

## Self-Payments and Continuing Eligibility

You will continue to be eligible for Retiree Benefits provided you make the required self-payments. The Trustees determine the amount of self-payments and the amount will change from time to time. Currently, the self-payment amounts are automatically adjusted each September 1<sup>st</sup> based upon Plan cost in accordance with the policy adopted by the Trustees. Please contact the Fund Office for information regarding current self-payment rates.

You may elect to make the required self-payments as follows:

- Monthly, due the first day of each month;
- Quarterly, due each January 1, April 1, July 1, and October 1;
- Annually, due each January 1; or
- Automatically deducted from your monthly pension benefit.

If you return to work for an Employer in Covered Employment, you do not need to make the required self-payments once you meet the initial eligibility requirements for Active Employee Benefits. **However, when you re-retire, you must submit an application for Retiree Benefits and make the required self-payment within 90 days of your Active Employee coverage ending or you will not be eligible for Retiree Benefits.**

## When Retiree Coverage Ends

Generally, your coverage as a Retiree ends when the first of the following events occurs:

- The first day of the calendar month for which the required self-payment is not received by the Fund;
- On the date you become eligible for Medicare;
- On the date the Trustees terminate Retiree Benefits;
- On the date the Trustees terminate the Plan; or
- Upon your death.

There is no reinstatement of Retiree coverage if you fail to make a required self-payment. Additionally, the above listed events are not considered qualifying events as defined in COBRA. Accordingly, when your coverage ends due to one of the above listed events, you and your Dependent spouse will not receive or be eligible for COBRA continuation coverage. However, if your Dependent spouse may be able to continue coverage upon your death as explained on the following page.

## Dependent Eligibility under Retiree Benefits

### Initial and Continuing Eligibility for Dependents

**Children of Retirees are not eligible as Dependents for coverage under Retiree Benefits.** You may make a one-time election to cover your spouse as a Dependent, provided you are not divorced or legally separated and you make the applicable self-payment. Please note that in order to cover your spouse as a Dependent, you are required to make a self-payment on their behalf equal to the amount of the self-payment required to maintain your coverage. You must make the election to cover your spouse on your application for Retiree Benefits. As a result, your Dependent spouse will be eligible for Medical Benefits, Prescription Drug Benefits and discounts on vision services under Retiree Benefits on the date you are eligible for Retiree Benefits.

In the event that you are eligible for Medicare, but you and your Dependent spouse are ineligible to enroll in the Willis Towers Watson Post-Medicare Retiree Exchange Program (“Towers Watson” program), your Dependent Spouse is eligible for coverage under this Plan until s/he becomes eligible for Medicare, even if you are not enrolled in this Plan by virtue of your Medicare eligibility.

If you marry after you elect Retiree Benefits, you may submit a registered marriage license (with the state’s registration number), your spouse’s social security number and new history card to the Fund Office to elect coverage for your new spouse. However, you must notify the Fund Office and submit the required documentation and required self-payments within 90 days of the date your Dependent spouse first becomes eligible under the Plan to receive coverage as of that date. If you do not provide the required documentation within this 90-day period, coverage will begin as of the date the documentation and self-payment is submitted to the Fund Office.

### When Dependent Coverage Ends under Retiree Benefits

Your Dependent spouse’s coverage ends either on the day your coverage ends (except if you are Medicare-eligible, but both you and your spouse are ineligible to enroll in the Towers Watson program, as described above), on the day you legally separate or divorce, when the Plan discontinues benefits for Dependent spouses, when your Dependent spouse becomes eligible for Medicare, or when you fail to submit the required self-payment, whichever occurs first.

#### **If Coverage Ends Due to Your Loss of Coverage or your failure to make a Self-Payment**

In the event your Dependent spouse’s coverage ends because you lose coverage as a Retiree or because you failed to make a required self-payment, no COBRA coverage is available for your Dependent spouse because there is no qualifying event as defined under COBRA.

#### **If Coverage Ends Due to Divorce or Legal Separation**

If you and your spouse legally separate or divorce, your spouse’s loss of coverage is considered a qualifying event as defined under COBRA; however, you must notify the Fund Office within 60 days of a court entry approving or finalizing the legal separation or divorce. Failure to do so may

result in: (1) the loss of COBRA rights, (2) the Fund withholding future benefits and/or (3) the Fund seeking repayment of benefits paid on behalf of an ineligible individual.

### **If Coverage Ends Due to Your Death**

If you die while you are covered under the Plan as a Retiree, coverage for your Dependent spouse will continue until he or she remarries or fail to make the required self-payment to continue coverage. This coverage is in lieu of COBRA coverage and an election to continue making self-payments under the Plan will constitute a waiver of COBRA coverage. Therefore, if your Dependent spouse elects to continue coverage under this provision, once he or she loses eligibility, COBRA continuation coverage is not available.

### **COBRA Continuation Coverage**

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), is a federal law that requires plans to offer a temporary extension of benefits to employees and eligible dependents (qualified beneficiaries) who would otherwise lose coverage under a plan. Qualified beneficiaries include you and each Dependent who was covered under the Plan on the day before a qualifying event occurs (here your Dependent spouse) and who would lose coverage as a result of a qualifying event.

If you suffer a qualifying event as defined under COBRA, you may continue the benefits available to you prior to your loss of coverage for you and/or your Dependent spouse, without evidence of good health. As explained in the preceding pages, the failure to make self-payments, termination of Retiree Benefits by the Trustees, termination of Dependent spousal coverage by the Trustees or termination of the Plan by the Trustees are not considered qualifying events. Accordingly, COBRA coverage is not available for Retirees or generally for Dependent spouses. However, in the event of your divorce or your death, your Dependent spouse may be eligible to continue coverage as explained below.

### **Dependent Qualifying Events**

Your Dependent spouse is eligible for COBRA continuation coverage in the event of:

- Your death\*; or
- Your divorce or legal separation.

Your Dependent spouse may also include someone you marry during a period of continuation coverage after a loss of Retiree Benefits.

\*In the event of your death, your Dependent spouse will be allowed to continue to make self-payments at a lower rate as described above in lieu of the higher self-payment rate established under COBRA.

## Notification to the Fund Office

By law, within 60 days after your Dependent spouse becomes eligible for COBRA continuation coverage because of legal separation or divorce, you or the Dependent spouse must notify the Fund Office of that qualifying event. If you or your Dependent spouse does not contact the Fund Office during the 60-day period, COBRA continuation coverage will not be available.

Notification should be made in writing to the Fund Office and should include the Retiree's name and member identification number, the Dependent spouse's name, the qualifying event entitling them to COBRA continuation coverage, and the date of the event. Failure to provide timely notice may prevent you and/or your Dependent spouse from obtaining or extending COBRA continuation coverage.

Retirees, Dependent spouses, or any representative acting on behalf of the Retiree or Dependent spouse may provide notice.

## Electing COBRA Continuation Coverage

Within 45 days of receipt of notice(s), the Fund Office will send your Dependent spouse an election form to continue coverage with instructions or, if he or she is not eligible, information as to why they are not eligible to elect this coverage. To be eligible for COBRA continuation coverage, he or she must return the completed election form to the Fund Office within 60 days after the date the Fund Office notifies he or she of the loss of coverage and eligibility for COBRA continuation coverage. This 60-day period is referred to as an election period.

If the Fund Office does not receive a completed election form within the 60-day election period, coverage will automatically terminate for your Dependent spouse effective as of the original date coverage was lost. Failure to return the completed form within the time limit will also automatically terminate the right to continuation of benefits.

## Type of Coverage

If your Dependent spouse is eligible for and elects COBRA continuation coverage after a loss of coverage under Retiree Benefits, the Plan will provide coverage for Medical and Prescription Drug coverage, both covered in the same rate.

Your Dependent spouse will be responsible for paying the full premium cost of coverage plus administrative charges for COBRA continuation coverage. The cost of COBRA continuation coverage is determined based on Plan experience and applicable government regulations. The premium will be due no later than 45 days after he or she elects coverage. The first payment must retroactively cover the period of time from the date on which coverage was lost up through and including the current month. After that, payments are due monthly and must be continuous.

Failure to submit the initial required premium payment within the time limit specified automatically terminates the continuation of benefits and the right to continuation of benefits.

## COBRA Continuation Coverage Period

Generally, your Dependent spouse may continue coverage under COBRA for a period of up to 18 months from the date (or up to 29 months for disabled individuals, as described in the next section) of your legal separation or divorce.

## Coverage for Disabled Individuals

If the Social Security Administration determines that your Dependent spouse was totally and permanently disabled on the day his or her coverage ended, or within 60 days after that, COBRA continuation coverage may be continued up to a maximum of 29 months, instead of 18 months for your Dependent spouse who elected COBRA continuation coverage. For coverage to continue, he or she must notify the Fund Office, in writing:

- Before the 18-month period ends; and
- Within 60 days of the date of the disability.

He or she must include any documentation of the determination of disability with a written request for extended coverage.

The cost of extended COBRA continuation coverage for disabled individuals for whom coverage is extended under this provision is determined based on Plan experience and applicable government regulations. The premium cost of such extended coverage is greater than that of continued coverage.

When the disability ends, he or she must notify the Fund Office within 30 days. The extended coverage will end for each qualified beneficiary covered under this extension unless he or she is still within the initial 18-month period of continued coverage.

## When COBRA continuation coverage Ends

Your Dependent spouse will lose his or her right to COBRA continuation coverage if:

- The Plan no longer provides medical and/or prescription drug coverage to any participants;
- He or she does not pay the required premium when due;
- He or she becomes covered under another group medical plan. Note however, that if he or she has a pre-existing condition not covered by the other plan, COBRA continuation coverage may be continued; or
- The period of time for COBRA continuation coverage has expired.