



CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT (COBRA) POLICY

For the purpose of policy interpretation, Mcmillan Memorial Library employees are considered both employees of the Library as well as employees of the City of Wisconsin Rapids. Policy wording may include either references to "City" employees or "Library" employees, both of which apply if approved by the McMillan Memorial Library Board.

Purpose:

To provide employees with appropriate guidelines regarding complying with the Federal Consolidated Omnibus Budget Reconciliation Act (COBRA), which gives employees and their qualified dependents the opportunity to continue health and dental insurance coverage when circumstance would normally result in the loss of eligibility.

Policy:

The Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under the City's health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; or a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage at the City's group rates, plus an administration fee.

The City provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under the City's health insurance plan. The notice contains important information about the employee's rights and obligations.

Procedures:

1. Employees should notify Human Resources within sixty (60) days of a qualifying event such as:

- a. Divorce or legal separation
- b. Medicare eligibility
- c. Dependent child exceeding the age limit
- d. Disability at time of termination or reduction in hours

2. Employees will complete a Continuation of Coverage Election Form within sixty (60) days of notification or termination date.

3. Employees need to follow all instructions for making premium payments and receiving converted insurance coverage.

4. Human Resources will notify employees or eligible dependents effected by “qualifying events” within 14 days of the event and retain copies of the notification in the employee’s personnel record.

5. Human Resources will provide the employee with a Continuation of Coverage Election Form and a premium information sheet.

Adopted by the McMillan Memorial Library Board of Trustees, August 16, 2023.