

## **COBRA BENEFITS**

The Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage for up to 18 months under RAILS' health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation; termination of employment; death of an employee; a reduction in an employee's hours; leave of absence; divorce or legal separation; and a dependent child no longer meeting eligibility requirements. Under COBRA, the employee or beneficiary pays the full cost of coverage after a qualifying event at RAILS' group rates, plus an administration fee for continuation coverage. RAILS provides each eligible employee with a written notice describing rights granted under COBRA when a qualifying event occurs. The notice contains important information about the rights and obligations of the employee and/or beneficiary(ies). Failure to comply in a timely manner with the notice may result in a loss of insurance coverage. It is imperative that each employee keep Human Resources apprised of the insurance status of their family life and age of dependents.