

EMPLOYEE NAME
1234 ANYWHERE COURT
ANYWHERE, TX 12345-1234

GENERAL NOTICE OF COBRA CONTINUATION RIGHTS

**THIS LETTER IS FOR YOUR INFORMATION ONLY.
THERE HAS NOT BEEN A CHANGE IN YOUR STATUS WITH YOUR COMPANY. PLEASE
READ THE ENTIRE LETTER AND RETAIN FOR FUTURE REFERENCE.**

You are receiving this notice because you recently gained coverage under the Teacher Retirement System of Texas group health plan ("the Plan"). This notice has important information about your right to COBRA coverage, which is a temporary extension of coverage under your Plan, if coverage ends under qualifying circumstances. **This notice explains COBRA coverage, when it may become available to you and your family, and what you need to do to protect your right to get COBRA coverage.** When you become eligible for COBRA coverage, you may also become eligible for other coverage options that may cost less than COBRA coverage.

The right to COBRA coverage was created by a federal law called the Consolidated Omnibus Budget Reconciliation Act of 1985. COBRA coverage can become available to you, your spouse, and dependent child(ren) when coverage under the Plan would otherwise end. Both you and your spouse, if applicable, should take the time to **read this notice carefully.** This notice does not fully describe COBRA coverage or other rights under the Teacher Retirement System of Texas Plan. For additional information, you should review the Plan's "Summary Plan Description" or contact your COBRA Administrator (bswift)¹ at 1-833-682-8972 7 a.m. - 7 p.m. CT, M - F. Also, you may visit the Department of Labor website (www.dol.gov) for more information on COBRA.

You may have other options available to you if you lose group health plan coverage.

When you become eligible for COBRA coverage, you may also become eligible for other coverage options that cost less than COBRA 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 monthly premiums or 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 does not accept late enrollees.

What is COBRA coverage?

COBRA coverage is a continuation of Plan coverage when your Plan coverage would otherwise end because of a life event. A life event is also called 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 provided to Teacher Retirement System of Texas as outlined later in this notice, COBRA coverage must be offered to each person losing plan coverage who is a "Qualified

¹ Teacher Retirement System of Texas, your Plan Administrator, has engaged bswift to administer Teacher Retirement System of Texas COBRA benefits.

Beneficiary". Qualified Beneficiaries may include you, your spouse, and your dependent child(ren) if coverage under the Plan is lost because of the Qualifying Event. Certain newborns, newly adopted children, and alternate recipients under Qualified Medical Child Support Orders (QMCSO) may also be Qualified Beneficiaries. See below for more details. Under the Plan, Qualified Beneficiaries who elect COBRA coverage **must pay** for COBRA coverage.

Who can elect COBRA coverage?

Employee: If you are an employee of Teacher Retirement System of Texas, you are entitled to elect COBRA coverage as a Qualified Beneficiary if you lose coverage under the Plan due to the following Qualifying Events:

- your hours of employment with Teacher Retirement System of Texas are reduced; or
- your employment with Teacher Retirement System of Texas is terminated (for any reasons other than gross misconduct on your part).

Spouse of Employee: If you are the spouse of an employee of Teacher Retirement System of Texas covered by the Plan, you will become a Qualified Beneficiary if you lose coverage under the Plan due to the following Qualifying Events:

- the employee dies;
- the employee's hours of employment with Teacher Retirement System of Texas are reduced; • the employee is terminated from Teacher Retirement System of Texas (for any reasons other than gross misconduct of the employee);
- the employee becomes entitled to Medicare (under Part A, Part B, or both); or
- you become divorced or legally separated from the employee. If the employee reduces or eliminates your group health coverage in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, divorce or legal separation may be considered a Qualifying Event for you, even though your coverage was reduced or eliminated before the divorce or separation.

Dependent Child(ren) of Employee: Dependent child(ren) of an employee of Teacher Retirement System of Texas will become Qualified Beneficiaries if they lose coverage under the Plan because of the following Qualifying Events:

- the employee dies;
- the employee's hours of employment with Teacher Retirement System of Texas are reduced; • the employee is terminated from Teacher Retirement System of Texas (for any reasons other than gross misconduct of the employee);
- the employee's divorce or legal separation;
- the employee becomes entitled to Medicare (under Part A, Part B, or both); or • the dependent child(ren) are no longer eligible for coverage under the Plan as dependent child(ren).

When is COBRA coverage available?

When the Qualifying Event is the employee's termination, reduction in hours of employment, death, or Medicare entitlement (under Part A, or Part B, or both), Qualified Beneficiaries will be offered COBRA coverage. **You do not need to notify the COBRA Administrator (bswift) of these events.**

You Must Give Notice of Some Qualifying Events: For all other Qualifying Events (divorce, legal separation of the employee and spouse, or a dependent child's losing eligibility for coverage as a dependent child), **you MUST notify the COBRA Administrator (bswift) within 60 days** after the later of (1) the date of the Qualifying Event; and (2) 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 may be required to provide additional documentation at the time of notification to confirm COBRA coverage eligibility.

You must follow the "Notice Procedures" outlined at the end of this document, when notifying your COBRA Administrator (bswift). If these Notice Procedures are not followed, and if notice is not provided to the COBRA Administrator (bswift) during the 60-day notice period, THEN ALL QUALIFIED BENEFICIARIES WILL LOSE THEIR RIGHT TO ELECT COBRA.

Electing COBRA Coverage

COBRA coverage will be offered to each Qualified Beneficiary. Each Qualified Beneficiary will have an independent right to elect COBRA coverage. A covered employee may elect COBRA coverage on behalf of their Qualified Beneficiary spouse, and parents may elect COBRA coverage on behalf of their Qualified Beneficiary child(ren).

How long does COBRA coverage last?

COBRA coverage is a temporary continuation of coverage generally lasting **18 months** due to employment termination or reduction of work hours. Certain Qualifying Events, or a Second Qualifying Event during the initial COBRA coverage period, may permit a Qualified Beneficiary to receive up to a maximum of 36 months of COBRA coverage. Also, if the employee becomes entitled to Medicare less than 18 months BEFORE the employee's employment termination or reduction of hours, COBRA coverage for Qualified Beneficiaries (other than the employee) can last up to 36 months after the date the employee became entitled to Medicare.

The **18-month** period of COBRA coverage, resulting from a termination of employment or reduction of hours, can be extended if there is a Second Qualifying Event or due to a Qualified Beneficiary's disability.

Second Qualifying Event Extension

If your family experiences another Qualifying Event during the 18 months of COBRA coverage, your spouse and dependent child(ren) can get up to 18 additional months of COBRA coverage, for a maximum of 36 months, as long as the Plan Administrator (bswift) is properly notified within 60 days of the Second Qualifying Event.

The Second Qualifying Event extension is available to the spouse and any dependent children already receiving COBRA coverage if the:

- employee dies;
- employee becomes entitled to Medicare benefits (under Part A, Part B, or both); ● employee gets divorced or legally separated; OR ● dependent child(ren) stop being eligible under the Plan as dependent child(ren)

AND ● the Second Qualifying Event would have caused the spouse or dependent child(ren) to lose coverage under the

Plan had the first Qualifying Event not occurred; and ● the COBRA Administrator (bswift) is **notified** within **60 days** of the Second Qualifying Event.

In providing notice, you must follow the "Notice Procedures" outlined at the end of this document. If these Notice Procedures are not followed and if notice is not provided to the COBRA Administrator (bswift) during the 60-day notice period, THEN THERE WILL BE NO EXTENSION OF COBRA COVERAGE DUE TO A SECOND QUALIFYING EVENT.

Disability Extension

If a Qualified Beneficiary is determined by the Social Security Administration (SSA) to be disabled and the COBRA Administrator (bswift) is notified in a timely fashion, all Qualified Beneficiaries in your family may be entitled to get up to an additional 11 months of COBRA coverage, for a maximum of 29 months.

The Disability Extension is available if:

- the qualifying event is the employee's termination or reduction of hours;
- the disability started before the 61st day after the covered employee's termination of employment or reduction of hours;
- the disability lasts at least until the end of the 18-month COBRA coverage period; and ● the COBRA Administrator (bswift) is properly notified, as outlined below.

Notice: You must notify the COBRA Administrator (bswift) of the SSA's determination of disability. This notice, along with a copy of the SSA's determination, must be provided **before the end of the first 18 months of COBRA** coverage, and **within 60 days** of the later of:

- the date of the employee's termination of employment or reduction of hours; ● the date of the SSA's disability determination; and

- the date on which the qualified beneficiary loses (or would lose) coverage under the terms of the Plan due to the covered employee's termination of employment or reduction of hours.

In providing notice, you must follow the "Notice Procedures" outlined at the end of this document. If these Notice Procedures are not followed, and if notice is not provided to the COBRA Administrator (bswift) during the 60-day notice period, and within 18 months of the covered employee's termination of employment or reduction of hours, THEN THERE WILL BE NO DISABILITY EXTENSION OF COBRA COVERAGE.

The COBRA Administrator (bswift) must be notified within 30 days of any final determination that the Qualified Beneficiary is no longer disabled.

In no event will COBRA last beyond three years (36 months) from the date of the event that originally made the Qualified Beneficiary eligible for COBRA.

Are there other coverage options besides COBRA coverage?

Yes. Instead of enrolling in COBRA coverage, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid, Medicare, Children's Health Insurance Program (CHIP), 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 coverage. You can learn more about many of these options at www.healthcare.gov.

Can I enroll in Medicare instead of COBRA coverage after my group health plan coverage ends?

In general, if you don't enroll in Medicare Part A or B when you are first eligible because you are still employed, you have an 8-month Special Enrollment period after the Medicare initial enrollment period to sign up for Medicare Part A or B, beginning on the earlier of:

- The month after your employment ends; or
- The month after group health plan coverage based on current employment ends.

If you don't enroll in Medicare and elect COBRA coverage instead, you may have to pay a Part B late enrollment penalty, and there may be a gap in coverage if you decide to enroll in Part B later. If you elect COBRA coverage and later enroll in Medicare Part A or B before the COBRA coverage ends, the Plan may terminate your COBRA coverage. However, if Medicare Part A or B is effective on or before the date of the COBRA election, COBRA coverage may not be discontinued on account of Medicare entitlement, even if you enroll in the other part of Medicare after the date of the election of COBRA coverage.

If you are enrolled in both COBRA coverage and Medicare, Medicare will generally pay first (primary payer) and COBRA coverage will pay second. Certain plans may pay as if secondary to Medicare, even if you are not enrolled in Medicare.

For more information visit <https://www.medicare.gov/medicare-and-you>.

If You Have Questions

Questions concerning your Plan or your COBRA coverage rights should be directed to the contacts identified immediately below. For more information about your rights under the Employee Retirement Income Security Act (ERISA), including COBRA, the Patient Protection and Affordable Care Act (PPACA), 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.

Ensure all covered individuals receive information properly and timely by notifying Teacher Retirement System of Texas at 1-833-682-8972 7 a.m. - 7 p.m. CT, M - F of any change in dependent status or any family member's address change.

Contact Information

You may obtain information about the Plan or COBRA coverage by contacting Teacher Retirement System of Texas at:

TRS Benefits Center
P.O. Box 804057
Chicago, IL 60680 1-833-682-
8972

Or refer to your Plan's most recent Summary Plan Description (SPD) for current contact information. You may also contact the COBRA Administrator (bswift) at 1-833-682-8972 7 a.m. - 7 p.m. CT, M - F.

NOTICE PROCEDURES

Any notice you provide must be submitted to the COBRA Administrator (bswift).

How and When to Notify bswift: Send notice either through the COBRA Administrator's (bswift's) website, at trsactivecare.bswift.com or by calling 1-833-682-8972. Phone calls are recorded.

Information Required for All Notices: To ensure accurate notice, be prepared to provide the following if you call, or go to the COBRA Administrator's (bswift's) website: (1) the name of the Plan (Teacher Retirement System of Texas Welfare Benefits Plan); (2) the name and address of the employee who is (or was) covered under the Plan; (3) the name(s) and address(es) of all Qualified Beneficiary(ies) who lost coverage as a result of the Qualifying Event; (4) the Qualifying Event and the date it happened; (5) the name, address, and telephone number of the person providing the notice; and (6) the information you are notifying the COBRA Administrator (bswift) about.

Additional Information Required for Notice of Disability: A notice of disability must include: (1) the name and address of the disabled Qualified Beneficiary; (2) the date the Qualified Beneficiary became disabled; (3) the names and addresses of all Qualified Beneficiaries who are still receiving COBRA coverage; (4) the date the Social Security Administration made its determination of disability; (5) a copy of the Social Security Administration's determination; and (6) a statement as to whether the Social Security Administration has subsequently determined the disabled Qualified Beneficiary is no longer disabled.

Additional Information Required for Notice of Second Qualifying Event: A notice of a Second Qualifying Event must include: (1) the names and addresses of all Qualified Beneficiaries who are still receiving COBRA coverage; and (2) the Second Qualifying Event and the date it occurred.

Who May Provide Notice: The covered employee (i.e., the employee or former employee who is or was covered under the Plan), a Qualified Beneficiary who lost coverage due to the Qualifying Event, or a representative acting on behalf of either may provide notice.

Need Help?



Log on to review your account by visiting trsactivecare.bswift.com



1-833-682-8972 7 a.m. - 7 p.m. Central, Monday - Friday



Contact your local Human Resources Representative