**COBRA Initial Notice**

**Continuation Coverage Rights Under COBRA**

**Introduction**

You are receiving this notice because you have recently gained coverage under the St Louis Crisis Nursery group health plan(s) (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 explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect your right to get it.** When you become eligible for COBRA, you may also become eligible for other coverage options that may cost less than COBRA continuation coverage.

The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you and other members of your family when group health coverage would otherwise end. For more information about your rights and obligations under the Plan and under federal law, you should review the Plan’s summary plan description or contact the Plan Administrator.

**You may have other options available to you when you lose group health coverage.** For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse’s plan), even if that plan generally doesn’t accept late enrollees.

**What is COBRA continuation coverage?**

COBRA continuation coverage is a continuation of Plan coverage when it would otherwise end because of a life event. This is also called a “qualifying event.” Specific qualifying events are listed later in this notice. After a qualifying event occurs, COBRA continuation coverage must 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 COBRA continuation coverage must pay for COBRA continuation coverage.

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

 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 of the following qualifying events: 2

 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 enrolled in 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 of the following qualifying events:

 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 enrolled in 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 COBRA continuation 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. The employer must notify the Plan Administrator of the qualifying event when the qualifying event is the end of employment or reduction of hours of employment, commencement of a proceeding in bankruptcy with respect to the employer, death of the employee, or the employee’s becoming enrolled in Medicare benefits (under Part A, Part B, or both).

**You Must Give Notice of Some Qualifying Events**

For the other qualifying events (divorce or legal separation of the employee and spouse or a dependent child’s losing eligibility for coverage as a dependent child), a COBRA election will be available to you only if you notify the Plan Administrator within 60 days after the later of (a) the date of the qualifying event; and (b) the date on which the qualified beneficiary loses (or would lose) coverage under the terms of the Plan as a result of the qualifying event. You must provide this notice to: **Plan Administrator, St Louis Crisis Nursery, 11710 Administration Dr, St Louis, MO 63146 . Phone:**

**How is COBRA coverage provided?**

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

COBRA continuation coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee, the employee’s becoming enrolled in 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, COBRA continuation coverage can last for up to a total of 36 months. COBRA continuation coverage under the health flexible spending arrangement component normally lasts only until the end of the year in which the qualifying event occurred (see paragraph below entitled “Health flexible spending arrangement component”).

When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became enrolled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries (other than the employee) can last until up to 36 months after the date of Medicare enrollment. For example, if a covered employee 3

becomes entitled to Medicare 8 months before the date on which his employment terminates, COBRA continuation coverage for his spouse and children who lost coverage as a result of his termination can last up to 36 months after the date of Medicare enrollment (except for continuation of the health flexible spending arrangement, which normally lasts only until the end of the year in which the qualifying event occurred), which is equal to 28 months after the date of the qualifying event (36 months minus 8 months). This COBRA coverage period is available only if the covered employee becomes enrolled in Medicare within 18 months ***before*** the termination or reduction of hours of employment.

Otherwise, when the qualifying event is the end of employment or reduction of the employee’s hours of employment, COBRA continuation coverage generally lasts for up to 18 months. (COBRA continuation coverage under the health flexible spending arrangement component normally lasts only until the end of the year in which the qualifying event occurred.) There are two ways in which this 18-month period of COBRA continuation coverage can be extended. However, the period of COBRA continuation coverage under the health flexible spending arrangement generally cannot 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 Social Security to be disabled and you notify the Plan Administrator in a timely fashion, you and your entire family may be entitled to receive up to an additional 11 months of COBRA continuation coverage, for a maximum of 29 months. The disability would have to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of COBRA continuation coverage.

The disability extension is available only if you notify the Plan Administrator in writing of the Social Security Administration’s determination of disability within 60 days after the latest of:

 the date of the Social Security Administration’s disability determination;

 the date of the covered employee’s termination of employment or reduction of hours; and

 the date on which the qualified beneficiary loses (or would lose) coverage under the terms of the Plan as a result of the covered employee’s termination or reduction of hours.

You must also provide this notice within 18 months after the covered employee’s termination of employment or reduction of hours in order to be entitled to a disability extension. This notice should be sent to: COBRAToday Administration, 2302 International Lane, Madison, WI 53704.

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

If your family experiences another qualifying event during the 18 months of COBRA continuation coverage, the spouse and dependent children in your family can get up to 18 additional months of COBRA 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 COBRA continuation coverage if the employee or former employee dies, becomes enrolled in Medicare benefits (under Part A, Part B, or both), gets divorced or legally separated, or if the dependent child stops being eligible under the Plan as a dependent child. This extension is only available if the second qualifying event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred.

This extension due to a second qualifying event is available only if you notify the Plan in writing of the second qualifying event within 60 days after the later of (a) the date of the second qualifying event; and (b) the date on which the qualified beneficiary would lose coverage under the terms of the Plan as a result of the second qualifying event (if it had occurred while the qualified beneficiary was still covered under the Plan). This notice should be sent to: COBRAToday Administration, 2302 International Lane, Madison, WI 53704 4

**Are there other coverage options besides COBRA Continuation Coverage?**

Yes. 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) through 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.

**Health flexible spending arrangement component**

COBRA continuation coverage under the health flexible spending arrangement will be offered only to qualified beneficiaries losing coverage who have underspent accounts. A qualified beneficiary has an underspent account if the annual limit elected by the covered employee, reduced by the reimbursable claims submitted up to the time of the qualifying event, is equal to or more than the amount of the premiums for the health flexible spending arrangement COBRA coverage that will be charged for the remainder of the plan year. COBRA continuation coverage will consist of the health flexible spending account coverage in force at the time of the qualifying event (i.e., the elected annual limit reduced by reimbursable claims submitted up to the time of the qualifying event). The use-it-or-lose-it or rollover rules in place for the Plan will continue to apply. COBRA continuation coverage under the health flexible spending arrangement component of the Plan normally lasts only until the end of the plan year in which the qualifying event occurred.

**If You Have Questions**

Questions concerning your Plan or your COBRA continuation coverage rights should be addressed to the contact or contacts identified below. For more information about your rights under the Employee Retirement Income Security Act (ERISA), including COBRA, the Patient Protection and Affordable Care Act, and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor’s Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at www.dol.gov/ebsa. (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA’s website.) For more information about the Marketplace, visit www. HealthCare.gov.

**Keep Your Plan Informed of Address Changes**

In order to protect your family’s rights, let the Plan Administrator know 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.

**Plan Contact Information**

You may obtain information about the Plan and COBRA coverage on request from: **Plan Administrator, St Louis Crisis Nursery, 11710 Administration Dr, St Louis, MO 63146 . Phone:**

The contact information for the Plan may change. The most recent information will be included in the Plan’s most recent summary plan description (if you do not have a copy, you may request one from St Louis Crisis Nursery.