



**North Dakota
Public Employees Retirement System**

400 E. Broadway, Suite 505 • PO Box 1657
Bismarck, North Dakota 58502 - 1657

Scott A Miller
Executive Director
(701) 328-3900
1-800-803-7377

FAX: (701) 328-3920 • EMAIL: NDPERS-info@nd.gov • WEB: ndpers.nd.gov

May 14, 2021

Dear member,

This notice contains important information about additional rights you and your eligible dependents may have related to your COBRA continuation coverage in the NDPERS group health, dental or vision plans.

The premium assistance referenced in the following pages is designed to benefit eligible individuals by covering their COBRA health, dental, or vision insurance premium expense(s) from April 1, 2021 through September 30, 2021. For some individuals, this could cover 100% of their COBRA insurance premiums during this six-month period.

To be eligible for the premium assistance, you:

- **MUST** have a COBRA qualifying event that is a reduction in hours or an involuntary termination of a covered employee's employment;
- **MUST** elect COBRA continuation coverage;
- **MUST NOT** be eligible for Medicare; AND
- **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.

Please refer to the enclosed information and "Summary of the COBRA Premium Assistance Provisions under the American Rescue Plan Act of 2021" which contains details regarding eligibility, restrictions, and other obligations that apply under the new provisions.

- If you are **currently on COBRA**, eligible for the subsidy and wish to apply, please complete the enclosed COBRA Premium Subsidy Election Form-SFN 59065 and return it to NDPERS within 60 days of the date of this letter.
- If you are **not currently on COBRA**, previously declined COBRA, or have since cancelled your COBRA and are eligible for the subsidy and wish to apply, please complete the enclosed COBRA Premium Subsidy Election Form-SFN 59065 and Continuation of Group Insurance Coverage (COBRA)-SFN 14120 within 60 days of the date of this letter.

Once your election form is received, NDPERS will verify with your employer the circumstances of your termination of employment or reduction in hours. Upon review of the subsidy election form and employer verification, a follow-up letter will be sent notifying you of your eligibility. If eligible, NDPERS will refund any premiums paid during the subsidy period. If you are not eligible, your existing election for COBRA continuation will remain in effect.

If eligible, the subsidy will continue to apply to your premium payments for up to a total of 6 months as long as you and/or your eligible dependents remain an "Assistance Eligible Individual". The subsidy will be available through the end of your COBRA period or September 30, 2021, whichever occurs first.

Electing COBRA continuation coverage under the American Rescue Plan (ARP) does not extend the 18-month period for which COBRA coverage is generally available to you or any qualified dependents.

For information regarding your plan's COBRA coverage, administration of the ARP Subsidy or to notify the plan of your ineligibility to continue receiving this subsidy, contact NDPERS at 701-328-3900 or toll free 800-803-7377.

Sincerely,

North Dakota Public Employees Retirement System

Enclosures



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IMPORTANT INFORMATION: COBRA Continuation Coverage, other Health Coverage Alternatives, and Extended Election Periods under the American Rescue Plan Act of 2021 (ARP)

This notice contains important information about additional rights you and your eligible dependents may have related to your COBRA continuation coverage in the NDPERS group health, dental or vision plans.

The American Rescue Plan Act of 2021 (ARP) provides temporary premium assistance for COBRA continuation coverage. Premium assistance is available to certain individuals who are eligible for COBRA continuation coverage due to a qualifying event that is a reduction in hours or an involuntary termination of employment. If you qualify for premium assistance, you do not need to pay any of the COBRA premium otherwise due to the plan for the months when you are eligible for premium assistance. This premium assistance is available from April 1, 2021 through September 30, 2021. If you choose to continue your COBRA continuation coverage beyond that date, you will have to pay the full COBRA premium amount due. However, when your premium assistance ends, you may qualify for a special enrollment period to enroll in coverage through the Health Insurance Marketplace^{®1} (see section on “other coverage options” below).

You are receiving this notice because you experienced a qualifying event that may have been a reduction in hours or an involuntary termination of employment and you have not reached the maximum period for your COBRA continuation coverage or did not elect COBRA continuation coverage when it was first offered.

To help determine whether you can get the ARP premium assistance, you should read this notice and the attached documents carefully. In particular, review the “Summary of the COBRA Premium Assistance Provisions under the American Rescue Plan of 2021” with details regarding eligibility, restrictions, and obligations.

If you believe you meet the criteria for the premium assistance, complete the enclosed “COBRA Premium Subsidy Election Form-SFN 59065” and return it with your completed Continuation of Group Insurance Coverage (COBRA)-SFN 14120 form. If you are currently enrolled in COBRA continuation coverage, please complete COBRA Premium Subsidy Election Form-SFN 59065.

Please read the information in this notice very carefully before you make your decision. If you now choose to elect COBRA continuation coverage, please complete the Continuation of Group Insurance Coverage (COBRA)-SFN 14120 provided with this notice.

If I did not have COBRA continuation coverage and now elect COBRA continuation coverage, when will my coverage begin and how long will the coverage last?

If elected, COBRA continuation coverage will begin on April 1, 2021 and can last until the end of your original COBRA period end date.

COBRA continuation coverage may end before the full 18 month period has lapsed in certain circumstances, including for failure to pay premiums, for fraud, or if you become covered by another group health plan.

¹ Health Insurance Marketplace[®] is a registered service mark of the U.S. Department of Health & Human Services.

Can I now extend the length of COBRA continuation coverage?

If you now elect COBRA continuation coverage, you may be able to extend the length of COBRA continuation coverage if a qualified beneficiary is disabled, or if a second qualifying event occurs. You must notify the North Dakota Public Employees Retirement System (NDPERS) of a disability or a second qualifying event within a certain time period to extend the period of COBRA continuation coverage. If you don't provide notice of a disability or second qualifying event within the required time period, it will affect your right to extend the period of COBRA continuation coverage.

For more information about extending the length of COBRA continuation coverage visit <https://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/publications/an-employees-guide-to-health-benefits-under-cobra.pdf>.

How much does COBRA continuation coverage now cost?

The ARP reduces the COBRA premium to zero for certain individuals. Premium assistance is available to certain individuals who are eligible for COBRA continuation coverage due to a qualifying event that is a reduction in hours or an involuntary termination of employment. If you qualify for premium assistance, you need not pay any of the COBRA premium otherwise due to the plan. This premium assistance is available from April 1, 2021 through September 30, 2021. If you choose to continue your COBRA continuation coverage beyond that date, you may have to pay the full amount due. Please contact NDPERS to obtain your COBRA premium information. See the attached "Summary of the COBRA Premium Assistance Provisions under the American Rescue Plan of 2021" for more details, restrictions, and obligations.

If you qualify as an "Assistance Eligible Individual" this monthly premium cost will be zero from April 1, 2021 and end at the earlier of your original COBRA period or September 30, 2021. You do not have to send any payment with the election form.

Additional information about payment, if necessary, will be provided to you after the COBRA Premium Subsidy Election Form-SFN 59065 is received by the Plan.

Are there other coverage options besides COBRA Continuation Coverage?

Yes. There may be other coverage options for you and your family through the Health Insurance Marketplace®, Medicare, or other group health plan coverage options (such as a spouse's plan) through a special enrollment period. Additionally, you may apply for and, if eligible, enroll in Medicaid at any time. If you are not eligible for premium assistance under the ARP, some of these options may cost less than COBRA continuation coverage. If you are eligible for other group health plan coverage, such as through a new employer's plan or a spouse's plan (not including excepted benefits, a qualified small employer health reimbursement arrangement, or a health flexible spending arrangement), or if you are eligible for Medicare, you are not eligible for ARP premium assistance. However, if you have individual market health insurance coverage, like a plan through the Marketplace, or if you have Medicaid, you may be eligible for ARP premium assistance if you elect COBRA continuation coverage. Note, however, that you will not be eligible for a premium tax credit, or advance payments of the premium tax credit, for your Marketplace coverage for months that you are enrolled in COBRA continuation coverage and you may not be eligible for months during which you remain an employee but are eligible for COBRA continuation coverage with premium assistance because of a reduction of hours. If you're eligible for Medicare, consider signing up during its special enrollment period to avoid a coverage gap when your COBRA coverage ends and a late enrollment penalty.

You should compare your other coverage options with COBRA continuation coverage and choose the coverage that is best for you. For example, if you move to other coverage, you may pay more out of pocket than you would under COBRA, because the new coverage may impose a new deductible. Also, keep in mind that if you elect COBRA continuation coverage with premium assistance, then you may qualify for a special enrollment period to enroll in Marketplace coverage when your premium assistance ends. You may use the special

enrollment period to enroll in Marketplace coverage with a tax credit if you end your COBRA continuation coverage when your premium assistance ends and you are otherwise eligible.

When you lose job-based health coverage, it's important that you choose carefully between COBRA continuation coverage and other coverage options, because once you've made your choice, it can be difficult or impossible to switch to another coverage option until the next available open enrollment period.

For more information

This notice doesn't fully describe COBRA continuation coverage or other rights under the Plan. More information about COBRA continuation coverage and your rights under the Plan is available in your summary plan description or from the Plan Administrator.

If you have questions about the information in this notice, your rights to coverage, or if you want a copy of your summary plan description, contact the North Dakota Public Employees Retirement System (NDPERS), PO Box 1657, Bismarck, ND 58502 or 800.803.7377.

For more information about COBRA, the Patient Protection and Affordable Care Act, and other laws affecting group health plans, visit the U.S. Department of Labor's EBSA website at <https://www.dol.gov/agencies/ebsa>, go to www.askebsa.dol.gov, or call their toll-free number at 1-866-444-3272. For more information about health insurance options available through the Health Insurance Marketplace®, and to locate an assister in your area who you can talk to about the different options, visit www.HealthCare.gov.

Keep Your Plan Informed of Address Changes

To protect your and your family's rights, still keep the Plan Administrator informed of any changes in your address and the addresses of family members. You should also still keep a copy of any notices you send to the Plan Administrator.