



MOLLOY UNIVERSITY

Policy # HR.207
COBRA
Responsible VP: VP for Finance,
Treasurer
Responsible Office: Human
Resources
Approved By: Cabinet
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COBRA - Consolidated Omnibus Budget Reconciliation Act (COBRA)

COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a "qualifying event". 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 the qualifying event.

- The termination (other than by reason of gross misconduct) or reduction in hours of the covered employee's employment.
- The death of the covered employee.
- The divorce or legal separation of the covered employee from the employee's spouse.
- The covered employee becoming entitled to benefits under Medicare; or
- A dependent child ceasing to qualify as a dependent under the plan.

For continuation purposes, employees should notify Molloy University no later than 60 days after the following events occur: there is a divorce or legal separation between the covered employee and their spouse or a child cease to be a dependent child as defined in the policy.

Unless otherwise stated, coverage for each qualified beneficiary electing continuance benefits shall be provided from the date of the qualifying event, which is the date of death or the last day of the month of the termination, divorce, or month in which a dependent child reaches age 26, to the earliest of the following:

- In the case of a loss of coverage due to end of employment or reduction in hours of employment, coverage generally may be continued only for up to a total of 18 months.
- In the case of losses of coverage due to an employee's death, divorce or legal separation, the employee's becoming entitled to Medicare benefits or a dependent child ceasing to be a dependent under the terms of the plan, coverage may be continued for up to a total of 36 months.
- When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement

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

- NY required premium is not paid in full on time,
- a qualified beneficiary becomes covered, after electing continuation coverage, under another group health plan that does not impose any pre-existing condition exclusion for a pre-existing condition of the qualified beneficiary,
- a qualified beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing continuation coverage, or
- the employer ceases to provide any group health plan for its employees.
- Continuation coverage may also be terminated for any reason the Plan would terminate coverage of a participant or beneficiary not receiving continuation coverage (such as fraud).

If benefits under the plan are changed for active participants, the benefits of the qualified beneficiary will be changed accordingly. Each qualified beneficiary who elects COBRA benefits must complete the appropriate election form and agree to pay the required contributions within 60 days of receiving the Notice of Federal Continuation Rights from the University. Failure to make an election within this 60-day period will result in the loss of the continuance option.

In the case of loss of coverage due to an active employee's death, Molloy will subsidize the COBRA costs for the surviving family members for three months following the employee's date of death.