILD(REN)

- Dependent child(ren) of members have the right to COBRA continuation coverage if benefit coverage is lost due to any of the following reasons:
  - Death of the Fund member parent. (Coverage is available at no premium cost through the MBF Survivor Benefit)
  - Termination of a Fund member parent's employment for reasons other than gross misconduct.
  - Loss of benefit coverage due to the Fund member parent's reduction in hours of employment.
  - The dependent ceases to qualify as a covered dependent child under the terms of the Fund's eligibility requirements.
- If coverage for a dependent child ends due to member termination or reduction in the work schedule, or deferred retirement, the maximum coverage continuation period is 18 months measured from the date of benefit coverage termination. If the dependent child is totally disabled on the date of benefit coverage termination or within 60 days



from this date, the maximum period of coverage may be extended to 29 months, if the Social Security Administration has determined that the child is totally disabled. There is a premium rate change covering this 11-month extension period. The premium rate can be obtained by contacting the Fund at (212) 306-7290.

- If coverage for a dependent child ends due to member death or loss of eligible dependent child status, the maximum coverage continuation period is 36 months, measured from the date of benefit coverage termination.

When is COBRA coverage offered? (Qualifying Event)	To whom is COBRA coverage offered? (Qualified Beneficiary)	For how long is COBRA coverage offered?
Reduction in hours of member's employment Termination of member's employment (including unpaid leave of absence) for any reason other than gross misconduct Member's deferred retirement	Employee Spouse/Domestic Partner Dependent Children	18 months (29 months if the COBRA participant was disabled at the time of the Qualifying Event or becomes disabled during the first 60 days of COBRA coverage)
Death of covered employee	Spouse/Domestic Partner Dependent Children	36 months
Divorce Legal separation Termination of domestic partnership	Spouse/Domestic Partner Dependent Children	36 months
Covered employee becomes eligible for Medicare	Spouse/Domestic Partner Dependent Children	36 months
Loss of eligible dependent child status	Dependent Children	36 months

Continuation coverage will be terminated before the end of the maximum period if:

- Any required premium is not paid in full on time, or
- MBF ceases to provide SMMP, Dental or Vision Care benefits for its members.

Continuation coverage may also be terminated for any reason that MBF would terminate coverage of a member or eligible dependent not receiving continuation coverage (such as fraud).

### COBRA BENEFIT OPTIONS

COBRA benefit continuation options provided by the Fund are as follows:

(1) You are eligible to elect COBRA continuation of:

1. Superimposed Major Medical Plan (SMMP), Dental, and Vision Care Benefits; **or**
2. Only Dental and Vision Care Benefits; **or**,
3. Only SMMP Benefits.\*

\* The \$10,000 individual/\$30,000 family deductible under the SMMP for COBRA is based on not having any primary health coverage whether through a City health plan or other group health plan.

### HOW TO APPLY FOR COBRA

To elect Fund COBRA continuation coverage, the member or his/her spouse/domestic partner or dependent child should complete a Management Benefits Fund COBRA Application and submit it to the Fund within 60 days of the date of benefit coverage termination. You may be eligible to receive full COBRA continuation coverage from your basic City health plan. Please contact your agency benefit manager or your health carrier directly within 60 days of your benefit coverage termination to apply for this coverage.

For current COBRA rates and an application, please visit the Fund's Web site at <http://nyc.gov/html/olr> or call the Fund Office at 1-212-306-7290, or at 1-888-400MBF (1-888-400-0623) if outside New York City, or at (TTY) 1-212-306-7629 if hearing impaired. Please keep MBF informed of any address changes.

