

★ ★ CONTINUATION COVERAGE RIGHTS UNDER COBRA ★ ★

Introduction

This Notice contains important information about your right to COBRA continuation coverage, which is a temporary extension of coverage under the Wisconsin Carpenters' Health Fund. **This Notice generally explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it.**

The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you when you otherwise would lose your group health coverage. It also can become available to other members of your family who are covered under the Plan when they otherwise would lose their group health coverage. For additional information about your rights and obligations under the Plan and under federal law, you should review the Plan's Summary Plan Description or contact the Fund Office.

What Is COBRA Continuation Coverage?

COBRA continuation coverage is a continuation of Plan coverage when coverage otherwise would end because of a life event known as a "qualifying event," described as follows. After a qualifying event, COBRA continuation coverage must be offered to each person who is a "qualified beneficiary." You, your spouse, and your dependent children could become qualified beneficiaries if coverage under the Plan is lost because of the qualifying event. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

If you are an employee, you will become a qualified beneficiary if you lose your coverage under the Plan because either one of the following qualifying events happens:

- your hours of employment are reduced; or
- your employment ends for any reason other than your gross misconduct.

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If you are the spouse of an employee, you will become a qualified beneficiary if you lose your coverage under the Plan because of any of the following qualifying events happens:

- your spouse dies;
- your spouse's hours of employment are reduced;
- your spouse's employment ends for any reason other than his or her gross misconduct;
- your spouse becomes entitled to Medicare benefits (under Part A, Part B, or both); or
- you become divorced or legally separated from your spouse.

Your dependent children will become qualified beneficiaries if they lose coverage under the Plan because any of the following qualifying events happens:

- you die;
- your hours of employment are reduced;
- your employment ends for any reason other than your gross misconduct;
- you become entitled to Medicare benefits (Part A, Part B, or both);
- you and your spouse become divorced or legally separated; or
- the dependent child ceases to meet the definition of "dependent."

When Is COBRA Coverage Available?

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Fund Office has been notified that a qualifying event has occurred. Based on monthly employer reports, Trustees are aware of qualifying events such as loss of eligibility for coverage based on contributions received from contributing employers because of a reduction in an employee's hours or the employee ceasing active work. Notices explaining the right to continue coverage will be furnished to employees and dependents when such qualifying event occurs.

You Must Give Notice of Some Qualifying Events

For the other qualifying events (employee's death, divorce or legal separation of the employee and spouse, or a dependent child ceasing to meet the definition of dependent), you must notify the Fund Office within 60 days after the qualifying event occurs. You must provide this notice to the Fund Office by telephone at (715) 835-3174 or toll-free at 1-800-424-3405; or by facsimile at (715) 834-8061; or mail to: Wisconsin Carpenters' Health Fund, P.O. Box 4002, Eau Claire, WI 54702. The Fund Office will advise you if additional supporting documentation is required.

How Is COBRA Coverage Provided?

Once the Fund Office receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation

coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children.

COBRA continuation coverage is a temporary continuation of coverage; when the qualifying event is the death of the employee, the employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), your divorce or legal separation, or a dependent child ceasing to meet the definition of dependent, COBRA continuation coverage lasts for up to a total of 36 months. When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement. Otherwise, when the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage generally lasts for only up to a total of 18 months. There are two ways in which this 18-month period of COBRA continuation coverage can be extended.

Disability extension of 18-month period of continuation coverage

If you or anyone in your family covered under the Plan is determined by the Social Security Administration to be disabled and you notify the Fund Office in a timely fashion, you and your entire family may be entitled to receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. The disability would have to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage. You must notify the Fund Office within 60 days of the Social Security Determination of your or your eligible dependent's disability to take advantage of the 11-month extension of coverage. You must provide a copy of the Social Security Disability Determination to the Fund Office to receive the extended coverage.

Second qualifying event extension of 18-month period of continuation coverage

If your family experiences another qualifying event while receiving 18 months of COBRA continuation coverage, the spouse and dependent children in your family can get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if notice of the second qualifying event is properly given to the Fund Office. This extension may be available to the spouse and any dependent children receiving continuation coverage if the employee or former employee dies, becomes entitled to Medicare benefits (under Part A, Part B, or both), or gets divorced or legally separated, or if the dependent child ceases to meet the definition of dependent under the Plan, but only if the event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred. You must notify the Fund Office within 60 days after a second qualifying event occurs if you want to extend your spouse and dependent children's continuation coverage and provide any supporting documentation the Fund may request.

If You Have Questions

Questions concerning your Plan or your COBRA continuation coverage rights should be addressed to the contact identified as follows. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at www.dol.gov/ebsa. (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.)

Keep Your Plan Informed of Address Changes

In order to protect your family's rights, you should keep the Fund Office informed of any changes in the addresses of family members. You also should keep a copy of any notices you send to the Fund Office for your own records.

Plan Contact Information

You can obtain information about the Plan and COBRA continuation coverage by contacting: Wisconsin Carpenters' Health Fund, P.O. Box 4002, Eau Claire, WI 54702, (715) 835-3174, toll-free: 1-800-424-3405, fax: (715) 834-8061.

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