City OF GREENFIELD

ELIGIBILITY POLICY FOR GROUP INSURANCE BENEFITS

POLICY

The City of Greenfield, in accordance with Section 14 of Chapter 32B of the General Laws of the Commonwealth of Massachusetts, does hereby adopt and establish the following rules and regulations governing certain eligibility requirements and administrative guidelines for the City's contributory group health, dental and life benefit offerings. The Mayor reserves the right to alter, modify, amend and/or eliminate any and all benefits, benefit levels, and plans offered by the City pursuant to Chapter 32B of the General Laws, and also specifically reserves the right to add to, modify, revoke, suspend, terminate, change and/or delete any and all provisions of these rules and regulations at any time.

The contents of this policy are presented as a matter of information and general guidance only. While the City endorses the policy, it is not a condition of employment, and the language used is not intended to constitute a contract between the City and its employees.

Some of the contents of this policy may be subject to the underwriting provisions of the insurers that provide the City with group insurance coverage. In the event of a conflict between the City policy and the under-writing provisions of the insurer with regard to open enrollment dates, employee eligibility and cut-off dates, and definitions and time requirements for "qualifying events," the City is bound by the underwriting provisions of the insurer. Notwithstanding the provisions of MGL Ch. 32B, the insurer's determination of employee eligibility shall be final.

Section 1. Full and Part-Time Employee Eligibility

Regular full-time employees of the City and Greenfield Public Schools (hereinafter referred to as 'schools') who are regularly scheduled to work, and who do in fact regularly work, a full-time schedule as defined by the city, the schools and/or a union contract, shall be considered eligible to participate in the City's contributory group insurances. For purposes of the Affordable Care Act (hereinafter referred to as ACA) a full-time employee is an employee who, with respect to any month, is employed on average at least thirty (30) hours per week.

Regular part-time employees of the city and schools who are regularly scheduled to work, and who do in fact regularly work, 20 or more hours per week, shall be considered eligible to participate in the City's contributory group insurances programs for so long as they continue to regularly work a minimum of 20 hours per week. For the purpose of this regulation, "regularly" working a minimum of 20 hours per week shall mean working 20 hours per week in a minimum of seven out of every eight-week payroll period(s). Part-time employees who regularly work less than 20 hours per week are not eligible for health coverage. For purposes of the ACA a part-time employee is an employee who, with respect to any month, is employed on average at less than thirty (30) hours per week.

School year employees that work an average of 20 hours per week during the school year shall

be determined eligible to participate in the City's contributory group insurances.

Section 2. Variable Hour, Temporary and Seasonal Employee Eligibility

Variable Hour Employee for purposes of the ACA is an employee who, based on the facts and circumstances at the employee's start date, it cannot be determined whether the employee is reasonably expected to be employed on average at least thirty (30) hours per week during the initial measurement period because the employee's hours of service are variable or otherwise uncertain.

Temporary employee is an employee who is hired for a short term period of up to nine (9) months or as defined in any city or school collective bargaining agreement. Temporary employees working twenty (20) hours per week or more are eligible for benefits. For purposes of the ACA this term is not recognized and are subject to ACA requirements.

Seasonal Employee under M.G.L. Chapter 151A, Section 1 is an employee of the city or schools who is employed in seasonal employment during regularly recurring period or periods of less than twenty (20) weeks in a calendar year for all seasonable periods; and the city or schools have submitted and been approved by the Commonwealth's Seasonal Certification for Employers program. Seasonal employees regardless of the number of hours worked per week shall be ineligible for benefits.

Seasonal employee for purposes of the ACA is an employee who, is in a position for which the customary annual employment is six (6) months or less and the employment coincides with a truly "seasonal" period.

Variable Hour and ACA seasonal employees may be eligible for coverage only if hours of service average thirty (30) or more during the prior measurement period.

- Newly hired employees are not eligible for coverage during the first measurement period.
  - The first measurement period begins on the date of hire and last for twelve (12) months.
  - Coverage is offered for a subsequent period of twelve (12) months to any employee whose average service hours during this period exceed thirty (30) per week.
- Ongoing employees (those who have worked through their first measurement period) will earn an offer of coverage for each plan year if the average hours of service exceed thirty (30) during the prior measurement period.

Section 3. Elected Official Eligibility

Elected officials are considered ineligible to participate in the City's contributory group benefit by Executive Order of the Mayor. The Mayor as a full time elected employee is eligible to

participate in insurance programs the same as a full time employee or eligible retiree.

Section 4. Eligibility Requirements

Upon initial employment with the City, **new employees** who wish to join a group health, dental and/or life insurance plan must submit an application to the Human Resources office or if a school employee through the School Business Office **no later than thirty (30) days** following their initial date of employment with the City indicating their **choice to enroll or waive** coverage during their eligibility period. **Failure to do so** will make them **ineligible** to participate in group health and/or life insurance plan(s) until an "open enrollment" period (See "Open Enrollment"). New employees become eligible on the first of the month following date of hire.

Existing employees who failed to join a group insurance plan within the first (30) days of their initial employment, or who wish to change their insurance plans, may do so only during the annual "open enrollment" period; except, for Change in Status events (see Section 15 "Change in Status Events"). Any employee, who requires health or dental insurance coverage during OTHER THAN the "open enrollment" period because of a loss of coverage through another source may be able to establish rights to coverage depending on the events causing the need (See Section 15 Change in Status Events"). In such a situation, they must meet the eligibility requirements and submit an application to the Human Resources Office **within thirty (30) days of the date of their loss of coverage** of the change in status event. Said employee must submit with their application a letter from either the spouse's employer or the prior health or dental insurance plan, denoting (1) the effective date which insurance coverage will be cancelled; and (2) the reason for the loss of coverage.

Any eligible employee not wishing to enroll in health insurance must sign a "waiver of insurance". Failure of the employee to complete a "waiver of insurance" will result in a default declination for enrollment.

Section 5. Employees Age 65 or over

Employees age 65 or over may elect to continue in the Town's health coverage and/or elect to enroll in Medicare Parts A and B at their choice. The Town's Medicare supplemental health coverage plan is only available to retirees (not employees). If the employee enrolls in the group coverage plan and Medicare, the group coverage is primary. Employees who are age 65 or over may enroll in Part A while still working as it is normal Social Security practice to do so. There is no premium for Part A if you have the requisite work credits. If you do not have the requisite work credits, you may pay premiums for Part A or you may be eligible through your spouse. Part A is then secondary to the Town's group plan.

Medicare regulations allow an employee who does not sign up for Part A or Part B and who remain on the employer's group coverage plan to apply for Medicare coverage, without penalties, once the period of their employment is terminated, or once they cease to maintain their eligibility for health insurance coverage with the City. Filing to obtain Medicare full coverage must be done timely and promptly upon cessation of employment. Failure to enroll will result in

any penalties being the responsibility of the retiree. Retirees have eight (8) months from the date coverage or employment ends, whichever comes first, to sign up for Medicare A and/or B in order to have penalties waived. At that time Medicare is the primary insurance and the retiree will be assessed the Part B premium. The town's supplemental insurance plan is then secondary coverage.

In compliance with the Medicare Part D Prescription Drug Legislation requirements, the city's health care coverage plan(s) prescription drug coverage provided is creditable.

Section 6. Divorced or Separated Spouses

In the event that a court of competent jurisdiction grants a judgment absolute of divorce or of separate support, the divorced employee, if otherwise enrolled in and eligible to receive G.L. c. 32B benefits from the City, and his or her spouse may remain eligible for benefits under the City's contributory group health benefit program, in accordance with Section 9H of M.G.L. c. 32B, provided that each of the following conditions are met:

(a) In the event that the employee/subscriber is not remarried:

1. The City must be provided with a court certified version of the judgment of divorce or of separate support, which mandates that the ex-spouse of the City employee/retiree remain on a City contributory group health benefit plan.

2. The employee must maintain a two person or family plan covering him/herself and his or her divorced or separate spouse (and any qualified dependents, if applicable).

3. The former spouse of the employee shall, notwithstanding any contrary provision of these Rules and Regulations, lose any eligibility rights upon their re-marriage.

(b) In the event that the employee/subscriber remarries, the ex-spouse will no longer be eligible to participate in the Group Health plan and will be offered continuation of coverage under COBRA, unless the new spouse waives coverage and a divorce decree evidences an order to insure the ex-spouse.

Section 7. Unpaid Leaves of Absence

(a) Employees on approved designated family medical leave in accordance with the Family Medical Leave Act of 1993 shall be entitled to continue to receive the City's contribution to a City offered group benefit plan during the term of the FMLA leave. Employees on designated workers compensation or injured on duty leave in accordance with applicable law shall be entitled to continue to receive the City's contribution to a City offered group benefit plan during the term of the leave.

(b) Employees who are on approved unpaid medical leave, which is not designated as

family and medical leave (or when the FMLA entitlement has been fulfilled), shall be entitled to continue to receive the City's contribution to a City offered group benefit plan during the term of the leave for as long as they meet their monthly contribution responsibility, or until such time as their employment is terminated.

(c) Employees on approved, unpaid leave, which has not been designated as FMLA, or medical leave, shall be eligible for insurance, subject to carrier eligibility rules, for the balance of the pay period in which they have any earnings. Effective the first day of the pay period in which the employee is in a "no pay" status, the employee must pay 100% of the premium for that calendar month and any subsequent months of leave. Employees who fail to pay the full amount on the date established by the Treasurer may, in the City's sole discretion, be declared ineligible to receive any further benefits and their insurance cancelled retroactively to the last paid period.

(d) Employees shall be eligible to continue their group insurance while on an approved leave of absence for no longer than one year, subject to carrier eligibility rules, after which time they shall cease to be considered eligible employees for group health insurance purposes.

Section 8. Termination of Coverage

Employee premium deductions are made one month in advance of coverage. Employee coverage will cease on the last day of the month in which separation from employment occurs for all City employees.

Termination of coverage for school employees is as follows (regardless of when deductions have been collected):

(a) For teachers who work the full school year who resign, or are terminated as of a date certain prior to August 31, coverage will end on the last day of the month in which separation from employment occurs.

For ESP's and other school year only employees:

(b) Who return Reasonable Assurance accepting the assignment, their coverage will continue through August 31. If they resign over the summer months their coverage will end on the last day of the month from the date of the resignation notice, or the date the school was notified, whichever is earlier.

(c) who return Reasonable Assurance and do not accept the assignment, their coverage ends on June 30.

(d) who do not return Reasonable Assurance, their coverage ends on June 30.

(e) For full year school employees, coverage ends on the last day of the month in

which separation from employment occurs.

Any premium deductions taken in excess of the period of coverage will be refunded to the employee in accordance with the rules of the carrier.

Employees may only cancel their group health, (dental) and/or life insurance if a "change in status" has occurred and the employee makes an election change consistent with the change in status. Change of status events are outlined in Section 15 below. Any request must be submitted, in writing, including the requisite evidentiary documents, to the City Human Resources Department, and copy to School Business Office if a school employee. Unless other circumstances exist, said cancellation will take effect on the first day of the month following the date of the written request from the employee. Any employee who cancels their group health and/or life insurance coverage will not be eligible to rejoin a group health and/or life insurance plan until the annual "open enrollment" period; or, a "change in status" has occurred and the employee is thereby eligible to join outside of open enrollment with submission of verification documentation.

Section 9. Retiree Eligibility

Retired employees of the City who are 65 or over and Medicare eligible (Parts A and B) are prohibited from participating in the City's regular group health insurance plans, as Medicare is to be the primary payer of health insurance costs for employees with Medicare eligibility. Participation in a Medicare-supplemental plan(s) of the city is encouraged, but optional.

Retired employees of the City age 65 or over who are not eligible for Medicare Parts A & B may remain in the City's regular group health insurance plans.

Retired employees of the City under age 65 who are eligible for Medicare Parts A & B at age 65 may remain in the City's regular group health insurance plan until attaining the age of 65.

Upon retirement, eligible individuals may participate in the City's contributory group health benefit plan, to the extent allowed by the insurance providers, and in accordance with all relevant provisions of Section 18 of M.G.L. of c. 32B, provided that they otherwise qualify under M.G.L. c. 32B, and further provided that each of the following criteria applies:

(a) The individual must be eligible for a monthly pension as a retiree with the City of Greenfield or Greenfield Public Schools, and be receiving a retirement allowance in accordance with M.G.L. c. 32 (except as specifically provided in M.G.L. c. 32B, §9). Retired employees who chose a "lump-sum" payment at the time of separation are not eligible to participate in the City's insurance plans.

(b) The individual must be enrolled, or must elect to enroll if not already enrolled, in a group health and/or life insurance plan as of the effective date of their retirement with the City of Greenfield or Greenfield Public Schools.

(c) In the event of a voluntary or involuntary disability retirement that is approved by PERAC or MTRS retroactive to a date from which the application was filed with the Greenfield Contributory Retirement Board or the MTRS, eligibility for retiree insurance shall be the first of the month following the date of PERAC or MTRS approval. The retiree shall have thirty (30) days from the date the Greenfield Contributory Retirement Board or the MTRS notified the now retiree of approval to elect retiree health insurance.

(d) Retired employees who fail to join a group health insurance plan with the City at the time of their retirement will thereafter be deemed ineligible to join a group health insurance plan with the City except as provided for in section (e).

(e) An eligible retiree may enroll in the City's plan within thirty (30) days of a Change of Status event (e.g. death of spouse, divorce, involuntary loss of coverage – voluntary choices to cancel coverage is not an eligible status change event).

(f) All participation in the City's contributory group health insurance must be continuous. If a retiree or spouse cancels their enrollment or becomes ineligible for continued enrollment, they lose all eligibility to participate in the future - they cannot re-enroll at a future date regardless of qualifying event or life changes. The only exception is when a retiree receives a "Waiver of pension or retirement allowance" under M.G.L. Chapter 32, Section 90B. If the Retirement Board grants the waiver, eligibility for participation in group health insurance ends the last day of the retirement period and begins when the waiver is withdrawn.

(g) In accordance with M. G. L. Chapter 32B, Section 18, retirees, their spouses and dependents shall enroll in a Medicare health benefits as soon as they are eligible. Failure to fully enroll in Medicare may jeopardize future participation in the City's contributory group health insurance plan.

(h) If a retiree becomes divorced, the ex-spouse is no longer eligible to be covered under the City's group health plan. If a single retiree or a divorced retiree marries after the employee has retired, the spouse is not eligible for coverage under the City's contributory group health insurance program.

(i) A retiree of the City of Greenfield and Greenfield Public Schools MUST notify the City within thirty (30) days of any marital status change.

(j) In compliance with the Medicare Part D Prescription Drug Legislation requirements, the city's health care coverage plan(s) prescription drug coverage provided is creditable.

Section 10. Surviving Spouse Eligibility

If an eligible employee dies while an active employee, and the employee meets the requirements for the surviving spouse to receive benefits under the Greenfield Retirement Board or

Massachusetts Teachers' Retirement Board rules, that surviving spouse and eligible dependents may continue group health insurance enrollment subject to Chapter 32B, Section 9 1/2 D (accepted by the City 3/4/68). The City's contribution rate for surviving spouses is fifty (50%) percent. Participation may continue as long as the dependents meet all plan eligibility rules and unless/until the surviving spouse remarries. Once the surviving spouse remarries, eligibility for participation ends as of the date of the marriage.

The surviving spouse of a retiree is eligible to continue coverage at the fifty (50%) percent contribution level. A retiree's surviving spouse eligibility ends when the surviving spouse remarries.

Section 11. Payroll Deductions

Active and retired employees of the City of Greenfield enrolled in a group health, dental and/or life insurance plan with the City shall pay their share of the monthly premium via payroll or pension deduction; except, if their earnings or pension do not meet the obligation such sums shall be paid directly to the Treasurer. **Premiums are deducted one month in advance.** New employees may be required to 'catch up' on their premium contribution and adjustments may be needed for several pay periods dependent upon actual date of hire in any month. For example, premiums deducted during the month of June will be for coverage beginning on July 1st through July 31st.

Application by an employee for any group insurance plan shall be considered authorization by the City to begin payroll deductions for their share of the monthly premiums, including any retroactive payments necessary to cover the cost of the insurance from the employees' effective date of eligibility.

In instances of absence from payroll for whatever reason, it shall be the employee's responsibility to make payment for their contribution of the monthly premium directly to the City Treasurer for the weeks they will be absent from the payroll; except school employees who opt for less than a 26 week pay period shall pay their share of the monthly premium via payroll deduction prior to the summer months.

Failure to maintain the employee's share of the monthly premium shall cause the employee's group insurance to be cancelled.

Section 12. Group Life Insurance

The City offers basic and voluntary term life insurance to all eligible employees of the City. The basic level of coverage is maintained at no cost to the employee when in the City's retirement plan. Voluntary insurance elections may continue in accordance with the rules of the carrier. Retirees have 30 days from the date of retirement to elect conversion or portability coverage directly through the carrier.

Any eligible employee not wishing to enroll in life insurance must sign a "waiver of insurance". Failure of the employee to complete a "waiver of insurance" will result in a default declination for enrollment.

Eligible employees are also able to purchase term life insurance for their spouse and for eligible dependents or additional term life insurance for themselves in set increments up to the maximum of the plan. Said costs of this additional insurance are paid 100% by the employee. Life insurance must be purchased within 30 days of employment, or may be requested at any time during any fiscal year. The life insurance carrier will, for requests for insurance made after the initial 30 days of employment, require evidence of insurability to determine if purchase of voluntary insurance will be allowed according to the terms of the group plan. A medical history or other requirement(s) may be imposed as a condition for acceptance.

Section 13 Group Dental Insurance

The City offers voluntary dental insurance to all eligible employees of the City. This coverage cannot be maintained when in the City's retirement plan.

Any eligible employee not wishing to enroll in dental insurance must sign a "waiver of insurance". Failure of the employee to complete a "waiver of insurance" will result in a default declination for enrollment.

Employees may enroll in dental insurance outside of Open Enrollment or absent a change of status event as described below; however, certain waiting periods, restrictions or ineligibility for services may be applied. Employees should contact Human Resources for details.

Section 14 Open Enrollment

"Open Enrollment" refers to the period of time designated annually by the City to allow active, eligible employees, or retirees pursuant to section 9 above, the opportunity to:

- Join a group health or dental plan if they did not do so at the time of their initial employment; life insurance may not be opened every year pursuant to carrier rules.
- To switch existing group health insurance plans.

Open enrollment for group health insurance is usually held in January for effective date of March 1st in any plan year. Open enrollment for dental insurance and certain other benefits is usually in April or May in any year. Any new enrollments or changes requested during the "open enrollment" become effective either on March 1st or on July 1st, respectively.

Section 15. Change in Status Events

In certain situations, an active or retired employee enrolled in a group insurance plan with the

City may add dependents or spouses to their existing group insurance coverage without waiting for the annual "open enrollment" period, provided a "change in status" has occurred in accordance with the city's Flexible Benefits Plan Summary Plan Description .

"Change in Status" Events to enroll for coverage include, but may not be limited to:

- Change in the number of dependents, including birth, certified adoption, placement for adoption of death of a dependent;
- Marriage, divorce, death of a spouse, legal separation or annulment;
- Any of the following events for you, your spouse or dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, a change in worksite, or any other change in employment status that affects eligibility for benefits;
- One of your dependents satisfies or ceases to satisfy the requirements for coverage due to change in age, student status, or any similar circumstance; and
- A change in the place of residence of you, your spouse or dependent that would lead to a change in status, such as moving out of a coverage area for insurance.

In these situations, an employee will be eligible to enroll the dependent(s) in their existing health insurance coverage provided an application is submitted to the Human Resources Department no later than thirty (30) days following the date of the "change in status" event along with a certified copy of a birth, adoption, marriage certificate, divorce decree or other verification documentation required which is applicable. Failure to meet these requirements will make the employee ineligible to add the dependent(s) to their existing insurance coverage until the next annual "open enrollment" period. The Health Care Reform Act specifies the medical plan must provide all eligible child dependents, regardless of status, including those who are not enrolled in school, not dependents on their parents' tax returns, and those who are married to remain on their parents medical plan until age 26. The dental plan also provides coverage until age 26.

Any active employee, or dependent who loses insurance coverage previously obtained through their spouse, or in other qualified situations, may join a group plan with the City without waiting for the annual open enrollment period. In these situations, said employee must submit an application to the Human Resources Department or School Business Office **within thirty (30) days of the date of their loss of coverage**. Said employee must submit with their application a letter from either the spouse's employer or the prior health insurance plan, denoting (1) the effective date which health insurance coverage will be cancelled, and (2) the reason for the loss of coverage.

"Change in Status" Events to drop coverage include, but may not be limited to:

- Marriage, divorce, death of a spouse, legal separation or annulment (unless Separation Agreement requires coverage of the ex-spouse);
- Spouses open enrollment period at his/her place of employment;
- A change in the place of residence of you, your spouse or dependent that would lead to a change in status, such as moving out of a coverage area for insurance.
- Dependent child attains the age of 26.

In these situations, said employee must submit an application to the Human Resources Department or School Business Office **within thirty (30) days of the date of their loss of coverage**. Said employee must submit with their application the applicable verification documents.

Section 16. "COBRA" COVERAGE

The following shall serve as the initial notification of rights provided by Federal legislation commonly referred to as the COBRA law. This notification is required for new employees or current employees joining a group health insurance plan with the City.

Under federal law, the City of Greenfield is required to offer covered employees and covered family dependents the opportunity for a temporary extension of health or dental coverage (called "Continuation of Coverage") at group rates when coverage under the plan would otherwise end due to certain events (termination of employment, divorce, death, etc). This notice is simply intended to inform you (and your covered dependents if any), in a summary fashion, of your potential future options and obligations under the continuation of coverage provisions of the law. Should an actual qualifying event occur in the future, the Plan Administrator will send you the appropriate notification of your rights in regard to continuing coverage in the plan. Please take special note, however, of your notification obligations that are highlighted below.

Qualifying Events For Covered Employee - if you are an employee of the City of Greenfield and covered by a group health or dental insurance plan, you may have the right to elect this continuation coverage if you lose your group health or dental coverage because of a termination of your employment (for reasons other than gross misconduct on your part) or a reduction in your hours of employment.

Qualifying Events For Covered Spouse - if you are the covered spouse of an employee of the City of Greenfield, covered by the same health or dental plan as the employee, you may have the right to elect continuation coverage for yourself if you lose group health or dental coverage under the health or dental plan because of any of the following reasons:

1. A termination of your spouse's employment (for reasons other than gross misconduct) or a reduction in your spouse's hours of employment with the City of Greenfield.
2. The death of your spouse;
3. Divorce or legal separation from your spouse; or
4. Your spouse becomes entitled to Medicare.

Qualifying Events For Covered Dependent Children - if you are the covered dependent child of an employee covered by the same health or dental plan as the employee, you may have the right to elect continuation of coverage for yourself if you lose group health or dental coverage under your health or dental plan because of any of the following reasons:

1. A termination of the employee's employment (for reasons other than gross misconduct)

or reduction in the hours of employment with the City of Greenfield;
2. The death of the employee of the City of Greenfield;
3. Parent's divorce or legally separate;
4. The employee of the City of Greenfield becomes entitled to Medicare; or
5. You cease to be a "dependent child' under the terms of the plan.

Rights similar to those described above may apply to retirees, spouses, and dependents if the employer commences a bankruptcy proceeding and these individuals lose coverage within one year of or one year after the bankruptcy filing.

Important Employee, Spouse and Dependent Notifications Required

Under the law, the employee, spouse, or other family member has the responsibility to notify the City of Greenfield of a divorce, legal separation, change of address for subscriber or dependents, or a child losing dependent status under their health or dental plan. This notification must be made within 60 days from whichever date is later, the date of the event or the date on which coverage would be lost under the terms of the insurance contract because of the event. Employees should carefully read the dependent eligibility rules contained in the summary plan description of the insurance plan they have selected to become familiar with when a dependent ceases to be a dependent under the terms of their particular insurance plan. Any notification must be in writing and submitted to the City of Greenfield, Human Resources Office, 14 Court Square, Greenfield, MA 01301.

If this notification is not completed according to the above procedures and in a timely manner, then rights to continuation of coverage may be forfeited. The City of Greenfield has the responsibility to notify the Group Plan of the employee's termination of employment, reduction in hours, death, or Medicare entitlement.

Election Period And Coverage - Once the Plan Administrator is notified that a qualifying event has occurred, the Plan Administrator will then notify covered individuals (also known as qualified beneficiaries) of their right to elect continuation of coverage. Each qualified beneficiary has independent election rights and will have 60 days from the later of the date coverage is lost under the health plan, or from the date of notification to elect continuation coverage. This is the maximum period allowed to elect COBRA as the plan does not provide an extension of the election period beyond what is required by law. If a qualified beneficiary does not elect continuation of coverage within this election period, then rights to continue health insurance will end. If a qualified beneficiary elects continuation of coverage and pays the applicable premium, the City of Greenfield is required to provide the qualified beneficiary with coverage that is identical to the coverage provided under the plan to similarly situated employees and/or covered dependents. Should coverage change or be modified for similarly situated active employees, then the change and/or modification will be made to your coverage as well.

Length Of Continuation of Coverage, 18 Months. If the event causing the loss of coverage is a termination of employment (other than for reasons of gross misconduct) or a reduction in work hours, then each qualified beneficiary will have the opportunity to continue coverage for 18 months from the date of the qualifying event.

Social Security Disability - The 18 months of continuation coverage can be extended to 29 months for an individual qualified beneficiary if the Social Security Administration determines that a qualified beneficiary was disabled on the date of the qualifying event according to Title II or XVI of the Social Security Act. It is the qualified beneficiaries responsibility to obtain this disability determination from the Social Security Administration and provide a copy of the determination to the Plan Administrator within 60 days of the date of determination and before the original 18 months expires. It is also the qualified beneficiaries' responsibility to notify the Plan Administrator within 30 days that a final determination has been made that they are no longer disabled.

Secondary Events - Another extension of the 18-month continuation period can occur if, during the 18 months of continuation coverage, a second event takes place (divorce, legal separation, death, Medicare entitlement, or a dependent child ceasing to be a dependent). If second event does take place, then the 18 months of continuation of coverage can be extended to 36 months from the date of the original qualifying event date. If a second event occurs, it is the qualified beneficiaries' responsibility to notify the Plan Administrator within 60 days of the event and within the original 18 month COBRA timeline. In no event, however, will continuation of coverage last beyond three years from the date of the event that originally made the qualified beneficiary eligible for continuation of coverage.

If the original event causing the loss of coverage was the death of the employee, divorce, legal separation, Medicare entitlement, or a dependent child ceasing to be a dependent child under the health plan, then each qualified beneficiary will have the opportunity to continue coverage for 36 months from the date of the qualifying event.

Eligibility, Premiums, And Potential Conversion Rights - A qualified beneficiary does not have to show they are insurable to elect continuation coverage; however, they must have been actually covered by the plan to be eligible for COBRA. A covered individual entitled to Medicare at the time of the qualifying event is not eligible to receive COBRA continuation of coverage. The Plan Administrator reserves the right to verify eligibility status and terminate continuation coverage retroactively if you are determined to be ineligible or if there has been a material misrepresentation of the facts.

A qualified beneficiary will have to pay all of the applicable premium plus a 2% administration charge for continuation of coverage. These premiums may be adjusted in the future if the applicable premium amount changes. In addition if continuation coverage is extended from 18 months to 29 months due to a Social Security disability, the City of Greenfield can charge up to 150% of the applicable premium during the extended coverage period. There is a maximum grace period of (30) days for the regularly scheduled monthly premiums. At the end of the 18 months or three years of continuation coverage, a qualified beneficiary must be allowed to enroll in an individual conversion health plan provided under the health plan if such a conversion plan is available.

Cancellation of COBRA Continuation Coverage - The law provides that if elected and paid for,

continuation coverage may end prior to the maximum continuation period for any of the following reasons:

1. The City of Greenfield ceases to provide any group health plan to any of its employees;
2. Any required premium for continuation coverage is not paid in a timely manner;
3. A qualified beneficiary becomes covered under another group health plan that does not contain any exclusion or limitation with respect to any preexisting condition of such beneficiary;
4. A qualified beneficiary becomes entitled to Medicare;
5. A qualified beneficiary extended continuation coverage to 29 months due to a Social Security disability and a final determination has been made that the qualified beneficiary is no longer disabled;
6. A qualified beneficiary notifies the Plan Administrator that they wish to cancel coverage.

Notification Of Address Change - To ensure that all covered individuals receive information properly and efficiently, it is important that you notify the Plan Administrator at the address listed below of any address change as soon as possible. Failure on your part to do so may result in delayed notifications or a loss of coverage continuation options.

Dated: 1/6/17

William Martin, Mayor

Dennis Helmus, Director of Human Resources