

Insurance

Post-tax insurance benefits:

Certain benefits you may have elected can be “dropped” at anytime during the plan year; these benefits are:

- Short Term Disability
- Long Term Disability
- Voluntary Life Insurance

If you do drop any or all of the benefits listed above, and then you want them in the future, the insurance company will require you to complete an “Evidence of Insurability” or EOI form (health questionnaire) and it will be up to the insurance company whether or not you will get the insurance coverage again.

Only the pre-tax benefits have “rules” governed by the IRS and can only be changed or dropped during open enrollment or if you experience a “qualifying event” such as; marriage, divorce, birth of a child, etc. Changes due to a qualifying event must be communicated to the HR Department within 30 days of the event or again, you will have to wait until open enrollment (March of each year). These benefits that are:

- Medical
- Dental
- Vision

COBRA:

COBRA is the continuation of pre-tax benefits after you have left the company, for up to 18 months. Only the medical, dental and vision benefits are subject to COBRA continuation. If you leave the company “involuntarily” due to lay-off or discharge for “cause” (not due to voluntary resignation), and the separation is before 12/31/09, then the cost of the benefits you elect to continue will only cost you 35% of the total monthly premium for the first 9 of the 18 months.

You are entitled to COBRA at the reduced rate only if you are not eligible for other insurance such as through a new employer or through your spouse’s health insurance if available.

For example; if you elect COBRA under normal circumstances and you had the Medcost Core plan for employee only, the regular cost (at least through 2/28/10) would have cost you \$398.04 per month. Under the new ARRA regulations, the first 9 months that you continue the insurance, the cost will only be \$139.31 per month and then the “normal” full cost of the monthly premium will apply.

The same 35% reduction in monthly premiums applies to the dental and vision coverage as well.

If you elect COBRA you may continue only what you had when you were an active employee and you can pick which of the coverage’s you wish to continue (all or some).

Again, this only applies for the first 9 months of continued coverage, you must not be eligible for coverage under another health insurance plan, you must elect the coverage when offered on a timely basis, you must pay each monthly premium on time, and the separation must have occurred before 12/31/09.

Competitively shop for individual health insurance:

The Consolidated Omnibus Budget and Reconciliation Act (COBRA) provides transitional health insurance coverage. Although group plans are often cheaper than individual health insurance plans, you may competitively shop for individual health insurance plans on the [eHealth Insurance website](http://www.ehealthinsurance.com/) <http://www.ehealthinsurance.com/>.