

OPERATING ENGINEERS LOCAL 139
HEALTH BENEFIT FUND

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*****Please check if your question is listed below prior to calling*****

COBRA Subsidy Information and Questions

Is the COBRA coverage free?

- Yes, President Joe Biden created this opportunity to provide relief for families across America who have been affected by the COVID-19 Pandemic. Eligible candidates can receive free coverage for up to six months from April 1, 2021 through September 30, 2021. The Health Fund will determine the number of months that you are eligible for the subsidy.

Who is eligible to receive the subsidy?

- The subsidy is available to participants and their families who have current self-payment rights or had prior self-payment or COBRA rights because their coverage ended due to a shortage of hours or involuntarily lost their job.

Am I eligible for the full six months of the subsidy?

- Eligibility for the subsidy depends on when you lost coverage. The subsidy is from one month up to the full six months. The Health Fund will determine your eligible months and will notify you.

Who is NOT eligible to receive the subsidy?

- The subsidy is **NOT available** if you have voluntarily left your job (such as retirement or if you took a different job without the Union's benefits), are eligible for Medicare, or if you have other insurance available to you (such as your spouse's insurance through their employer). Spouses from a divorce and children that lost coverage due to reaching age 26 are NOT eligible for the subsidy.

If you fail to notify the Health Fund when you become eligible for other group health plan coverage or Medicare AND continue to receive COBRA premium assistance, you may be subject to a penalty from the government of \$250 dollars (or if the failure is fraudulent, the greater of \$250 or 100% of the amount of the premium assistance provided after termination of eligibility). You won't be subject to the penalty if your failure to notify the Health Fund is due to reasonable cause and not due to willful neglect.

My spouse has insurance through her employer. Does that mean I am not eligible for the subsidy?

- According to the government notice, you need to check with your spouse's insurance if you are eligible to enroll as a dependent on your spouse's coverage. Loss of coverage from this Health Fund should be considered a qualifying event that would allow you to enroll in your spouse's coverage. If you are eligible for your spouse's insurance, you are NOT eligible for the COBRA subsidy. You continue to have the right to make a Self-Payment with this Health Fund to continue your coverage.

Do I lose benefits by electing COBRA?

- COBRA coverage does **NOT** include coverage for short term disability (Loss of Time) or death/accidental death and dismemberment benefits. If you elect COBRA benefits to access the subsidy, you will not have short term disability or death/dismemberment benefits until you reinstate active eligibility or self-pay coverage.

What do I need to do to get the subsidy?

- It is required by law that you fully complete and sign the paperwork and return it to us. There is a COBRA election form and subsidy form. The forms will be returned to you if it is not fully complete.

What if I am not eligible or if I do not complete and send back the forms?

- If you do not complete and return the forms, or if you are not eligible, your coverage will not change from how it currently is for the applicable months of April 2021 through September 2021. You **DO NOT** need to return these forms if you are not eligible for the subsidy.

What happens after I mail in the completed forms? How long do I have to elect the COBRA subsidy?

- You have 60 days to return the COBRA election and subsidy forms. The Health Fund Office will apply the subsidy for the months you meet the requirements. You will receive a notice of the months you are receiving the subsidy.

What if I already paid the Self-Payment for the March/April/May 2021 eligibility quarter?

- If you qualify for the subsidy, you elect COBRA, and return the completed forms, the Health Fund will keep one-third of the Self-Pay premium that you paid to cover the month of March in the March/April/May 2021 eligibility quarter. The Health Fund will refund two-thirds of the Self-Pay premium that you paid since the COBRA subsidy will cover April and May. If you used HRA for the Self-Pay premium, the two-thirds refund will go back into your HRA.

What happens at the end of September?

- If you have not reinstated active eligibility from hours worked in April/May/June 2021 (this is the normal work quarter for the September 1st eligibility quarter) you will receive a partial self-payment notice for October and November coverage that you will need to pay to continue coverage; however, the self-payment would need be paid for the March/April/May eligibility quarter to resume self-payments in September. We will notify you when your COBRA subsidy coverage is ending.

Does the Fund have to pay for this free coverage?

- The Fund will advance the COBRA coverage for you and will have to apply for a reimbursement from the government.

If your question was not answered in this notice, please call the Health Fund at 262.549.9190 and press extension 2037 for the COBRA eligibility department.