

ROCHESTER INSTITUTE OF TECHNOLOGY

Initial COBRA Notice

You are receiving this notice because you are eligible for Rochester Institute of Technology's Medical Care Plan, Vision Care Plan, Dental Care Plan, Beneflex Health Care Spending Account Plan, and Employee Assistance 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.** 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 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 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.

COBRA Continuation 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, 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 a 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 will lose your coverage under the Plan because one of the following qualifying events happens:

- You no longer meet the Plan's eligibility requirements; this includes transfer to an employment category that is not eligible for coverage under the Plan, such as part-time employees and adjunct faculty; coverage will end on June 30 for a faculty member with a 9½-month contract ending at the end of the academic year, who works until the end of the contract period, and whose contract is not being renewed for the following academic year; this applies even if the person is teaching in an adjunct capacity during the summer (adjunct faculty are not eligible for coverage); a faculty member with a 9½-month contract which is being renewed for the following academic year will continue to have coverage during the summer between the two academic years; or
- Your approved leave of absence ends (personal, professional, Family and Medical Leave Act, military) and you do not return to work; or
- Your approved leave of absence continues, but the maximum benefits continuation period is reached (i.e., coverage ends); 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 will lose your coverage under the Plan because any of the following qualifying events happens:

- Your spouse dies;

- Your spouse no longer meets the Plan's eligibility requirements; this includes transfer to an employment category that is not eligible for coverage under the Plan, such as part-time employees and adjunct faculty; coverage will end on June 30 for a faculty member with a 9½-month contract ending at the end of the academic year, who works until the end of the contract period, and whose contract is not being renewed for the following academic year; this applies even if the person is teaching in an adjunct capacity during the summer (adjunct faculty are not eligible for coverage); a faculty member with a 9½-month contract which is being renewed for the following academic year will continue to have coverage during the summer between the two academic years; or
- Your spouse's approved leave of absence ends (personal, professional, Family and Medical Leave Act, military) and he/she does not return to work; or
- Your spouse's approved leave of absence continues, but the maximum benefits continuation period is reached (i.e., coverage ends); or
- Your spouse's employment ends for any reason other than his or her gross misconduct;
- Your spouse becomes enrolled in Medicare (Part A, Part B, or both); or
- You become divorced or legally separated from your spouse.

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

- The parent-employee dies;
- The parent-employee no longer meets the Plan's eligibility requirements; this includes transfer to an employment category that is not eligible for coverage under the Plan, such as part-time employees and adjunct faculty; coverage will end on June 30 for a faculty member with a 9½-month contract ending at the end of the academic year, who works until the end of the contract period, and whose contract is not being renewed for the following academic year; this applies even if the person is teaching in an adjunct capacity during the summer (adjunct faculty are not eligible for coverage); a faculty member with a 9½-month contract which is being renewed for the following academic year will continue to have coverage during the summer between the two academic years; or
- The parent-employee's approved leave of absence ends (personal, professional, Family and Medical Leave Act, military) and he/she does not return to work; or
- The parent-employee's approved leave of absence continues, but the maximum benefits continuation period is reached (i.e., coverage ends); or
- The parent-employee's employment ends for any reason other than his or her gross misconduct; or
- The parent-employee becomes enrolled in Medicare (Part A, Part B, or both); or
- The parents become divorced or legally separated; or
- The child stops being eligible for coverage under the plan as a "dependent child."

Sometimes, filing a proceeding in bankruptcy under title 11 of the United States Code can be a qualifying event. If a proceeding in bankruptcy is filed with respect to Rochester Institute of Technology, and that bankruptcy results in the loss of coverage of any retired employee covered under the Plan, the retired employee is a qualified beneficiary with respect to the bankruptcy. The retired employee's spouse, surviving spouse, and dependent children will also be qualified beneficiaries if bankruptcy results in the loss of their coverage under the Plan.

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 loss of eligibility, death of the employee, commencement of a proceeding in bankruptcy with respect to the employer, or enrollment of the employee in Medicare (Part A, B, or both), the employer must notify the Plan Administrator of the qualifying event.

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), you must notify the Plan Administrator within 60 days after the qualifying event occurs. If notice is not received within that 60-day period, the dependent will not be entitled to choose continuation coverage. You must provide this notice to Rochester Institute of Technology Human Resources Department. If you do not choose continuation coverage within the 60-day election period, your group health coverage will end as of the date of the qualifying event.

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 that generally lasts for 18 months due to employment termination or reduction of hours of work. Certain qualifying events, or a second qualifying event during the initial period of coverage, may permit a beneficiary to receive a maximum of 36 months of coverage.

There are also ways in which this 18-month period of COBRA continuation coverage can be extended, as described below.

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 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 total 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 continuation coverage. If you believe this extension pertains to you or anyone in your family, you must provide notice to the Rochester Institute of Technology Human Resources Department; 8 Lomb Memorial Drive; Rochester, NY 14623-5604 and complete any necessary forms to make this change.

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

If your family experiences another qualifying event while receiving 18 months of COBRA continuation coverage, the spouse and dependent children in your family can get 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 dependent children if the former employee dies, enrolls in Medicare (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.

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.

If You Have Questions

Questions concerning your Plan or your COBRA continuation coverage rights should be addressed to the 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 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, 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.

Plan Contact Information

If you have questions or require further information, please contact the Rochester Institute of Technology Human Resources Department; George Eastman Hall; 8 Lomb Memorial Drive; Rochester, NY 14623-5604; (585) 475-2424/V.