

## Frequently Asked Questions about Free COBRA Coverage

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### Q1 What is Free COBRA Coverage?

Congress passed the American Rescue Plan Act on March 11, 2021. Funding through this Act provides **100% free monthly COBRA coverage** April through September 2021 for eligible members and their covered dependents who lost coverage due to reduced hours or job loss.

### Q2 Will I be notified of my right to enroll in Free COBRA Coverage?

Yes. Individuals who may qualify for Free COBRA coverage will receive from the Plan one of two Special COBRA Election Packages:

#### ➤ **Extended Election Period Special COBRA Notice.**

If our records show that you were terminated or had a reduction in hours that resulted in a loss of coverage under the Plan (or would have resulted in a loss of coverage had you not elected COBRA or had not maintained eligibility through the Plan's extended benefit provisions) between November 1, 2019 and March 31, 2021, you will receive a **Special Extended COBRA Election Period Package** that will include:

- A cover letter that sets forth the eligibility rules for Free COBRA coverage;
- A "Special Extended COBRA Election Period Notice," which includes additional information about Free COBRA as well as general information about COBRA coverage and alternatives to COBRA coverage;
- A "COBRA Election Form," and
- A "Request for Treatment as an Assistance Eligible Individual."

#### ➤ **General Special COBRA Notice.**

If you were terminated or had a reduction in hours that results in a loss of coverage under the Plan (without regard to the Plan's Extended Benefit Rules) between April 1 and September 30, 2021, you will soon receive a **Special COBRA Election Package** that will include:

- A cover letter that sets forth the eligibility rules for Free COBRA;
- A "Special COBRA Notice," which includes additional information about Free COBRA as well as general information about COBRA coverage and alternatives to COBRA coverage;
- A "COBRA Election Form," and
- A "Request for Treatment as an Assistance Eligible Individual."

### Q3 Am I eligible?

Generally, you're eligible if you:

- Lost coverage under the Plan due to involuntary job loss or reduced hours (or would have lost coverage under the Plan had you not elected COBRA or maintained eligibility through the Plan's extended benefit provisions) between November 1, 2019 and March 31, 2021; or
- Become eligible for COBRA due to involuntary job loss or reduced hours between April 1 and September 30, 2021.

(See also [Q5](#) below)

### Q4 Do I need to be laid off to qualify?

No. You're eligible if you lose coverage because of layoff, involuntary termination, or reduced hours.

### Q5 Who is NOT eligible for Free COBRA coverage?

You are NOT eligible if you:

- Terminated your job voluntarily or were fired for gross misconduct;
- Are eligible for other group insurance—from another job or spouse—or for Medicare.
- Have reestablished your eligibility under the Plan through work hours; or
- Are a dependent and lost your coverage as a result of divorce, death, or because you turned age 26.

### Q6 What happens if I enroll and I'm not eligible?

If you receive Free COBRA coverage in any month you were not eligible, you may have to pay a tax penalty.

### Q7 What if I become eligible for other group health insurance or Medicare after I elect Free COBRA coverage?

If you're no longer eligible for Free COBRA coverage, you must inform the Plan so we can remove you from the program. If you don't, you may have to pay a tax penalty.

### Q8 What benefits will be covered?

The benefit coverage for individuals enrolled in Free COBRA Coverage will be the same as the benefit coverage for individuals who maintain coverage under the Plan's Extended Benefit rules that apply to laid-off Employees.

#### Q9 What do I have to do to get Free COBRA coverage?

Beginning in May 2021, the Plan will send individuals who may be eligible for Free COBRA coverage Special COBRA Election Packages or Special Extended COBRA Election Period Packages. Included in this package is a COBRA Election Form and a "Request for Treatment as an Assistance Eligible Individual." **If you qualify for Free COBRA coverage, you must fill out both of these forms and submit them to the Benefits Office.**

While the Plan must receive these forms within 60 days of your receipt of your Special COBRA Election Package, we encourage you to submit the forms as soon as possible. You may either submit them by mail to 19 Campus Blvd, Ste. 200, Newtown Square, PA 19073 or by email [eligibility@neibenefits.org](mailto:eligibility@neibenefits.org).

#### Q10 What if I believe I qualify for Free COBRA coverage, but I don't receive a Special COBRA Election Package?

If, after reading these FAQs, you believe you qualify for Free COBRA coverage and you don't receive a Special COBRA Election Package from the Benefits Office by May 31, 2021, you should contact the Plan at 800-523-4702, contact the Eligibility Department.

#### Q11 What period of time will be covered?

Free monthly COBRA coverage is available through the Plan from April through September 2021 to individuals who qualify for Free COBRA coverage in any of those months (See **Q3**, **Q5** and **Q7** above). In general, individuals who meet the eligibility requirements for Free COBRA coverage in any month between April and September 2021, will continue to receive Free COBRA until the *earlier* of:

- The first of the month in which they reestablish eligibility as an Active Member under the Plan;
- The first of the month they become eligible for other group health insurance or Medicare;
- The first of the month following the month in which their period of COBRA coverage would end (18 months after the individual lost coverage (or would have lost coverage) under the Plan due to reduced hours or involuntary job loss), or
- October 1, 2021.

#### Q12 How does the Plan's Extended Benefit Rules impact my right to Free COBRA coverage?

The Plan's Extended Benefit Rules will be suspended for those members who would be eligible for Free COBRA coverage from April 1 through September 30, 2021. That means:

- If you would have been covered by the Plan under the Plan's Extended Benefit Rules on or after April 1, 2021 in any month in which you also qualify for Free COBRA coverage, **you must elect COBRA coverage to maintain eligibility under the Plan.**
- If you cease to qualify for Free COBRA coverage (See **Q11** above), and at that time you have not reestablished eligibility under the Plan by returning to the elevator industry, and at that time you would meet the eligibility requirements under the Plan's Extended Benefit Rules, you may maintain your eligibility under the Plan under its Extended Benefit Rules.

#### Q13 What if I'm eligible for Free COBRA coverage in a month in which I already paid my COBRA premium or paid my Extended Benefits premium?

COBRA premium payments and Extended Benefit premium payments you made for any month you were eligible for Free COBRA coverage will automatically be refunded to you.

#### Q14 If I qualify for Free COBRA coverage, why are there 4 different options, each with a different monthly premium cost?

The Plan sends Special COBRA Notices to anyone who **might** qualify for Free COBRA coverage. Some individuals who receive the Special COBRA Notice won't qualify for Free COBRA coverage, and they'll have to pay monthly COBRA premiums. The Plan offers those individuals 4 COBRA coverage options:

- Individual core benefits (medical benefits only) at \$710.00/month
- Individual core and non-core benefits (medical benefits plus vision and dental benefits) at \$755.00/month
- Family core benefits (medical benefits only) at \$2,149.00/month
- Family core and non-core benefits (medical benefits plus vision and dental benefits) at \$2,299.00/month

While we can't tell you which of these 4 options you should elect, if you qualify for Free COBRA coverage, and all 4 COBRA coverage options are free, your choice seems pretty clear. Also, keep in mind:

- If you've been enrolled in COBRA continuation coverage and qualify for Free COBRA coverage in April 2021, you can elect to change your COBRA coverage option. For example, if you have a family, but you've only been able to afford individual core benefits, you can now elect Family core and non-core benefits during the period you qualify for Free COBRA coverage.
- And if you qualify for Free COBRA coverage and you elect Family core and non-core benefits, should you cease to qualify for Free COBRA coverage but remain eligible for COBRA continuation coverage, you will have the opportunity to elect one of the less costly COBRA options at that time.

**For questions or assistance regarding Free COBRA coverage, please contact 800-523-4702, Eligibility Department**