

COBRA — The Continuation of Health Benefits

INTRODUCTION

The federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) requires that most employers sponsoring group health plans offer employees and their eligible dependents — also known under COBRA as qualified beneficiaries — the opportunity to temporarily extend their group health coverage in certain instances where coverage under the plan would otherwise end. For the Newark Board of Education’s plan participants, COBRA is not a separate health program; it is a continuation of health benefit coverage under the provisions of the federal law.

Note: Instead of enrolling in COBRA continuation coverage, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse’s plan) during what is called a Special Enrollment Period. Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at: www.healthcare.gov .

ELIGIBILITY FOR COBRA

Employees enrolled in the Newark Board of Education’s private health benefit plan with Aetna may continue coverage under COBRA, in any plan for which the employee is eligible, if coverage ends because of one of the following reasons:

- Reduction in working hours;
- Leave of absence; or
- Termination of employment for reasons other than gross misconduct.

Note: Employees who at retirement are eligible to enroll in Aetna (under age 65 with less than 25 years of pension service credit) or SEHBP Retired

Group (age 65 or older; 25 or more years of pension service credit) coverage cannot enroll for health benefit coverage under COBRA.

Spouses, civil union partners, same-sex domestic partners, or children under the age of 26 enrolled in the SHBP or SEHBP may continue coverage under COBRA, in any plan for which the employee is eligible, if coverage ends because of:

- Death of the employee;
- End of the employee's coverage due to a reduction in working hours, leave of absence, or termination of employment for reasons other than gross misconduct;
- Divorce or legal separation of the employee and spouse;
- Dissolution of a civil union or domestic partnership; or
- Election of Medicare as the employee's primary insurance carrier (requires dropping the group coverage carried as an active employee).

Note: Each qualified beneficiary may independently elect COBRA coverage to continue in any or all of the coverage you had as an active employee or dependent (medical, prescription drug, dental, and/ or vision). You and/or your dependents may change your medical and/or dental plan when you enroll in COBRA. You may also elect to cover the same dependents you had as an active employee, or you can delete dependents to reduce your level of coverage. However, you cannot increase the level of your coverage, except during the annual Open Enrollment period, unless a qualifying event occurs (e.g., birth, adoption, marriage, civil union, domestic partnership) and you notify the New Jersey Division of Pensions & Benefits (NJDPB) COBRA Administrator within 60 days of the qualifying event.

DURATION OF COBRA COVERAGE

The length of your COBRA coverage continuation depends on the nature of the COBRA-qualifying event that entitled you to the coverage.

- For loss of coverage due to termination of employment, reduction of hours, or leave of absence, the employee and/or dependents are entitled to 18 months of COBRA coverage. Time on a leave of absence just before enrollment in COBRA, unless under the federal and/or State Family Leave Act, counts toward the 18-month period and will be subtracted from the 18 months. Time a member spends on federal or State leave will not count as part of the COBRA eligibility period.
- If you receive a Social Security Disability determination for an illness or injury you had when you enrolled in COBRA or incurred within 60 days of enrollment, you and your covered dependents are entitled to an extra 11 months of COBRA coverage (up to a maximum of 29 months). You must provide proof within 60 days of the disability determination from the Social Security Administration or within 60 days of COBRA enrollment.
- For loss of coverage due to the death of the employee, divorce or legal separation, dissolution of a civil union or domestic partnership, other dependent ineligibility, or Medicare entitlement, the continuation term for dependents is 36 months.

COBRA Qualifying Events	Duration of COBRA Coverage
Reduction In Working Hours	18 - Months
Termination of Employment (Except for Gross Misconduct)	18 - Months
Divorce, Legal Separation or Dissolution of a Civil Union Partnership	36 - Months
Death of an Employee	36 - Months
Dependent Child Turns age 26	36 - Months
Leave of Absence	18 - Months

Cost of Coverage

You are responsible for paying the cost of your coverage under COBRA, which is the full group rate plus a two percent administrative fee. The Third Party COBRA Administrator will bill you on a monthly basis.

Enrolling in COBRA Coverage

You and or your dependent seeking coverage are responsible for submitting a COBRA Application. This application must be filed within 60-days of the loss of coverage or the date of the employer notification, whichever is later. Failure to submit the application within the time frame allowed by law is considered a decision not to enroll.