

AR 4154/4254/4354 – ALL PERSONNEL - HEALTH AND WELFARE BENEFITS

Federal Consolidated Omnibus Reconciliation Act (COBRA)

Note: COBRA (The Federal Consolidated Omnibus Reconciliation Act) mandates certain group health coverage requirements designed to alleviate lapses in coverage due to employee termination, death, separation or divorce, reduction in hours, or eligibility for Medicare. See Exhibit 4154/4254/4354 for a summary of COBRA imposed notice responsibilities.

Under COBRA, district employees may retain health insurance coverage when they reduce their working hours and/or are separated from employment. Continued coverage through the district shall also be made available to an employee's spouse and dependents upon the employee's death, separation or divorce, eligibility for Medicare or upon termination of a child's dependent status under the district health insurance program. Employees who are fired for gross misconduct may not retain health insurance coverage.

Note: The cost of continuation coverage may be charged to the employee or beneficiary, but it may not exceed 102% of the cost charged to active employees and their beneficiaries under the district health plan.

Persons who choose to retain health insurance coverage shall be charged the full costs of coverage within legal limits. Those who have reduced their working hours or who have been released from employment may retain the coverage for no more than 18 months. All other qualifying persons may retain the coverage for no more than 36 months. Coverage will end if the employee or beneficiary 1) fails to pay the insurance premium; 2) secures health insurance coverage through subsequent employment or remarriage; or 3) becomes eligible for Medicare benefits.

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