

# **Important Information About Your Rights as a LACCD Retiree/Survivor**

Benefit programs are highly regulated by federal and state legislation. These regulations are designed to give us specific operational guidelines and to protect participants' rights and access to information. We are legally required to give you some of the following information. We have included other important information as part of LACCD's commitment to provide our plan participants with everything they need to take full advantage of our benefit programs.

## **Table of Contents**

General Eligibility Rules	Page 1
Taxation of Benefits for Domestic Partners	Page 3
Section 152 Tax Dependents	Page 3
When Coverage Begins	Page 4
When Coverage Ends	Page 4
Making Mid-Year Benefit Changes	Page 5
General Notice of COBRA Continuation Rights	Page 5
Important Information About Your COBRA Continuation Coverage Rights	Page 8
AB528	Page 11
Women's Health and Cancer Rights Act	Page 11
Newborns' and Mothers' Health Protection Act	Page 11

## **General Eligibility Rules**

The District's health benefit plans are available to active employees (and their eligible dependents or survivors) who retire under the rules of the California Public Employee Retirement System (CalPERS) or California State Teachers Retirement System (CalSTRS), receive a retirement allowance from that system, and have provided uninterrupted District service in a qualifying position. See HR Guide P-371 (available at [www.laccd.edu](http://www.laccd.edu)) for details.

A retiree in CalSTRS who is NOT eligible to continue his or her coverage in the LACCD Group Health Plan is entitled to continue coverage under the provisions of AB 528 (see page 15).

## **Dependent Eligibility**

You may enroll your dependents for coverage upon your retirement from District service if they are:

- Your legally married spouse.
- Your domestic partner, as described below.
- Your unmarried dependent children under age 19. Children are your, or your qualified domestic partner's, natural, adopted, step- and foster children.
- Your unmarried dependent children age 19 through 25 who are full-time students at a college or university.
- Your unmarried dependent children without regard to age who are physically or mentally incapacitated, and who are being claimed as dependents on the employee's federal income tax returns. However, if you were hired after October 1, 2002, your disabled child's coverage under this subsection must be a continuation of his or her coverage under the Health Benefits Program. In other words, your child must have been disabled *before* reaching age 19, unless you are a new employee enrolling for the first time. If there is ever a break in your disabled child's coverage, he or she will not be eligible to re-enroll.

## **Domestic Partner Eligibility**

Your domestic partner is someone of the same sex (or the opposite sex, if one of you is at least age 62) with whom you live in a committed relationship. Your relationship must meet all of the following criteria:

- You share the same regular and permanent residence, and have been living as a couple in the same household for at least 12 months;
- You have a close personal relationship in lieu of a lawful marriage;
- You have agreed to be jointly responsible for basic living expenses incurred during the partnership;
- You are not married to anyone;
- You are each eighteen (18) years of age or older;
- You are not related by blood as close as would bar marriage;
- You are mentally competent to consent to a contract;
- You are each other's sole domestic partner and are responsible for each other's common welfare; and
- You acknowledge joint ownership of acquisitions since the start of the partnership, to an extent equal to that pertaining to community property in the case of marriage.

You must also be registered as domestic partners with the State of California. To learn more about registering a domestic partner, visit the California Domestic Partner Registry online at [www.ss.ca.gov/dpregistry](http://www.ss.ca.gov/dpregistry).

To add a domestic partner as a dependent on your health plan, please refer to the Master Benefits Agreement.

## **Taxation of Benefits for Domestic Partners**

LACCD will make the same contribution toward your domestic partner's coverage as we do for a legal spouse's coverage. We will pay the same share of your domestic partner's dependent child's coverage as we pay for your own dependent child's coverage. Because federal tax law does not recognize domestic partnership, these employer-provided contributions will be treated as taxable income to you. You will see them reported on your annual Form W-2 as "imputed income." You will have to pay federal, FICA (Social Security and Medicare), state and city (when applicable) income taxes on the amount contributed by LACCD toward health care coverage for your domestic partner and his or her children.

Certain exceptions apply. If your domestic partner (or your domestic partner's child) qualifies as a Section 152 tax dependent, the value of the benefits that LACCD provides is not subject to federal income tax. Also, in some states (including California), the value of health benefits provided to registered domestic partners is excluded from state income tax. See below for more information, or contact your tax adviser.

### **Section 152 Tax Dependents**

Under Internal Revenue Code Section 152, an individual is defined as a "dependent" if he or she is either (1) a qualifying child or (2) a qualifying relative.

A qualifying child is an individual who:

- Bears a specific familial-type relationship with the taxpayer: (i) a child (natural, adopted, foster, and/or stepchild), and a descendant of such child; and (ii) a brother or sister (including step) and a descendant of such brother or sister;
- Does not provide over half of his/her own support;
- Has the same principal place of abode as the taxpayer for more than half the year; and
- Does not turn age 19 (age 24 if a full-time student) by the end of the taxable year. (Children who are permanently and totally disabled are excluded from the age limit.)

A qualifying relative is an individual who:

- Bears a specific familial-type relationship to the taxpayer:
  - a child (natural, adopted, foster, and/or stepchild) and descendent of such child
  - a brother or sister (including step siblings)
  - parent or ancestor
  - stepparent (not including ancestors)
  - aunt/uncle
  - niece/nephew
  - in-laws; or
  - any other individual not listed above (i.e., a non-relative) who has the same principal place of abode as the taxpayer and lives with the taxpayer. Even though not related,

the fact that they may receive over half their support from the taxpayer and live with the taxpayer causes them to be treated the same as other family members.

- Has gross income less than the §151(d) exemption amount;
- Is not a “qualifying child” of any taxpayer; and
- Receives over half of his or her support from the taxpayer.

Contact your tax adviser for more information.

## **When Coverage Begins**

Coverage for you and your eligible dependents will become effective the first day of the month following your resignation from District service, retirement from either STRS or PERS and receipt of your enrollment forms and required documents. Under the Master Benefits Agreement, you may enroll at any time as long as you meet the eligibility requirements and submit the necessary forms and documentation. Medicare-age retirees must provide proof of enrollment in Medicare Parts A and B to continue health care coverage in the District’s plans. As a retiree, your coverage will continue uninterrupted as long as you respond during each annual enrollment period, submitting the required form(s) and/or other documentation. For more information, please refer to your highlights booklet.

Newborn infants will be eligible immediately after birth for the first 31 days. However, you must enroll your newborn in the LACCD Group Health Plan within 31 days of birth to continue his/her health care coverage. Children placed for adoption will be eligible immediately upon the date you, your spouse, or your domestic partner has the right to control the child’s health care. Evidence of such control includes a health facility minor release report, a medical authorization form or a relinquishment form.

You must provide a copy of your newborn’s birth record from the hospital, or adoption paperwork, within the first 31 days to add him or her to your LACCD health plan coverage.

## **When Coverage Ends**

Health care coverage for you and/or your dependents will end if:

- You are no longer eligible;
- A dependent is no longer eligible (due to age, marriage, divorce, or loss of student status) unless he or she purchases continued coverage through COBRA or a court order requires continued coverage for eligible children;
- You are in a specific class of employees that is no longer included in the plan; or
- The plan is terminated.

## **Making Midyear Benefit Changes**

Once enrolled in a plan, you are generally barred from changing your enrollment except during an annual enrollment period. Nevertheless, changes may be made under the following circumstances:

- If you are enrolled in a closed panel plan and change your permanent residence to a location that is outside the service area of the plan you may, by submitting a timely application to the District, change your enrollment to a plan that provides service in the area of your new permanent residence without a break in coverage. To be timely, the application for a change in enrollment must be received by the District within 90 days after you established your new permanent residence.
- If your enrollment in a plan is terminated at the request or option of the plan provider for any reason other than non-payment of premium, you may enroll in another plan without a break in coverage by submitting a timely application to the District. To be timely, the application for a change in enrollment must be received by the District within 90 days after your enrollment was terminated.
- Finally, if you have a “qualified life event” as defined by Sections 125 and 129 of the Internal Revenue Code, you may change your eligible dependents by submitting a timely application to the District. To be timely, the application for a permissible “qualified life event” change must be received by the District within 31 days of the qualifying event.

If you experience a qualified life event change, you must notify the LACCD Health Benefits Call Center at (888) 428-2980 to change your coverage within 31 days of the change in your status.

## **General Notice of COBRA Continuation Rights**

This notice contains important information about your right to COBRA continuation coverage, which is a temporary extension of coverage under the Plan. The right to COBRA continuation coverage was created by a federal law under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

COBRA continuation coverage can become available to you and to other members of your family who are covered under the Plan when you would otherwise lose your group health coverage. **This notice generally explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it.** This notice gives only a summary of your COBRA continuation coverage rights. For more information about your rights and obligations under the Plan and under federal law, you should review the Plan's Summary Plan Description.

The Plan Administrator is **LACCD, Health Insurance Section, 770 Wilshire Boulevard, Los Angeles, California, 90017, (213) 891-2200.** The Plan Administrator is responsible for administering COBRA continuation coverage.

## **COBRA Continuation Coverage**

COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a “qualifying event.” Specific qualifying events are listed later in this notice. COBRA continuation coverage must be offered to each person who is a “qualified beneficiary.” Depending on the type of qualifying event, employees, spouses of employees, and dependent children of employees may be qualified beneficiaries. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

- If you are a **retiree**, you will become a qualified beneficiary if you will lose your coverage under the Plan because either one of the following qualifying events happens:
  - (1) You fail to meet the eligibility requirements for continuation of health care coverage as retiree in the LACCD Group Health Plan under the rules of the Master Benefits Agreement, or
  - (2) You do not meet the eligibility requirements for continuation of health care coverage as a retiree in the LACCD Group Health Plan under the rules of Assembly Bill 528.
- If you are the **spouse of a retiree**, you will become a qualified beneficiary if you will lose your coverage under the Plan because any of the following qualifying events happens:
  - (1) Your spouse dies; (You may be eligible for Survivor benefits in the LACCD Group Health Plan. Please refer to the Master Benefits Agreement for further information.)
  - (2) Your spouse loses eligibility to continue health care coverage in the LACCD Group Health Plan;
  - (3) You become divorced or legally separated from your spouse.
- Your **dependent children** will become qualified beneficiaries if they will lose coverage under the Plan because any of the following qualifying events happens:
  - (1) The parent-retiree/survivor dies; (You may be eligible for Survivor benefits in the LACCD Group Health Plan. Please refer to the Master Benefits Agreement for further information.)
  - (2) The parent-retiree/survivor loses eligibility to continue his/her health care coverage in the LACCD Group Health Plan;
  - (5) The parents become divorced or legally separated; or
  - (6) The child becomes over the age for coverage under the Plan as a “dependent child.”

Sometimes, when a company files a proceeding in bankruptcy under title 11 of the United States Code, it can be a qualifying event. If a proceeding in bankruptcy is filed with respect to LACCD, and that bankruptcy results in the loss of coverage of any retired employee covered under the Plan, the retired employee is a qualified beneficiary with respect to the bankruptcy. The retired employee’s spouse, surviving spouse, and dependent children will also be qualified beneficiaries if bankruptcy results in the loss of their coverage under the Plan.

COBRA continuation coverage will be offered to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. For each qualified beneficiary who elects COBRA continuation coverage, COBRA coverage will begin on the date that Plan coverage would otherwise terminate.

COBRA continuation coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee, enrollment of the employee in Medicare (Part A, Part B, or both), your divorce or legal separation, or a dependent child losing eligibility as a dependent child, COBRA continuation coverage lasts for up to 36 months.

### **Extension of 18-month COBRA Continuation Coverage**

When the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage lasts for up to 18 months. There are two ways in which this 18-month period of COBRA continuation coverage can be extended under federal law.

**Disability Extension of 18-Month Period of Continuation Coverage.** If you or anyone in your family covered under the Plan is determined by the Social Security Administration to be disabled at any time during the first 60 days of COBRA continuation coverage, and you notify the Plan Administrator in a timely fashion, you and your entire family can receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. You must make sure that the Plan Administrator is notified of the Social Security Administration's determination within 60 days of the date of the determination and before the end of the 18-month period of COBRA continuation coverage. This notice must be sent to:  
**LACCD, 770 Wilshire Blvd., Los Angeles, CA, 90017.**

**Second Qualifying Event Extension of 18-Month Period of Continuation Coverage.** If your family experiences another qualifying event while receiving COBRA continuation coverage, the spouse and dependent children in your family can get additional months of COBRA continuation coverage, up to a maximum of 36 months. This extension is available to the spouse and dependent children if the former employee dies, enrolls in Medicare (Part A, Part B, or both), or gets divorced or legally separated. The extension is also available to a dependent child when that child stops being eligible under the Plan as a dependent child. In all these cases, you must make sure that the Plan Administrator is notified of the second qualifying event within 60 days of the second qualifying event. This notice must be sent to:  
**LACCD, 770 Wilshire Blvd., Los Angeles, CA, 90017.**

### **If You Have Questions**

If you have questions about your COBRA continuation coverage, you should contact the LACCD Health Benefits Call Center at (888) 428-2980, or you may contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's Web site at <http://www.dol.gov/ebsa/>.

## **Keep Your Plan Informed of Address Changes**

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

## **Important Information About Your COBRA Continuation Coverage Rights**

### **What Is Continuation Coverage?**

Federal law requires that most group health plans (including this Plan) give employees and their families the opportunity to continue their health care coverage when there is a "qualifying event" that would result in a loss of coverage under an employer's plan. Depending on the type of qualifying event, "qualified beneficiaries" can include the employee covered under the group health plan, a covered employee's spouse, and dependent children of the covered employee.

Continuation coverage is the same coverage that the Plan gives to other participants or beneficiaries under the Plan who are not receiving continuation coverage. Each qualified beneficiary who elects continuation coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan, including open enrollment and special enrollment rights. Specific information describing continuation coverage can be found in the Plan's summary plan description (SPD), which can be obtained from LACCD Health Insurance Section, 770 Wilshire Boulevard, Los Angeles, California, 90017.

In the case of a loss of coverage due to end of employment or reduction in hours of employment, coverage may be continued for up to 18 months. In the case of losses of coverage due to an employee's death, divorce or legal separation, the employee's enrollment in Medicare, or a dependent child ceasing to be a dependent under the terms of the Plan, coverage may be continued for up to 36 months. Page one of this notice shows the maximum period of continuation coverage available to the listed qualified beneficiaries.

Continuation coverage will be terminated before the end of the maximum period if any required premium is not paid on time, if a qualified beneficiary becomes covered under another group health plan that does not impose any pre-existing condition exclusion for a pre-existing condition of the qualified beneficiary, if a covered employee enrolls in Medicare, or if the employer ceases to provide any group health plan for its employees. Continuation coverage may also be terminated for any reason the Plan would terminate coverage of a participant or beneficiary not receiving continuation coverage (such as fraud).

### **How Can You Extend the Length of Continuation Coverage?**

If you elect continuation coverage, an extension of the maximum period of 18 months of coverage may be available if a qualified beneficiary is disabled or a second qualifying event occurs. You must notify the LACCD Health Benefits Call Center at (888) 428-2980 of a disability or a second qualifying event in order to extend the period of continuation coverage. Failure to provide notice of a disability or second qualifying event may affect the right to extend the period of continuation coverage.

## **Disability**

An 11-month extension of coverage may be available if any of the qualified beneficiaries is disabled. The Social Security Administration (SSA) must determine that the qualified beneficiary was disabled sometime during the first 60 days of continuation coverage, and you must notify the LACCD Health Benefits Call Center at (888) 428-2980 of that fact within 60 days of the SSA's determination and before the end of the first 18 months of continuation coverage. All of the qualified beneficiaries listed on page one of this notice who have elected continuation coverage will be entitled to the 11-month disability extension if one of them qualifies. If the qualified beneficiary is determined by SSA to no longer be disabled, you must notify the LACCD Health Benefits Call Center at (888) 428-2980 of that fact within 30 days of SSA's determination.

## **Second Qualifying Event**

An 18-month extension of coverage will be available to spouses and dependent children who elect continuation coverage if a second qualifying event occurs during the first 18 months of continuation coverage. The maximum amount of continuation coverage available when a second qualifying event occurs is 36 months. Such second qualifying events include the death of a covered employee, divorce or legal separation from the covered employee, the covered employee's enrolling in Medicare, or a dependent child's ceasing to be eligible for coverage as a dependent under the Plan. You must notify the LACCD Health Benefits Call Center at (888) 428-2980 within 60 days after a second qualifying event occurs.

## **How Can You Elect Continuation Coverage?**

Each qualified beneficiary listed on page one of this notice has an independent right to elect continuation coverage. For example, both the employee and the employee's spouse may elect continuation coverage, or only one of them. Parents may elect to continue coverage on behalf of their dependent children only. A qualified beneficiary must elect coverage by the date specified on the Election Form. Failure to do so will result in the loss of the right to elect continuation coverage under the Plan. A qualified beneficiary may change a prior rejection of continuation coverage any time until that date.

In considering whether to elect continuation coverage, you should take into account that a failure to continue your group health coverage will affect your future rights under federal law. First, you can lose the right to avoid having pre-existing condition exclusions applied to you by other group health plans if you have more than a 63-day gap in health coverage, and election of continuation coverage may help you not have such a gap. Second, you will lose the guaranteed right to purchase individual health insurance policies that do not impose such pre-existing condition exclusions if you do not get continuation coverage for the maximum time available to you. Finally, you should take into account that you have special enrollment rights under federal law. You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your spouse's employer) within 30 days after your group health coverage ends because of the qualifying event listed above. You will also have the same special enrollment right at the end of continuation coverage if you get continuation coverage for the maximum time available to you.

## **How Much Does Continuation Coverage Cost?**

Generally, each qualified beneficiary may be required to pay the entire cost of continuation coverage. The amount a qualified beneficiary may be required to pay may not exceed 102 percent of the cost to the group health plan (including both the employer and employee contributions) for coverage of a similarly situated plan participant or beneficiary who is not receiving continuation coverage (or in the case of an extension of continuation coverage due to a disability, 150 percent). The required payment for continuation coverage for the qualified beneficiaries listed on page one of this notice is described on page one.

## **Cal-COBRA**

Cal-COBRA is California law that has similar provisions to federal COBRA. If you become eligible for Cal-COBRA after January 1, 2003, you will have the benefit of Cal-COBRA coverage for a full 36 months instead of the prior 18-month coverage extension.

## **When and How Must Payment for Continuation Coverage Be Made?**

**First payment for continuation coverage.** If you elect continuation coverage, you do not have to send any payment for continuation coverage with the Election Form. However, you must make your first payment for continuation coverage within 45 days after the date of your election. (This is the date the Election notice is postmarked, if mailed.) If you do not make your first payment for continuation coverage within that 45-day period, you will lose all continuation coverage rights under the Plan.

Your first payment must cover the cost of continuation coverage from the time your coverage under the Plan would have otherwise terminated up to the time you make the first payment. You are responsible for making sure that the amount of your first payment is enough to cover this entire period. You may contact the LACCD Health Benefits Call Center at (888) 428-2980 to confirm the correct amount of your first payment.

Your first payment for continuation coverage should be sent to: LACCD, 770 Wilshire Blvd., Los Angeles, CA, 90017.

**Periodic payments for continuation coverage.** After you make your first payment for continuation coverage, you will be required to pay for continuation coverage for each subsequent month of coverage. Under the Plan, these periodic payments for continuation coverage are due on or before the 5<sup>th</sup> day of each month. If you make a periodic payment before its due date, your coverage under the Plan will continue for that coverage period without any break. The Plan will not send periodic notices of payments due for these coverage periods. Periodic payments for continuation coverage should be sent to: LACCD, 770 Wilshire Blvd., Los Angeles, CA, 90017.

**Grace periods for periodic payments.** Although periodic payments are due on the dates shown above, you will be given a grace period of 30 days to make each periodic payment. Your continuation coverage will be provided for each coverage period as long as payment for that coverage period is made before the end of the grace period for that payment. If you fail to make a periodic payment before the end of the grace period for that payment, you will lose all rights to continuation coverage under the Plan.

## **For More Information**

This notice does not fully describe continuation coverage or other rights under the Plan. More information about continuation coverage and your rights under the Plan is available in your summary plan description or from the Plan Administrator. You can get a copy of your summary plan description from:

LACCD Health Benefits Call Center  
770 Wilshire Blvd., 6<sup>th</sup> Floor  
Los Angeles CA 90017  
(888) 428-2980

## **AB528**

If you are currently receiving a STRS pension, but have not vested in LACCD benefits, you may be eligible to purchase medical and dental insurance for you and your spouse or domestic partner under the provisions of AB 528. For more information about benefits under the provisions of AB 528, please contact the LACCD Health Benefits Call Center at (888) 428-2980.

## **Women's Health and Cancer Rights Act**

Please be aware that all LACCD medical plans follow federal law when providing benefits for services related to a mastectomy. This law protects a patient's right to the following medical care:

- Reconstruction of the breast on which the mastectomy has been performed
- Surgical reconstruction of the other breast to produce a symmetrical appearance
- Prostheses
- Treatment of physical complications for all stages of mastectomy, including lymphedemas (swelling associated with the removal of lymph nodes)

The plan will determine the course of treatment through consultation with you and your physician. As with other covered services under your medical plan, annual deductibles, copayments, and coinsurance may apply.

## **Newborns' and Mothers' Health Protection Act (Newborns' Act)**

The Newborns' Act affects the amount of time you and your newborn child are covered for a hospital stay following childbirth. Group health plans, insurance companies, and health maintenance organizations (HMOs) that are subject to the Newborns' Act may not restrict benefits for a hospital stay in connection with childbirth to less than 48 hours following a vaginal delivery or 96 hours following a delivery by cesarean section. However, the attending provider may decide, after consulting with you, to discharge you or your newborn child earlier. In any case, the attending provider cannot receive incentives or disincentives to discharge you or your child earlier than 48 hours (or 96 hours).