



Rules of the Employee Benefit Plan Council

478-2-.07 Extended Coverage (COBRA)

- (1) **Extended Beneficiary.** Persons who lose coverage under the Plan and who meet certain requirements are eligible to continue coverage in the enrolled dental option, vision option, or health care flexible spending account, as required by federal law or these regulations for the periods designated by the qualifying event. Plan Year limitations and Plan requirements of the health care flexible spending account will apply. An Extended Beneficiary shall have the same opportunities for enrolling eligible dependents and changing coverage options as active employees. The Flexible Benefits Program will be administered in compliance with federal law or regulations under the Consolidated Omnibus Budget Reconciliation Act (COBRA) and the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- (a) **Terminated Employee.** An employee who terminates employment or is separated from employment for any reason other than for gross misconduct, or whose approved leave without pay expires shall be eligible to continue coverage under the plan for a period not longer than eighteen (18) months following the termination of coverage as an employee.
- (b) **Reduction of Required Hours.** An employee who continues Flexible Benefit Plan eligibility under the definition of employee, except for working the required number of hours, shall be eligible to continue coverage under the Plan for a period not longer than eighteen (18) months following the end of the month in which the reduction of hours occurred. If the reduced hours take effect on a day other than the first workday of the month, the eighteen (18) month period would begin on the first of the month following termination of coverage through payroll deductions.
- (c) **Laid-off Employee.** An employee who is determined to be a laid-off employee shall be eligible to continue coverage under the Plan for a period not longer than eighteen (18) months. The extended period begins on the first of the month following termination of coverage through payroll deductions.
- (d) **Spouse of Deceased Employee.** The spouse of a deceased employee who is not eligible as a surviving spouse, an employee, or an annuitant, shall be eligible to continue coverage for a period not longer than thirty-six (36) months. Coverage under the Plan may be continued for the spouse and any eligible dependents. The extended period of coverage begins on the first of the month following termination of coverage through the employee's payroll deductions or if the employee is on an approved leave without pay, at the end of the month in which the employee died or the end of the following month if the premium has been paid.

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- (e) **Surviving Dependent Child.** An eligible dependent child of a deceased employee who is - not enrolled as an employee, a dependent of another employee, a surviving beneficiary under Section 478-2-.04, or as an annuitant, shall be eligible to continue coverage for himself under the Plan for a period not longer than thirty-six (36) months following the end of the month in which death occurred. The extended coverage period begins on the first of the month following termination of the employee's coverage through payroll deductions.
- (f) **Dependent Child.** An eligible dependent child of an employee who is not eligible as an employee or an annuitant shall be eligible to continue coverage under the Plan for a period not longer than thirty-six (36) months following the end of the month in which the child is no longer eligible under the Plan.
- (g) **Legally Separated or Divorced Spouse.** A legally separated or divorced spouse of an employee who is not as a surviving spouse, an annuitant or an employee shall be eligible to continue coverage for a period not longer than thirty-six (36) months. Coverage may be continued for the divorced or legally separated spouse and any eligible dependents, who are not covered dependents of the employee. The extended coverage period begins on the first of the month following the month in which the legal separation documents were approved by a court of competent jurisdiction or the divorce was final.
- (h) **Employee Pending Approval of Retirement Benefit.** An active employee who has made application for disability or service retirement and who may be eligible for retirement shall be eligible to extend coverage. The extended period of coverage begins on the first of the month following termination of coverage through the employee's payroll deductions or if the employee is on an approved leave without pay, at the end of the month in which the employee remitted the premium.
- (2) **Disability under Social Security.** Coverage may be extended for an additional eleven (11) months for an extended beneficiary who at any time during the first sixty (60) days of the 18-month COBRA continuation period meets the Social Security definition of disability. Such disability shall be determined under Title II or Title XVI of the Social Security Act. The eleven (11) additional months of coverage applies to the disabled beneficiary and to non-disabled dependents who are entitled to COBRA continuation coverage. In order to be eligible for this additional extension, the beneficiary must notify the Third-Party Administrator of the determination by the end of the 18-month COBRA continuation period. Additionally, the extended beneficiary must notify the Administrator within thirty (30) days of the date of any final determination that the beneficiary is no longer disabled.
- (3) **Departmental Notification Requirements.** The employing entity must notify the Third-Party

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Administrator of the employee's termination, death, layoff, or reduced hours within thirty (30) days following the event.

- (4) **Notice of Divorce, Separation, and Cessation of Dependency.** The employee or other qualified beneficiary must notify the Third-Party Administrator within sixty (60) days of a divorce, legal separation, or a child ceasing to be a dependent under the applicable option of the Plan. Failure to provide such notice to the Administrator within the sixty (60) days will result in the loss of eligibility for extended coverage.
- (5) **Notification due to employee's death, termination, or reduction of hours.** The Third-Party Administrator shall notify the extended beneficiary at his or her last known address regarding extended coverage. The Third-Party Administrator shall notify the extended beneficiary of the continuation rights within fourteen (14) days following notification from the employing entity of the employee's death, termination of employment, or reduction of hours. Notice to the employee's spouse other than employee termination or reduction of hours shall be deemed to be notification to all other beneficiaries of the contract.
- (6) **Notification due to divorce, legal separation, or dependent child's coverage ineligibility.** The Third-Party Administrator shall notify the extended beneficiary of his or her continuation rights at the address specified by the employee within fourteen (14) days following notification from the employee of a divorce, legal separation, or the dependent child's coverage ineligibility as a dependent.
- (7) **Extended Beneficiary's Election Period.** The extended beneficiary may elect to continue coverage within a period of sixty (60) days following the Administrator's notification to the extended beneficiary or during the sixty (60) days following coverage termination under the appropriate provision. Coverage will be reinstated by payment of the premium retroactively to the coverage termination under the employee's contract.
- (8) **Extended Beneficiary's Independent Election.** Each beneficiary eligible for extended coverage shall be afforded the opportunity to make an independent election to continue coverage in the enrolled option, provided the beneficiary is not enrolled as an employee, spouse, or dependent. If a beneficiary, either the employee or spouse of a covered employee makes an election to provide coverage for the other extended beneficiary, the election shall be binding on that other beneficiary. An election on behalf of a minor child can be made by the child's parent or legal guardian. An election on behalf of an eligible beneficiary who is incapacitated can be made by the legal representative of the beneficiary.
- (9) **Payment for Extended Beneficiary Coverages.** The applicable premium for the dental and vision option shall be 102% of the rate furnished by the Contractor and approved by the Council; the applicable contribution for the health care flexible spending account shall be 102% of the employee's elected contribution. The Third-Party Administrator will direct bill for the premiums.

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Payment for the initial premium must be made no later than forty-five (45) days following election to continue coverage. Thereafter, premium payments must be made no later than thirty (30) days from the due date.

- (10) Multiple Qualifying Events.** If additional qualifying events occur which provide for a thirty-six (36) month maximum period during the period when an extended beneficiary is covered, the maximum period of coverage may be extended to a maximum of thirty-six (36) months for a spouse or dependent child, plus any additional months as a result of disability under Title II or Title XVI of the Social Security Act. The maximum period of extended coverage as a result of one or more qualifying events shall begin on the day following termination of coverage as a result of the first qualifying event.
- (11) Limitation for Individuals Added to Coverage of Extended Beneficiary.** An individual who is not covered under a plan on the day before the qualifying event cannot be qualified as a beneficiary with respect to that qualifying event and enrolled in the extended coverage. This limitation does not apply for a child who is born to or placed for adoption with a covered employee during the period of extended coverage.
- (12) Penalty Payment due to Failure to Notify the Third-Party Administrator.** If the Third-Party Administrator fails to notify the extended beneficiary of the continuation rights within the required time limits as a result of failure of the employing entity to notify the Third-Party Administrator, any penalty payment required of the Administrator shall be billed to the employing entity who failed to notify the Third-Party Administrator.

Authority:

O.C.G.A. §§ 45-18-52(a)

Federal Law References:

42 U.S.C §§300bb-1 -- 300bb-8(Requirements for Continuation Coverage for State and Local Government Group Health Plans)