

Carpenters Health and Security Plan of Western Washington

COBRA Continuation Coverage Election Notice (ARRA)

Important Notice to New COBRA Enrollees Regarding Your Possibility to Elect COBRA Continuation Coverage At A Reduced Premium

Why You Are Receiving This Notice

This notice contains important information about additional rights you may have related to your COBRA continuation coverage in the Carpenters Health and Security Plan. Please read the information contained in this notice very carefully.

The American Recovery and Reinvestment Act of 2009 (ARRA), as amended by the Department of Defense Appropriations Act, 2010, the Temporary Extension Act of 2010 (TEA) and the Continuing Extension Act of 2010, reduces the COBRA premium in some cases. You are receiving this notice because you have experienced a qualifying event that was:

- a termination of employment at some time on or after March 1, 2010 OR
- a reduction of hours that occurred during the period from September 1, 2008 through May 31, 2010 and were followed by a termination of employment that occurred on or after March 2, 2010 but by May 31, 2010.

The Continuing Act of 2010 provides that participants who had an involuntary termination of employment between September 1, 2008 and May 31, 2010 and lost health coverage as a result may be entitled to elect COBRA at 35% of the normal premium amount for up to 15 months.

To elect COBRA you must complete the COBRA Continuation Coverage Election Notice (ARRA) and the COBRA Application, which is enclosed, and return both forms to the Trust Office within 60 days of this notice. Please note that you are still obligated to comply with the Trust's COBRA provisions contained on pages 136-141 in the Carpenters Health and Security Plan booklet. If you have any questions concerning this notice, please contact Participant Services at the Trust Office at (800) 552-0635.

Who Is Eligible

You (the participant), your spouse and your dependent children are eligible to make a COBRA election and receive a reduced COBRA premium if 1) you had an involuntary termination between September 1, 2008 and May 31, 2010 and 2) lost coverage as a result. Under the law, eligibility for the reduced premium requires that you were involuntarily terminated. It does not matter why you were terminated by your employer. **This Notice does *not* apply to you if you were involuntarily terminated before September 1, 2008, if you voluntarily quit, if you continued to be employed but did not have enough hours to qualify for coverage, or if you lost your plan coverage for any other reason.**

Eligibility for other group health coverage disqualifies you from ARRA but you may continue COBRA Coverage at the full premium.

Under HIPAA, if you lose your group health plan coverage, you may be able to get into another group health plan for which you are eligible (such as spouse's plan), even if the plan generally does not accept late enrollees, if you request enrollment within 30 days after your group health coverage ends. Additional special enrollment rights are triggered by marriage, birth, adoption and placement for adoption. Therefore, once your coverage ends, if you are eligible for coverage in another plan (such as a spouse's plan), you should request special enrollment as soon as possible.

What You Are Eligible For

If you meet the eligibility requirements described above and return the necessary forms, your COBRA premium will be reduced to 35% of the normal COBRA premium. The 35% COBRA premium will be effective the date you lost coverage. You will have 45 days after the date of your COBRA election to make the initial payment.

If you have an annual income of more than \$125,000 (or \$250,000 for married couples filing a joint income tax return) all or part of the premium reduction may be recaptured by an increase in your income tax liability for the year. If you think that your income may exceed these amounts, you may wish to consider waiving your right to the premium reduction.

How Long the Subsidized COBRA Premium Is Available

Your eligibility for the 35% COBRA premium will end the earliest of: 1) 15 months after the first month you begin receiving the reduced COBRA premium; 2) the first day you become eligible for health coverage through another group health plan or entitled to Medicare; or 3) the date your COBRA coverage would otherwise end such as for a failure to make a timely payment (see page 139 in the Carpenters Health and Security Plan booklet). Your eligibility for COBRA at the full premium may continue after your eligibility for the reduced premium ends.

What You Must Do to Exercise Your Right

In order to be eligible for COBRA at the 35% premium the Trust must verify that you were involuntarily terminated between September 1, 2008 and May 31, 2010. Accordingly, you need to provide the information requested below.

Name

Name of Participant (if different)

Name of Last Employer

Reason for Leaving Employment (check one)

Phone Number of Employer

Discharge or Suspension

Lay Off

Date Left Employment

Quit

Other: _____

Social Security Number

Other Insurance Information (must be completed)

Is anyone for whom you are seeking COBRA Coverage eligible to be covered by another medical, vision, dental plan or entitled to Medicare? Yes No. If yes, please indicate the type of coverage, the name and social security number or ID number of the insured and the name and telephone number of the other insurance plan:

Name of Insured: _____ Social Security # or Member ID #: _____

Name and Telephone Number of Insurance Company: _____

Type of Coverage: Medical Dental Vision RX

Are you (the participant) eligible to be covered under any other group health coverage? Yes No
If yes, when is the earliest it can be effective? _____

Are you (the participant) entitled to Medicare? Yes No.

You must complete this form along with the COBRA Application, which is also enclosed, and return both forms to the Trust Office within 60 days. If this form and the COBRA Application are not returned or postmarked within 60 days of this notice being furnished to you, you and your eligible dependents will lose the right to continue coverage through the Trust, including your right to the reduced premiums.

The Trust Office may contact your last employer to confirm the reason you left employment. Once confirmed, the Trust Office will notify you if you are eligible for a reduced premium and the amount of your COBRA premium.

Notice Requirements, Penalty For Misinformation and Appeal Rights

You are required to notify the Trust Office in the event you become eligible for health coverage through another group health plan or become entitled to Medicare. If you fail to notify the Trust Office of any of these events, the IRS may impose a penalty of 110% of the cost of the difference between the regular COBRA premium and the reduced COBRA premium you paid.

By signing below I verify that I was involuntarily terminated from employment with the employer identified above on the date identified above and I am not eligible to be covered under any other group health plan or Medicare. I understand that the Trust may contact my last employer to verify the reason my employment ended. I understand that if I am provided benefits or a reduced COBRA premium as a result of misstatements or omissions of information, COBRA eligibility may be rescinded. Finally, I understand that if my request for a reduced COBRA premium is denied, I may ask for an expedited reconsideration from the Trust. I also understand that I am entitled to an expedited review within 15 days by the Department of Labor. Additional information regarding these appeal rights will be included in the denial letter.

Signature

Print Name

Date

Questions

If you have questions or would like additional information, please contact Participant Services at the Trust Office:

Carpenters Trusts of Western Washington

2200 Sixth Avenue, Suite 300

Seattle, WA 98121

(206) 441-6514 Seattle Area

(800) 552-0635 Nationwide