

General Notice of Continuation Coverage

Coverage Rights

You are receiving this notice because you have recently become covered under your company's group health plan(s), collectively known as the "Plan." This notice contains important information about your right to continuation coverage, which is a temporary extension of coverage under the Plan. This notice generally explains 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.

Note that the Plan is considered a "Church Plan" and is therefore not subject to the continuation of coverage rules under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). However, even though the Plan is not required to comply with COBRA, it does provide continuation coverage similar to COBRA. Continuation coverage can become available to you when you would otherwise lose your group health coverage. It can also become available to other members of your family who are covered under the Plan when they would otherwise lose their group health coverage. For additional information about your rights and obligations under the Plan, you should contact your Human Resources Representative.

What is Continuation Coverage?

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, continuation coverage will be offered to each person who is a "qualified beneficiary." You, your spouse, and your dependent children could become qualified beneficiaries if coverage under the Plan is lost because of the qualifying event. Under the Plan, qualified beneficiaries who elect continuation coverage must pay for continuation coverage.

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

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

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

- Your spouse dies;
- Your spouse's hours of employment are reduced;
- Your spouse's employment ends for any reason other than his or her gross misconduct;
- Your spouse becomes entitled to Medicare benefits (under Part A, Part B, or both); or
- You become divorced or legally separated from your spouse.

Your dependent children will become qualified beneficiaries if they lose coverage under the Plan because any of the following qualifying events happens:

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

When is Continuation Coverage Available?

The Plan will offer continuation coverage to qualified beneficiaries only after your Human Resources Representative has been notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction of hours of employment, death of the employee or the employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), the Human Resources Department must be notified of the qualifying event.

How is Continuation Coverage Provided?

Once your Human Resources Representative receives notice that a qualifying event has occurred, continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect continuation coverage. Covered employees may elect continuation coverage on behalf of their spouses, and parents may elect continuation coverage on behalf of their children.

Continuation coverage is a temporary continuation of coverage. When the qualifying event

is the death of the employee, the employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), your divorce or legal separation, or a dependent child's losing eligibility as a dependent child, continuation coverage lasts for up to a total of 36 months.

When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement. For example, if a covered employee becomes entitled to Medicare 8 months before the date on which his employment terminates, continuation coverage for his spouse and children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus 8 months). Otherwise, when the qualifying event is the end of employment or reduction of the employee's hours of employment, continuation coverage generally lasts for only up to a total of 18 months. There are two ways in which this 18-month period of continuation coverage can be extended.

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 and you notify your Human Resources Representative in a timely fashion, you and your entire family may be entitled to receive up to an additional 11 months of continuation coverage, for a total maximum of 29 months. The disability would have to have started at some time before the 60th day of continuation coverage and must last at least until the end of the 18-month period of continuation coverage. A copy of the Social Security Administration determination notice must be provided within 60 days of the date of the determination and prior to the end of the 18th month on continuation coverage and sent to your Human Resources Representative.

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

If your family experiences another qualifying event while receiving 18 months of continuation coverage, the spouse and dependent

children in your family can get up to 18 additional months of continuation coverage, for a maximum of 36 months, if notice of the second qualifying event is properly given to the Plan. This extension may be available to the spouse and any dependent children receiving continuation coverage if the employee or former employee dies, becomes entitled to Medicare benefits (under Part A, Part B, or both), or gets divorced or legally separated, or if the dependent child stops being eligible under the Plan as a dependent child, but only if the event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred.

NYS Continuation of Coverage

Under a special New York State law, you may be permitted to extend your continuation coverage to 36 months. New York State law provides that an individual who has exhausted continuation coverage is permitted to maintain coverage for up to 36 months, if the individual is entitled to less than 36 months of continuation benefits. Please contact your Human Resources Representative for more information.

If You Have Questions

Questions concerning your Plan or your continuation coverage rights should be addressed to your Human Resources Representative.

Keep Your Plan Informed of Address Changes

In order to protect your family's rights, you should keep your Human Resources Representative 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 Human Resources Department.