

SAN FRANCISCO ELECTRICAL WORKERS HEALTH & WELFARE TRUST

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COBRA Premium Assistance Extension Notice

Since February 17, 2009, the American Recovery and Reinvestment Act of 2009 (ARRA) has provided temporary COBRA premium assistance to eligible individuals. The purpose of this notice is to tell you about certain features of the COBRA Subsidy that changed on December 19, 2009, as described below. **Please read this notice carefully.**

	<u>Maximum COBRA Subsidy duration</u>	<u>Qualifying period during which employment must have ended</u>
Old rules:	9 months	September 1, 2008 – December 31, 2009
New rules:	15 months	September 1, 2008 – February 28, 2010

First, the maximum length of time during which eligible individuals may receive the COBRA Subsidy has been extended by an additional 6 months, from 9 months to a total of 15 months. For example, if your subsidy started on April 1, 2009, it might not end until June 30, 2010 (provided that you remain eligible for COBRA and do not become eligible for Medicare or another group health plan).

Second, individuals whose coverage under the plan ends due to an involuntary termination within the first two months of 2010 may now qualify for the COBRA Subsidy. Previously, the termination of employment had to occur by the end of 2009.

Finally, it no longer matters when your COBRA eligibility begins. For example, if your employment is involuntarily terminated during February 2010, you may qualify for the subsidy even if your eligibility for COBRA coverage doesn't begin until March or later.

Additional information for individuals whose original period of COBRA Subsidy expired before December 19, 2009.

There are two special rules that apply only to individuals whose COBRA Subsidy expired before December 19, 2009, but who can now extend their COBRA Subsidy for up to six additional months. For example, if your COBRA Subsidy started March 1, 2009, and expired on November 30, 2009, then one of the following special rules may apply to you.

Situation A:	You paid the full (unreduced) premium for the next month of COBRA coverage after your COBRA Subsidy expired.
Example A:	Your COBRA Subsidy expired on November 30, 2009, and you paid the full COBRA premium for December 2009.

If this situation applies to you, your payment for December will automatically be used to pay your reduced COBRA premiums for two months (e.g. December and January), and the remainder will be applied toward paying part of the premium for following month. Please contact the plan administration office if you have any questions about the amount and/or due date of your next COBRA premium.

Situation B:	You did <u>not</u> pay the premium for the next month of COBRA coverage after your COBRA Subsidy expired.
Example B:	Your COBRA Subsidy expired on November 30, 2009, and you did not pay your COBRA premium for December 2009.
If this situation applies to you, you have an extended opportunity to pay the reduced COBRA premium(s) that you didn't already pay. If you wish to continue paying reduced premiums for your COBRA coverage, you must send your payment for December no later than February 17, 2010 (or the 30 th day after this notice was sent to you, whichever occurs later). In addition, your reduced payment for January will be accepted if you send it by that same payment deadline.	

More information about the extension of the COBRA Subsidy.

This notice summarizes changes to the COBRA Subsidy that were signed into law on December 19, 2009. Other features of the COBRA Subsidy did not change at that time. For example, individuals who are receiving COBRA premium assistance are still required to notify the plan administration office upon becoming eligible for Medicare or another group health plan* .

If you have any questions about the COBRA Subsidy, please contact the Plan Office at the address shown above or by calling (415) 263-3670.

In addition, you can obtain additional information about COBRA, including the COBRA Subsidy, from the U.S. Department of Labor:

Phone (toll free): 1.866.444.3272
Internet: <http://www.dol.gov/COBRA>

* Generally, this does not include coverage for only dental, vision, counseling, or referral services; coverage under a health flexible spending arrangement; or treatment that is furnished in an on-site medical facility maintained by the employer.