



Angelo State University
Operating Policy and Procedure

OP 52.07: Consolidated Omnibus Budget Reconciliation Act (COBRA)

DATE: May 14, 2012

PURPOSE: The purpose of this Operating Policy/Procedure (OP) is to establish a university policy in accordance with the COBRA federal law.

REVIEW: This OP will be reviewed in April of even-numbered years by the director of human resources with recommended revisions forwarded through the vice president of finance and administration to the president by May 15 of the same year.

POLICY/PROCEDURE

1. Policy

Employees (and their dependents) who cease to be eligible to participate in the university's insurance programs for most reasons, except gross misconduct, have the option to participate in similar types of coverage through federal law provisions of the Consolidated Omnibus Budget Reduction Act (COBRA).

Employees and their qualified dependents covered under the group medical and/or dental plans have a right to elect to continue their coverage for 18 or 36 months if their coverage otherwise ends because of certain qualifying events. Those events include the employee's death, voluntary or involuntary termination of employment, reduction of hours of employment, divorce, or legal separation.

Dependent children who cease to be dependent children also may elect continuation coverage. The employee or qualified dependent must notify the Employees Retirement System of a qualifying event that is not the result of a change in employment status to complete an application for continuation coverage. Continuation coverage is provided without regard to the individual's evidence of insurability. The employee or dependent must pay the full premium costs plus a two percent administrative fee, and Angelo State university's employer contribution ceases.

The covered surviving dependents of a deceased employee may continue their medical and/or dental insurance coverage in which they were enrolled on the date of the employee's death, provided the employee has at least 10 years of eligible retirement service credit, including three years with a Group Benefit Program (GBP) participating agency or institution. The surviving dependents must pay their monthly insurance premium or their coverage will be cancelled. Surviving children may continue coverage as a surviving dependent only as long as they continue to meet GBP eligibility requirements and pay monthly premiums. A surviving spouse may continue coverage as long as he or she pays the monthly premium.

[Major revision: May 14, 2012]

Neither the state nor Angelo State University provides employer contributions toward the cost of continuation coverage.

For more detailed information regarding COBRA coverage contact the Office of Human Resources.