

NOTICE OF COBRA PREMIUM ASSISTANCE PROVISIONS UNDER THE AMERICAN RESCUE PLAN ACT OF 2021

You should read this Notice of COBRA Premium Assistance together with the enclosed Important Notice Regarding Your COBRA Continuation Coverage before you choose whether or not to elect COBRA and pay premiums for COBRA coverage.

President Biden signed the American Rescue Plan Act of 2021 (ARPA) on March 11, 2021. This law subsidizes the full COBRA premium for Assistance Eligible Individuals ("AEIs") for periods of coverage from April 1, 2021 through September 30, 2021.

To be eligible for the premium assistance, you: (1) **MUST** have a COBRA qualifying event that is a reduction in hours or an involuntary termination of a covered employee's employment (as determined by the employer in accordance with applicable guidance); (2) **MUST** elect COBRA continuation coverage; (3) **MUST NOT** be eligible for Medicare; AND (4) **MUST NOT** be eligible for coverage under any other group health plan, such as a plan sponsored by a new employer or a spouse's employer.

If you meet these requirements and qualify as an AEI under ARPA, the monthly premium cost will be \$0.00 from April 1, 2021 (or, if later, the "COBRA Coverage Start Date If Electing" as listed on your enclosed COBRA Election Form) through September 30, 2021 to the extent that you elect COBRA and are not eligible for other group health coverage or Medicare.

THE PREMIUM ASSISTANCE IS AVAILABLE TO CERTAIN INDIVIDUALS WHO ARE ELIGIBLE FOR COBRA CONTINUATION COVERAGE DUE TO A QUALIFYING EVENT THAT IS A REDUCTION OF HOURS OR AN INVOLUNTARY TERMINATION OF EMPLOYMENT. IF THE ENCLOSED COBRA ELECTION NOTICE LISTS YOUR QUALIFYING EVENT AS A "REDUCTION IN HOURS" OR A "LAYOFF [18 MONTHS]" OR "END OF EMPLOYMENT [18 MONTHS]" (AND SUCH "LAYOFF [18 MONTHS]" OR "END OF EMPLOYMENT [18 MONTHS]" WAS INVOLUNTARY), YOU MAY QUALIFY FOR COBRA PREMIUM ASSISTANCE IF YOUR REDUCTION OF HOURS OR INVOLUNTARY TERMINATION IS CONFIRMED BY YOUR EMPLOYER. IN THIS CASE, YOU WILL BE CONSIDERED AN AEI AND AUTOMATICALLY WILL RECEIVE COBRA PREMIUM ASSISTANCE IF YOU ELECT COBRA*, UNLESS YOU RETURN THE ENCLOSED PREMIUM ASSISTANCE INELIGIBILITY FORM INDICATING YOU ARE INELIGIBLE DUE TO OTHER COVERAGE OR DUE TO YOUR TERMINATION NOT BEING INVOLUNTARY. (EACH DEPENDENT ELECTING COBRA WILL ALSO NEED TO RETURN THIS FORM IF THEY ARE INDEPENDENTLY INELIGIBLE DUE TO OTHER COVERAGE*.) IF YOU HAVE QUESTIONS CONCERNING WHETHER YOU HAVE BEEN CONFIRMED AS ELIGIBLE TO RECEIVE COBRA PREMIUM ASSISTANCE, PLEASE CONTACT YOUR EMPLOYER. AGAIN, PLEASE CONSIDER YOUR CONFIRMED ELIGIBILITY TO RECEIVE COBRA PREMIUM ASSISTANCE BEFORE YOU CHOOSE TO ELECT AND/OR PAY PREMIUMS FOR COBRA CONTINUATION COVERAGE.

IF YOU ARE NOT CONFIRMED BY YOUR EMPLOYER TO BE ELIGIBLE FOR COBRA CONTINUATION COVERAGE DUE TO A QUALIFYING EVENT THAT IS A REDUCTION OF HOURS OR AN INVOLUNTARY TERMINATION OF EMPLOYMENT, YOU WILL NOT BE CONSIDERED AN AEI AND WILL NOT RECEIVE COBRA PREMIUM ASSISTANCE AUTOMATICALLY. IF, FOLLOWING YOUR EMPLOYER'S CONFIRMATION THAT YOUR TERMINATION OF EMPLOYMENT WAS VOLUNTARY, YOU BELIEVE YOU WERE INVOLUNTARILY TERMINATED OR HAD A REDUCTION IN HOURS AND ARE OTHERWISE ELIGIBLE FOR THE COBRA PREMIUM ASSISTANCE, PLEASE CONTACT US TOLL-FREE AT 1-800-741-0897 FOR FURTHER ASSISTANCE OR TO OBTAIN A "REQUEST FOR TREATMENT AS AN ASSISTANCE ELIGIBLE INDIVIDUAL" FORM.

To elect COBRA, complete the enclosed COBRA Election Form and return it to us. Under federal law, you have 60 days after the date of the COBRA Election Notice to decide whether you want to elect COBRA under your health plan (Plan), unless you are entitled to additional time due to the COVID National Emergency.** However, if you fail to elect COBRA within 60 days of the date of the COBRA Election Notice, you may be eligible for COBRA, but ineligible for the premium assistance under ARPA.

IMPORTANT

Under ARPA, the Plan may – but is not required to – permit AEIs to elect to enroll in coverage that is different than coverage in which the individual was enrolled at the time the qualifying event occurred. To be eligible for premium assistance, the different coverage must cost the same or less than the coverage you had at the time of the qualifying event; be offered to similarly situated active employees; and cannot be limited to only excepted benefits, a QSEHRA or a health FSA. Please contact us toll-free at the number indicated in the enclosed COBRA election packet for further information.

If you are or become eligible for other group health plan coverage (not including coverage that is only excepted benefits [such as dental or vision coverage], a QSEHRA, or health FSA), or if you become eligible for Medicare, you no longer are entitled to premium assistance and you **MUST** complete the attached "Premium Assistance Ineligibility Notice" form and return it to us as soon as possible***. If you fail to provide this form, the ARPA statute provides that you may be subject to a penalty of \$250 (or if the failure is fraudulent, the greater of \$250 or 110% of the premium assistance provided after termination of eligibility). You won't be subject to the penalty if your failure to notify WageWorks is due to reasonable cause and not due to willful neglect.

General information on your COBRA coverage and your rights under the Plan(s) is available in your SPD or from your Plan Administrator. Your SPD includes additional details about the Plan(s), including contact information for your Plan Administrator.

For specific information on the administration of the ARPA premium assistance, please contact WageWorks, Inc., which is the COBRA Service Provider for the Plan(s), at 1-800-741-0897. For more information regarding ARPA premium assistance and eligibility questions, visit <https://www.dol.gov/cobra-subsidy>.

* If you need additional Premium Assistance Ineligibility Forms, please contact WageWorks at 1-800-741-0897.

** Due to the COVID-19 National Emergency, the Department of Labor, the Department of the Treasury, and the Internal Revenue Service issued guidance extending timeframes for certain actions related to health coverage under group health plans sponsored by private employers. This guidance may give you more time to make COBRA elections and/or COBRA premium payments, as premium assistance is not available for periods of COBRA continuation coverage beginning before April 1, 2021. For additional information about this guidance visit:

<https://www.dol.gov/agencies/ebsa/employersand-advisers/plan-administration-and-compliance/disaster-relief>.

*** You are considered "eligible" for such other coverage to the extent that you have satisfied the eligibility requirements and are able to enroll without restriction without regard to whether you have actually enrolled or not.



Once your employer has confirmed that your COBRA qualifying event is a reduction of hours or an involuntary termination of employment, you will be considered an AEI and automatically will receive COBRA premium assistance if you elect COBRA, unless you return this Premium Assistance Ineligibility Form indicating you (or any of your dependents) are ineligible due to eligibility for other group health plan coverage or Medicare or due to your termination of employment not being involuntary. If you or your dependents are eligible for other group health plan or Medicare coverage, you or your dependents may still be able to elect COBRA, but will not be eligible for premium assistance and MUST return this form. Each individual will be evaluated separately.

If you or your dependents do receive premium assistance and then become eligible for other group health plan coverage (not including coverage that is only excepted benefits [such as dental or vision coverage], a QSEHRA, or health FSA), or become eligible for Medicare, such individual is no longer entitled to premium assistance and MUST complete this "Premium Assistance Ineligibility Notice" form and return it to us as soon as possible.

Please send completed forms to the address indicated on your enclosed "COBRA Election Form Instructions." Please contact us toll-free at the number indicated in the enclosed COBRA election packet if you or your dependents require additional information or assistance in completing and/or returning this form.

PERSONAL INFORMATION

Name, mailing address, and employee's Account Number	Primary Telephone number
	E-mail address (optional)

PREMIUM ASSISTANCE INELIGIBILITY INFORMATION

The employee's termination of employment was <u>not</u> involuntary (e.g., the severance of the employee's employment was due to the employee's implicit or explicit request and the employee was willing and able to continue performing services).	<input type="checkbox"/>
I am eligible for coverage under another group health plan. If any dependents are also eligible, include their names below. Insert date you became eligible _____	<input type="checkbox"/>
I am eligible for Medicare. Insert date you became eligible _____	<input type="checkbox"/>

If you are eligible for coverage under another group health plan and that plan covers dependents you must also list their names here:

IMPORTANT

If you or your dependents fail to notify your plan when you or your dependents become eligible for other group health plan coverage or Medicare AND continue to receive COBRA premium assistance you or your dependents may be subject to a penalty of \$250 dollars (or if the failure is fraudulent, the greater of \$250 or 110% of the amount of the premium assistance provided after termination of eligibility), unless the failure to notify the plan is due to reasonable cause and not due to willful neglect.

Eligibility for other coverage is determined regardless of whether you or your dependents take or decline the other coverage.

However, eligibility for coverage does not include any time spent in a waiting period.

To the best of my knowledge and belief all of the answers I have provided on this Form are true and correct.

Signature _____ Date _____

Type or print name _____

Services are provided by WageWorks, Inc. as a subsidiary of HealthEquity, Inc.

