

## SUMMARY OF COBRA PREMIUM ASSISTANCE PROVISIONS UNDER ARRA

Only available to individuals and their qualified dependents involuntarily terminated from September 1, 2008 through December 31, 2009

### Summary

The American Recovery & Reinvestment Act of 2009 (ARRA) was enacted on February 17, 2009. ARRA may give you the right to receive premium assistance and an additional election opportunity under COBRA. If eligible, you pay only 35% of COBRA premiums and the employer, plan, or insurer covers the remaining 65% for continuing health coverage beginning on or after February 17, 2009. The premium reduction lasts for up to nine months and applies to group health plans, including health reimbursement arrangements (HRAs), such as this plan. Read the definition of Assistance Eligible Individual (AEI) below to determine if you qualify for premium assistance under ARRA.

#### Definition of AEI

You may be an AEI and get premium assistance if you meet each of the below qualifications.

1. **MUST** be eligible for continuation coverage at anytime during the period from September 1, 2008 through December 31, 2009 and elect the coverage;
2. **MUST** have a continuation coverage election opportunity resulting from an involuntary termination of employment that occurred at some time from September 1, 2008 through December 31, 2009 (see Note below);
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 successor employer or a spouse's employer.

**Note:** Individuals who experienced a qualifying event as a result of an involuntary termination of employment at any time from September 1, 2008 through February 16, 2009 and were offered, but did not elect, continuation coverage OR who elected continuation coverage and subsequently discontinued it may have the right to an additional 60-day election period.

#### Important Information

- If, after you elect COBRA and while you are paying the reduced (subsidized) premium, you become eligible for other group health plan coverage or Medicare you **MUST** notify the plan's third-party administrator (TPA) in writing at the address provided below. If you do not, you may be subject to a tax penalty.
- Receiving the premium reduction for a month disqualifies you for the Health Coverage Tax Credit for that month. If you are eligible for the Health Coverage Tax Credit, which could be more valuable than the premium reduction, you will have received a notification from the IRS.
- The amount of the premium assistance is recaptured for certain high income individuals. If the amount you earn for the year is more than \$125,000 (or \$250,000 for married couples filing a joint federal income tax return) all or part of the premium assistance may be recaptured by an increase in your income tax liability for the year. If you think that your income may exceed the amounts above, you may wish to consider waiving your right to the premium assistance. For more information, consult your tax preparer or visit [www.irs.gov](http://www.irs.gov) and click on the Health Coverage Credit link on the IRS homepage.

#### Additional Information

For information regarding your plan's COBRA continuation coverage, premium administration of the ARRA premium reduction, or to notify the plan of your ineligibility to continue paying reduced premiums under ARRA, please contact the third-party administrator, REHN & ASSOCIATES, at P.O. Box 5433, Spokane, WA 99201-0433 or call 1-800-832-2101.

If you are denied treatment as an AEI, you may have the right to have the denial reviewed. For more information regarding reviews or for general information about premium assistance under ARRA, go to [www.dol.gov/COBRA](http://www.dol.gov/COBRA) or call 1-866-444-EBSA (3272).