# Notice of Right to Elect COBRA Continuation of Flexible Spending Arrangement (FSA) Under Health Care FLEX Plan

IF YOU DO NOT RETURN THIS ELECTION FORM WITHIN 60 DAYS FROM THE DATE OF THIS NOTICE, YOU WILL LOSE YOUR RIGHT TO CONTINUE YOUR FSA UNDER COBRA.

Date of Notice	Maile	ed* Hand Delivered
TO: Qualified Beneficiary	FROM:	Plan Administrator
Name:*	_ Company:	**
Address:*	Address:	_*
City, State, Zip:*	City, State, Zip	o:*
Entitlement to COBRA ***EXAMI	PLE***	
Flex Cobra is only offered if then	re is a positive	e fund balance in the
medical spending account. ( not	•	
The Plan Supervisor of the company's Health Care FLI Arrangement (FSA), under the Health Care FLEX Platecause of the following COBRA Qualifying Event:  Outline Plan Supervisor of the company's Health Care FLI Arrangement (FSA), under the Health Care FLEX Plate (FSA), und	nn will terminate effec	tiveENTER TERM DATE
Under provisions of the Consolidated Omnibus Budget		

under provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, this Qualifying Event may entitle you, to elect to continue the Health Care FSA under COBRA. The covered employee who was covered on the date of the Qualifying Event and who is eligible for COBRA is called a Qualified Beneficiary. Unless other arrangements are made with the Employer to pre-pay FSA contributions on a pre-tax basis from any severance pay or other compensation to which the employee is entitled, continuation of the FSA will be on an after-tax basis. The FSA can only be continued until the end of the Plan Year in which the Qualifying Event occurred, and continuation is subject to all eligibility requirements of the FSA and applicable law being satisfied.

In order to be eligible to continue the FSA, the Flexible Spending Account must have a positive balance on the date of the Qualifying Event.

CONTINUATION OF FSA BENEFITS UNDER COBRA IS SUBJECT TO YOUR ELIGIBILITY. THE PLAN ADMINISTRATOR RESERVES THE RIGHT TO TERMINATE YOUR COBRA FSA BENEFITS RETROACTIVELY IF YOU ARE DETERMINED TO BE INELIGIBLE.

## **How to Elect COBRA**

To continue an FSA under COBRA, the Qualified Beneficiary must complete and submit the attached election form to the Plan Supervisor by <u>\* 60 DAYS FROM DATE OF NOTICE</u> (sixty (60) (sixty (60) days from the date of this notice).

The Flexible Spending Arrangement continued under COBRA will terminate no later than the end of the Plan Year during which the Qualifying Event occurred. Further, the total amount of funds available under the COBRA FSA cannot exceed the amount elected on the date of the Qualifying Event.

### **Payment of COBRA FSA Contribution**

Any before-tax payroll deductions being made under a Compensation Reduction Agreement will cease if or when the employee's paychecks earned prior to the Qualifying Event cease. Unless other arrangements have been made to pre-pay COBRA FSA contributions on a pre-tax basis, contributions for continued FSA Benefits under COBRA must be paid on an after-tax basis directly to the Plan Supervisor. Within 45 days after the date that you elect COBRA Benefits, you must pay an initial contribution for COBRA FSA Benefits, which includes the required contribution for: . Within 45 days after the date that you elect COBRA Benefits, you must pay an initial contribution for COBRA FSA Benefits, which includes the required contribution for:

- The period of benefits from the date of your Qualifying Event to the date of your election, AND
- Any regularly scheduled monthly FSA contribution that becomes due between your election and the end of the 45-day period.

Your COBRA contribution for FSA Benefits is one-twelfth (1/12th) of the Participant's annual contribution election, plus any monthly administrative expense, plus two percent (2%) of the total of those costs.

Your FSA CO	BRA elect	ion is _ <u><b>\$ 202.01</b></u>	; FSA COBRA payments will be due for the months of
Nov	thru	Dec	

Once the Plan Supervisor receives the attached election form, you will be notified of the total FSA contribution amount due for your continued FSA Benefits. After the initial contribution for COBRA FSA Benefits, payments are due the first day of each month. A grace period of thirty (30) days from the first of each month will be allowed for payment.

\*CALCULATE MONTHLY CONTRIBUTIONS PLUS REGULAR ADMIN FEE PLUS 2% OF THE TOTAL COSTS

IF YOU FAIL TO PAY THE INITIAL FSA COBRA CONTRIBUTION WITHIN 45 DAYS FROM THE DATE OF YOUR ELECTION, YOUR FSA WILL TERMINATE AND COBRA CONTINUATION OF THE FSA WILL NOT BE AVAILABLE. REQUESTS FOR REIMBURSEMENT FOR SERVICES INCURRED AFTER THE DATE OF THE QUALIFYING EVENT WILL NOT BE PAID UNTIL THE PLAN RECEIVES THE REQUIRED COBRA ELECTION FORMS AND CONTRIBUTION.

## How Long COBRA Lasts with Regard to Flexible Spending Arrangements

If you elect to continue the Health Care FSA under COBRA, continuation will last, at the latest, until the end of the Health Care FSA Plan Year in which the Qualifying Event occurred, as long as all required contributions are made when due.

### **Early Termination of COBRA Benefits**

COBRA Benefits may terminate early if:

- The required FSA contribution is not paid when due, or
- All of the company's FSA plans are terminated.

TO BE SURE THAT YOU RECEIVE THE NECESSARY INFORMATION CONCERNING YOUR RIGHTS, YOU SHOULD KEEP BOTH THE EMPLOYER\_AND THE PLAN SUPERVISOR INFORMED OF ANY ADDRESS CHANGES. THIS NOTICE IS A SUMMARY OF YOUR COBRA RIGHTS ONLY WITH REGARD TO YOUR FSA. FOR ANSWERS TO SPECIFIC QUESTIONS, PLEASE CONTACT THE PLAN SUPERVISOR AT THE TELEPHONE NUMBER SHOWN ON THE ELECTION FORM OR CONTACT THE PLAN ADMINISTRATOR.

## COBRA Election Agreement for Health Care Flexible Spending Arrangement (FSA)

IF YOU DO NOT RETURN THIS ELECTION FORM WITHIN 60 DAYS OF THE DATE OF NOTICE SHOWN BELOW, YOU WILL LOSE YOUR RIGHT TO CONTINUE YOUR FSA UNDER COBRA.

			,,	ciary must complete a form
me:			Social Security Number	· ·
Last	First	Middle		
ome Address: Street	t	City	State	Zip
te of Birth:	/ /			
nployer Name:	*			
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