



INITIAL NOTICE OF HEALTH CARE CONTINUATION COVERAGE AND COBRA RIGHTS

1. Introduction

You are receiving this notice because you may have recently become covered under the TriNet Group, Inc. Section 125, Section 129, and Flexible Spending Account Plan (the Plan). This notice contains important information about your right to COBRA continuation coverage, which is a temporary extension of coverage under the Plan. This notice generally explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it. COBRA, and the description of COBRA coverage contained in this notice, applies only to the group health plan benefits offered under the Plan (medical, dental, vision and health care FSA plans) and not to any other benefits offered under the Plan or by TriNet.

The right to COBRA coverage was established by a federal law, the Consolidated Omnibus Reconciliation Act of 1985. COBRA coverage can become available to you when you would otherwise lose group health coverage under the Plan. It can also become available to your spouse, domestic partner and dependent children, if they are covered under the Plan, when they would otherwise lose their group health coverage under the Plan. This notice does not fully explain COBRA coverage or other rights under the Plan. For additional information about your rights and obligations under federal law, you should review the Plan's Guidebook and Summary Plan Description available at www.hrpassport.com > My Self > My Benefits > Benefit Guidebook or contact TriNet, which is the Plan Administrator. The Plan provides no greater COBRA rights than what COBRA requires.

2. What is COBRA Coverage?

COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events are listed later in this notice. After a qualifying event occurs and any required notice of that event is properly provided to TriNet, COBRA continuation coverage must be offered to each person losing Plan coverage who is a "qualified beneficiary." A qualified beneficiary is someone who will lose coverage under the Plan because of a qualifying event. Depending on the type of qualifying event, employees, spouses of employees, domestic partners of employees and dependent children of employees may be qualified beneficiaries. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

3. Who Is Entitled to Elect COBRA?

If you are an employee, you will become a qualified beneficiary if you will lose your coverage under the Plan because either one of the following qualifying events happens:

1. Your hours of employment are reduced, or
2. Your employment ends for any reason other than your gross misconduct.

If you are the spouse or domestic partner of an employee, you will become a qualified beneficiary if you will lose your coverage under the Plan because any of the following qualifying events happens:

1. Your spouse or domestic partner dies;
2. Your spouse's or domestic partner's hours of employment are reduced;
3. Your spouse's or domestic partner's employment ends for any reason other than his or her gross misconduct;
4. Your spouse or domestic partner becomes enrolled in Medicare (Part A, Part B, or both); or
5. You become divorced or legally separated from your spouse or your domestic partnership ends.

Please note that although TriNet generally offers COBRA continuation coverage to domestic partners in the same way it offers such coverage to eligible spouses, COBRA legislation does not require that domestic partners be



covered, and some plans, in accordance with applicable law, may not allow domestic partner coverage. Your dependent children will become qualified beneficiaries if they will lose coverage under the plan because any of the following qualifying events happens:

1. The parent-employee dies;
2. The parent-employee's hours of employment are reduced;
3. The parent-employee's employment ends for any reason other than his or her gross misconduct;
4. The parent-employee becomes enrolled in Medicare (Part A, Part B, or both);
5. The parents become divorced or legally separated; or
6. The child stops being eligible for coverage under the plan as a "dependent child."

4. When is COBRA Coverage Available?

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction of hours of employment, or death of the employee, you must notify the Plan Administrator of the qualifying event within 30 days of any of these events.

You Must Give Notice of Some Qualifying Events

For the other qualifying events (divorce or legal separation of the employee and spouse, end of a domestic partnership or a dependent child's losing eligibility for coverage as a dependent child), you must notify the Plan Administrator. The Plan requires you to notify the Plan Administrator within 60 days after the qualifying event occurs. You must send this notice to TriNet COBRA Department, 9805 Double R Boulevard, Suite 200, Reno, NV 89521, fax to 510.352.6480 or email to cobra@trinet.com. The Plan Administrator may require that you send a copy of the supporting information or documentation. If these procedures are not followed or if notice is not provided to TriNet during the 60-day notice period, THEN ALL QUALIFIED BENEFICIARIES WILL LOSE THEIR RIGHT TO ELECT COBRA.

Special Rules In The Event Your Company Terminates Its Relationship with TriNet

Termination of the service agreement between your company and TriNet does not always constitute a qualifying event. Whether or not you are entitled to COBRA depends on any number of factors. For more information please refer to the Plan's Guidebook and Summary Plan Description available at www.hrpassport.com> My Self> My Benefits>Benefit Guidebook.

Electing COBRA

Each qualified beneficiary will have an independent right to elect COBRA. Covered employees, spouses and domestic partners (if the spouse or domestic partner is a qualified beneficiary) may elect COBRA on behalf of all the qualified beneficiaries, and parents may elect COBRA on behalf of their children. Any qualified beneficiary for whom COBRA is not elected within the 60-day period specified in the Plan COBRA election notice WILL LOSE HIS OR HER RIGHT TO ELECT COBRA.

5. How Long Does COBRA Coverage Last?

COBRA coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee, enrollment of the employee in Medicare (Part A, Part B, or both), your divorce or legal separation or end of domestic partnership, or a dependent child losing eligibility as a dependent child, COBRA continuation coverage lasts for up to 36 months.



When the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage lasts for up to 18 months. There are two ways in which this 18-month period of COBRA continuation coverage can be extended. COBRA coverage under the health care FSA component can last only until the end of the year in which the qualifying event occurred - see the paragraph below entitled "Health Care FSA Component."

Disability extension of 18-month period of continuation coverage

If you or anyone in your family covered under the Plan is determined by the Social Security Administration to be disabled at any time during the first 60 days of COBRA continuation coverage and you notify the Plan Administrator in a timely fashion, you and your entire family can receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. You must make sure that the Plan Administrator is notified of the Social Security Administration's determination within 60 days of the date of the determination and before the end of the 18-month period of COBRA continuation coverage. This notice should be sent to: TriNet COBRA Department, 9805 Double R Boulevard, Suite 200, Reno, NV 89521. You must send a copy of the supporting information or documentation.

Second qualifying event extension of 18-month period of continuation coverage

If your family experiences another qualifying event while receiving COBRA continuation coverage, the spouse and dependent children in your family can get additional months of COBRA continuation coverage, up to a maximum of 36 months. This extension is available to the spouse and dependent children if the former employee dies, enrolls in Medicare (Part A, Part B, or both), or gets divorced or legally separated. The extension is also available to a dependent child when that child stops being eligible under the Plan as a dependent child.

In all of these cases, you must make sure that the Plan Administrator is notified of the second qualifying event within 60 days of the second qualifying event. This notice must be sent to the TriNet COBRA Department, 9805 Double R Boulevard, Suite 200, Reno, NV 89521, fax to 510.352.6480 or email to cobra@trinet.com. The Plan Administrator may require that you send a copy of the supporting information or documentation.

When COBRA Ends

COBRA coverage will expire at the end of the applicable COBRA period, which normally is either 18, 29, or 36 months, depending on the circumstances. COBRA may be terminated early for any of the following reasons:

- a. A required premium is not paid in a timely manner. Non-payment, payments not received by TriNet, underpayment, late payment, non-negotiable checks or checks returned for insufficient funds (NSF), even if deposited into our automated deposit system, will result in termination of coverage retroactive to the end of the month of your last full premium payment. If you incur medical/dental/vision expenses during a month in which you have not paid your COBRA premiums on time or in full, you will be responsible for your health care costs because your COBRA continuation coverage will be terminated. Any insufficient or late payments deposited into our automated deposit system do not indicate your coverage has been reinstated, and will be returned to you.
- b. An individual becomes entitled to Medicare. The spouse and children, however, may remain on COBRA as qualified beneficiaries for the remainder of the 18 or 29 months (or 36 months if a second qualifying event occurs).
- c. The qualified beneficiary becomes covered, after the date of COBRA coverage election, under a group health plan maintained by another employer that does not exclude or limit coverage for a qualified beneficiary's pre-existing condition and/or the coverage is comparable coverage to what the qualified beneficiary is receiving under COBRA.



Health Care FSA Component

COBRA coverage under the health care FSA will only be offered to qualified beneficiaries losing coverage who have underspent accounts. An account is underspent if your reimbursable claims, submitted up to the time of the qualifying event, are less than your annual election. COBRA coverage will consist of your annual health care election minus reimbursed claims. The use-it-or-lose-it rule will continue to apply. Any unused amounts will be forfeited at the end of the plan year and you will not be eligible for health care FSA in the new plan year. Unless otherwise elected, all qualified beneficiaries who were covered under the health care FSA will be covered together for health care COBRA FSA coverage. Each COBRA FSA participant is responsible for 102% of the 1/12 of the annual pledge each month for the remainder of the plan year.

More Information About Individuals Who May be Qualified Beneficiaries

Children born to or placed for adoption with the covered employee during COBRA coverage period

A child born to, adopted by, or placed for adoption with a covered employee during a period of COBRA coverage is considered to be a qualified beneficiary provided that, if the covered employee is a qualified beneficiary, the covered employee has elected COBRA coverage for himself or herself. The child's COBRA coverage begins when the child is enrolled in the Plan, whether through special enrollment or open enrollment, and it lasts for as long as COBRA coverage lasts for other family members of the employee. To be enrolled in the Plan, the child must satisfy the otherwise applicable Plan eligibility requirements (for example, regarding age).

Alternate recipients under QMCSOs

A child of the covered employee who is receiving benefits under the Plan pursuant to a qualified medical child support order (QMCSO) received by TriNet during the covered employee's period of employment with TriNet is entitled to the same rights to elect COBRA as an eligible dependent child of the covered employee.

6. If You Have Questions

If you have questions about your COBRA continuation coverage, you should contact the Employee Solution Center at 800.638.0461, 5 a.m. to 6 p.m. Pacific Time, Monday through Friday, or you may contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website at www.dol.gov/ebsa.

7. Keep Your Plan Informed of Address Changes

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

8. Contact Information

For more information, please contact the Employee Solution Center at 800.638.0461, 5 a.m. to 6 p.m. Pacific Time, Monday through Friday, or email cobra@trinet.com

Notice Procedures

All notices including address changes, disability extension request, life status changes and second qualifying events must be written and, if applicable, submitted on Plan forms. Oral notice, including notice by telephone, is not accepted. You may mail, fax or email notifications as follows:



TriNet COBRA Department
9805 Double R Blvd. Ste.# 200
Reno, NV 89521

Fax: 1-510-352-6480
Email: cobra@trinet.com