

This notice has important information about your right to continue your health coverage in the Texas Employees

coverage through the Health Insurance Marketplace at [www.HealthCare.gov](http://www.HealthCare.gov) or 1-800-318-2596. You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA continuation coverage.

On April 7, 1986, a federal law was enacted (Public Law 99-272, commonly called "COBRA"). This law requires the State of Texas to offer employees and dependents covered under the GBP the opportunity to temporarily extend their health and/or dental coverage at the group rates. Continuation coverage is available only when certain qualifying events cause coverage under the GBP to end. Coverage under COBRA is limited to the health and/or dental coverage in effect at the time of the qualifying event.

**Note:** If eligible for optional coverage as a retiree, this document is only applicable to health.

## Who may continue coverage

If you are an employee covered under the GBP, you and/or your covered dependents have the right to elect up to 18 months of continuation coverage if your GBP coverage ended due to:

- Termination of employment for reasons other than gross misconduct (including retirement with less than 10 years of service credit with the Employees Retirement System of Texas (ERS), Teacher Retirement System (TRS) of Texas or an Optional Retirement Program (ORP)
- Loss of GBP eligibility due to expiration of coverage following leave without pay
- Loss of GBP eligibility due to reduction of hours

If you are a dependent covered by an employee under the GBP, you have the right to elect up to 36 months of continuation coverage if your GBP coverage ended due to loss of dependent status, including such qualifying events as:

- Death of the employee
- Divorce of the employee and covered spouse
- A dependent child who attains age 26

If you are a former employee's dependent continuing GBP coverage under COBRA as a result of the former employee's termination of employment, expiration of coverage following leave without pay, or loss of GBP eligibility due to reduction of hours, you have the right to extend your coverage for a total continuation period of up to 36 months if a secondary qualifying event occurs and you lose dependent status under the rules of the GBP provided you were covered as a dependent at the

time of the initial qualifying event. A COBRA participant's newborn child or newly adopted child acquired on or after the initial qualifying event who is added to the existing COBRA coverage will also have a right to extend their coverage. Secondary qualifying events which occur during the initial 18 months of continuation coverage that entitles covered dependents to the additional continuation period are:

- Death of the former employee
- Divorce of the former employee and covered spouse
- A dependent child who attains age 26
- The former employee begins receiving Medicare

## Election period

### For employees and dependents eligible for continuation coverage

ERS will provide you with a COBRA Election Form and

coverage. You and/or your dependents must formally elect continuation coverage on the form provided and submit the appropriate premium payment within 105 days of the date coverage terminated or the date of notice, whichever is later. Failure to do so will result in the forfeiture of your continuation coverage. Each covered participant has the right to elect continuation coverage independently. **You and your dependents will not have coverage after the date coverage terminated until you formally elect continuation coverage and pay all premiums due retroactive to the first day of the month following the date coverage terminated.**

## For dependents whose coverage terminates due to loss of dependent status

The member or the covered dependent has the responsibility to notify one of the following of a divorce or when a covered dependent loses dependent status.

event date.

- Coordinator
- Retiree or current COBRA participant - the Employees Retirement System of Texas (ERS)

dependent to complete and forward to ERS with the appropriate premium within 105 days of the date of notice on the form or the date coverage terminated, whichever

within 60 days, continuation coverage will be forfeited.

## Adding newly acquired dependents during the election period

Newly acquired dependents may be added to the COBRA

eligible dependent. This rule also applies during the 105-day election period. Example: An employee terminated employment on July 20 and acquired an eligible dependent on August 5. To add the new dependent to the COBRA continuation coverage, the request must be postmarked on

deadline occurs before the end of the 105-day election period.

## Cost of coverage

Persons electing COBRA continuation coverage must pay the full premium plus an additional 2%

within 105 days from the date of the COBRA qualifying event or the date of notice, whichever is later. If you will receive an annuity from ERS, your monthly premium will be automatically deducted from your monthly annuity payment. To ensure that no break in coverage occurs,

the date coverage terminated. Subsequent monthly

and must be postmarked by the U. S. Postal Service within 30 days of the due date. If your payment is late, your coverage will be automatically cancelled retroactive to the last day of the month in which a full payment was received and was not considered late.

## Length of continuation of coverage

Your COBRA continuation coverage may be cancelled for any of the following reasons:

- The required premium for your COBRA continuation coverage is not received within the required time period, regardless of the circumstances.
- You enroll in another group health plan on or after the COBRA effective date. If you enroll in another group health plan, your COBRA coverage will end when the new group health plan covers you.
- COBRA effective date.
- The GBP ceases to provide coverage to any employee/retiree.
- You extend coverage due to a disability and the determination that the disability no longer exists.
- You submit a written request to cancel coverage. Cancellations will be made effective the last day of the month in which the U. S. Postal Service postmarks your request. Therefore, you must make the fu3( )Tjo 0 10.5 328.5 629.2015 Tm.lymentm1/Span #La

# Information for Participants Continuing Their Coverage

We have prepared some of the most commonly asked questions regarding COBRA continuation coverage.

Division of the Employees Retirement System (ERS)  
toll-free at (877) 275-4377. Our mailing address is  
P. O. Box 13207, Austin, Texas 78711-3207.

## What is COBRA?

COBRA is an acronym for “Consolidated Omnibus Budget Reconciliation Act of 1985.” COBRA requires employers to

coverage due to certain qualifying events.

## What is a Qualified Beneficiary?

An individual who is entitled to COBRA continuation coverage due to being covered under a group health and/or dental plan on the day the qualifying event causes loss of coverage (e.g., termination of employment, divorce from the covered employee, etc.). This also includes a COBRA participant’s newborn child or newly adopted child who is added to the coverage on or after the initial qualifying event.

## Are there other coverage options besides COBRA coverage?

Yes. Instead of enrolling in COBRA continuation coverage, there may be other more affordable coverage options for you and your family through the Health

and/or Family plan through the ERS (ERS/COBRA) or through a spouse’s plan coverage (such as a spouse’s plan) through what is called a “special enroll

Once you've exhausted your COBRA continuation coverage and the coverage expires, you'll be eligible to enroll in Marketplace coverage through a special enrollment period, even if Marketplace open enrollment has ended.

If you sign up for Marketplace coverage instead of COBRA continuation coverage, you cannot switch to COBRA continuation coverage under any circumstances.

## **How long can a Qualified**

## **What if I become covered under another group health plan or begin receiving Medicare benefits?**

You are responsible for notifying the ERS in writing when you enroll in another group health and/or dental plan or

COBRA coverage terminates when an individual becomes covered on or after the COBRA effective date by another group health plan OR if you begin receiving

will be cancelled retroactive to the last day of the month

under the other group health and/or dental plan or began

## **What if I return to employment with a GBP participating agency or higher education institution?**

If you return to employment with a GBP participating agency or higher education institution while your COBRA continuation coverage is in effect, your COBRA continuation coverage will extend through the end of your rehire month. The full COBRA premium for the month during which you became covered as an active employee, or as a dependent of an active employee,

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