



DAVID A. PATERSON
GOVERNOR

STATE OF NEW YORK
DEPARTMENT OF CIVIL SERVICE
ALFRED E. SMITH STATE OFFICE BUILDING
ALBANY, NEW YORK 12239
www.cs.state.ny.us

NANCY G. GROENWEGEN
COMMISSIONER

NYSHIP COBRA Continuation Coverage and the American Recovery and Reinvestment Act of 2009 (ARRA)

The American Recovery and Reinvestment Act of 2009 (ARRA) became effective February 17, 2009. The law gives "Assistance Eligible Individuals" the right to pay reduced COBRA premiums for up to nine months, for periods of coverage beginning on or after February 17, 2009. Eligible individuals pay 35% of the full COBRA premiums during the subsidy period.

To be considered an "Assistance Eligible Individual" and qualify for reduced COBRA premiums you:

- MUST be eligible for continuation coverage at any time during the period from September 1, 2008 through December 31, 2009;
- MUST have a continuation coverage election opportunity related to an involuntary termination of employment that occurred at some time during the period September 1, 2008 through December 31, 2009;
- 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 successor employer or a spouse's employer.

IMPORTANT: If, after you elect COBRA and while you are paying the reduced premium, you become eligible for other group health plan coverage or Medicare, you MUST notify the plan in writing. If you do not, you may be subject to a tax penalty.

If you qualify as an Assistance Eligible Individual and you are placed into Preferred List Status:

- You continue to pay the enrollee share of medical premiums for one year.
- Your medical premiums are not subsidy eligible while you are in Preferred List Status.
- Dental and vision coverage will end; after your termination is processed in the enrollment system, you will receive a COBRA Election Form including information on the ARRA, as well as the forms necessary to establish eligibility for the premium reduction.
- If your dental and vision coverage is provided by New York State, the COBRA Election Form and ARRA information will be sent by the Employee Benefits Division at Civil Service.
- If your dental and vision coverage is provided by an Employee Benefit Fund (e.g., CSEA), your COBRA Election Form and ARRA information will be sent directly from the Benefit Fund.
- Your COBRA dental and vision premiums will be subsidy eligible immediately, with the subsidy lasting a period of up to nine months*, after which you will be required to pay the full cost for COBRA dental and vision coverage for the remainder of the COBRA eligibility period.
- If you are eligible to continue NYSHIP coverage as a retiree when Preferred List Status ends, your medical premiums will continue at the enrollee share.
- If you are eligible to continue NYSHIP coverage in vested status when Preferred List Status ends, your medical premiums will continue at the full cost until such time that you are eligible to retire.
- If you are not eligible to continue NYSHIP coverage as a retiree or vestee when Preferred List Status ends, your medical coverage will end; at which time you will receive a COBRA Election Form.

If you qualify as an Assistance Eligible Individual and are not placed into Preferred List Status but are eligible to retire with NYSHIP benefits:

- Your medical premiums will continue at the enrollee share.
- Dental and vision coverage will end; after your termination is processed in the enrollment system, you will receive a COBRA Election Form including information on the ARRA, as well as the forms necessary to establish eligibility for the premium reduction.
- If your dental and vision coverage is provided by New York State, the COBRA Election Form and ARRA information will be sent by the Employee Benefits Division at Civil Service.
- If your dental and vision coverage is provided by an Employee Benefit Fund, your COBRA Election Form and ARRA information will be sent directly from the Benefit Fund.
- Your COBRA dental and vision premiums will be subsidy eligible immediately, with the subsidy lasting a period of up to nine months, after which you will be required to pay the full cost for COBRA dental and vision coverage for the remainder of the COBRA eligibility period.

If you qualify as an Assistance Eligible Individual and are not placed into Preferred List Status but are eligible to continue NYSHIP in vested status:

- Your medical coverage will continue at the full cost and the premiums will be subsidy eligible; your dental and vision coverage will end.
- If your dental and vision coverage is provided by New York State, the COBRA Election Form for medical, dental and vision coverage, as well as the ARRA information will be sent by the Employee Benefits Division at Civil Service.
- If your dental and vision coverage is provided by an Employee Benefit Fund, your COBRA Election Form for medical coverage will be sent by the Employee Benefits Division, and the COBRA Election Form for dental and vision coverage will be sent by the Benefit Fund.
- Your medical, dental and vision premiums will be subsidy eligible immediately, with the subsidy lasting for a period of up to nine months, after which you will be required to pay the full cost for COBRA dental and vision coverage for the remainder of the COBRA eligibility period; AND you will be required to pay the full cost for continued vestee coverage until such time that you are eligible to retire. **(IMPORTANT – If you are eligible to continue coverage during vested status, but you do not do so, or if you fail to make the required premium payments as a vestee, coverage for you and your dependents will be terminated permanently. You may not reenroll as a vestee at a later date and you lose eligibility for coverage as a retiree.)**

If you qualify as an Assistance Eligible Individual and are not placed into Preferred List Status and are not eligible to retire with NYSHIP benefits, nor continue NYSHIP in vested status:

- Your medical, dental and vision coverage will end; after your termination is processed in the enrollment system, you will receive a COBRA Election Form including information on the ARRA, as well as the forms necessary to establish eligibility for the premium reduction.
- If your dental and vision coverage is provided by New York State, the COBRA Election Form for medical, dental and vision coverage, as well as the ARRA information will be sent by the Employee Benefits Division at Civil Service.
- If your dental and vision coverage is provided by an Employee Benefit Fund, your COBRA Election Form for medical coverage will be sent by the Employee Benefits Division, and the COBRA Election Form for dental and vision coverage will be sent by the Benefit Fund.
- Your medical, dental and vision premiums will be subsidy eligible immediately, with the subsidy lasting for a period of up to nine months, after which you will be required to pay the full cost for COBRA continuation coverage for the remainder of the COBRA eligibility period.

* For each involuntary termination, you are eligible for only one nine month period of ARRA COBRA subsidy which starts upon your first eligibility to receive the subsidy for any type of coverage. You will not be eligible for the ARRA COBRA subsidy at a future date, e.g., when your Preferred List health insurance coverage ends.