

SECTION K



CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT (COBRA)

Section	Page
COBRA Continuation for Members	K . 1
COBRA Continuation for Spouses/Domestic Partners	K . 1
COBRA Continuation for Dependent Children	K . 1
How to Apply for COBRA	K . 2
COBRA Benefit Options	K . 2



K. CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT (COBRA)



The Federal Consolidated Omnibus Budget Reconciliation Act of 1985 (called COBRA) requires the City of New York to offer employees, retirees, their covered dependents, and any child(ren) born or adopted during the COBRA continuation period, the opportunity to continue Fund coverage in certain instances when the coverage would otherwise terminate.

As per New York State Law, the coverage continuation period is 36 months. The monthly premium is 102% of the group rate (or 150% of the group rate for the 19th through 29th months in case of total disability). You will be billed directly by Healthplex, the MBF COBRA administrator, for premiums on a monthly basis.

COBRA CONTINUATION FOR MEMBERS

- Fund members are eligible for COBRA continuation if their benefits terminate due to:
 - a reduction in hours of employment, or
 - termination of employment (including unpaid leave of absence) for reasons other than gross misconduct, or,
 - deferred retirement.
- The coverage period is 36 months from the date of coverage termination.

COBRA CONTINUATION FOR SPOUSES/DOMESTIC PARTNERS

- The spouse/domestic partner of a member has the right to choose COBRA continuation coverage if benefit coverage is lost due to any of the following reasons:
 - Death of the member. (Coverage is available at no premium cost through the MBF Survivor Benefit)
 - Termination of the member's employment for reasons other than gross misconduct.
 - Loss of benefit coverage due to the member's reduction in hours of employment.
 - Spouse divorce from the member.
 - Termination of domestic partnership with the member.
 - Deferred retirement of the member.
- The coverage period is 36 months from the date of coverage termination.

COBRA CONTINUATION FOR DEPENDENT CHILD(REN)

- Dependent child(ren) of members have the right to COBRA continuation coverage if benefit coverage is lost due to any of the following reasons:
 - Death of the Fund member parent. (Coverage is available at no premium cost through the MBF Survivor Benefit)
 - Termination of a Fund member parent's employment for reasons other than gross misconduct.
 - Loss of benefit coverage due to the Fund member parent's reduction in hours of employment.
 - The dependent ceases to qualify as a covered dependent child under the terms of the Fund's eligibility requirements.
 - Deferred retirement of the member.
- The coverage period is 36 months from the date of coverage termination.



When is COBRA coverage offered? (Qualifying Event)	To whom is COBRA coverage offered? (Qualified Beneficiary)	For how long is COBRA coverage offered?
Reduction in hours of member's employment Termination of member's employment (including unpaid leave of absence) for any reason other than gross misconduct Member's deferred retirement	Employee Spouse/Domestic Partner Dependent Children	36 months
Death of covered employee	Spouse/Domestic Partner Dependent Children	36 months
Divorce Legal separation Termination of domestic partnership	Spouse/Domestic Partner Dependent Children	36 months
Covered employee becomes eligible for Medicare	Spouse/Domestic Partner Dependent Children	36 months
Loss of eligible dependent child status	Dependent Children	36 months

Continuation coverage will be terminated before the end of the maximum period if:

- Any required premium is not paid in full on time, or
- MBF ceases to provide SMMP, Dental or Vision Care benefits for its members.

Continuation coverage may also be terminated for any reason that MBF would terminate coverage of a member or eligible dependent receiving coverage as an active member (e.g., due to discontinuation of any group coverage).

COBRA BENEFIT OPTIONS

COBRA benefit continuation options provided by the Fund are as follows:

(1) You are eligible to elect COBRA continuation of:

1. Superimposed Major Medical Plan (SMMP), Dental, and Vision Care Benefits; **or**
2. Only Dental and Vision Care Benefits; **or**,
3. Only SMMP Benefits.*

* The \$10,000 individual/\$30,000 family deductible under the SMMP for COBRA is based on not having any primary health coverage whether through a City health plan or other group health plan.

HOW TO APPLY FOR COBRA

To elect Fund COBRA continuation coverage, the member or his/her spouse/domestic partner or dependent child should complete a Management Benefits Fund COBRA Application and submit it to the Fund within 60 days of the date of benefit coverage termination. The member may be eligible to receive full COBRA continuation coverage from your basic City health plan. Please contact your agency benefit manager or your health carrier directly within 60 days of your benefit coverage termination to apply for this coverage.

For current COBRA rates and an application, please visit the Fund's Web site at <http://nyc.gov/olr> or call the Fund Office at 1-212-306-7290, or at 1-888-4000MBF (1-888-400-0623) if outside New York City, or at (TTY) 1-212-306-7629 if hearing impaired. Please keep MBF informed of any address changes.

