

COBRA CONTINUATION COVERAGE

All individuals covered by our Health Plan are entitled to elect to remain in the Plan at their own expense and without proof of good health after coverage would otherwise terminate, as follows:

Coverage may be continued for up to 36 months for:

1. surviving spouses and children of deceased members;
2. separated or divorced spouses and children of current members;
3. children of current members who would lose coverage because they are no longer dependents as defined in the Plan; or
4. spouses and children of current members who would lose coverage because the member becomes entitled to Medicare benefits.

Coverage may be continued for up to 18 months for members, spouses and dependents in case of loss of coverage through the member's:

1. reduction in work hours;
2. voluntary termination of employment or retirement;
3. layoff for economic reasons; or
4. discharge (other than for gross misconduct).

Disability at time of employment termination or reduction in hours:

If the Social Security Administration determines that the Covered Person ***was disabled at the time of employment termination or reduction in hours***, then the required continuation coverage period is **extended from 18 months to 29 months**. In order to be eligible for this extension, the Covered Person must notify the Trust within 60 days from the date the Social Security Administration makes the determination that he/she is disabled. ***The extended coverage for disabled individuals will end earlier than the 29 months, if Social Security determines that he/she is no longer disabled.*** The Covered Person must notify the Trust within 30 days of the date Social Security determines that he/she is no longer disabled. The disabled individual may be charged 150% of the cost of the coverage for the coverage beyond the 18 months.

Member's Medicare eligibility before termination or reduction in hours:

If the spouse or dependent child of a member loses coverage because of the member's termination of employment or reduction in hours and the ***member is eligible for Medicare before the termination or reduction in hours***, then the continuation coverage will last for **up to 36 months** from the date the member becomes eligible for Medicare.

How Does a Person Continue Coverage?

A Covered Person must notify the Trust when the divorce is finalized or after a dependent child ceases to be an eligible dependent as listed in your Plan.

When the Trust is notified that an event has occurred entitling a person covered by the Plan to continue coverage, the Trust will notify the Covered Person of his/her right to choose continued coverage. The Covered Person must submit written election of coverage within 60 days of the date of notice from the Trust of his/her rights to continue coverage. The first payment must be received no later than 45 days after the post-mark date of the Election Notice. The first payment must be a full retro-active payment to the first date of coverage. If the first payment is not made during that time, you will lose all continuation coverage rights under the plan.

After you make your first payment for continuation coverage, you will be required to make periodic payments for each subsequent coverage period. If you make a periodic payment on or before the first day of the coverage period to which it applies, your coverage under the Plan will continue for that coverage period without any break.

Although periodic payments are due on the dates shown above, you will be given a grace period of 30 days after the first day of the applicable coverage period 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. However, if you pay a periodic payment later than the first day of the coverage period to which it applies, but before the end of the grace period for the coverage period, your coverage under the Plan will be suspended as of the first day of the coverage period and then retroactively reinstated (going back to the first day of the coverage period) when the periodic payment is received. This means that any claim you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated. If you fail to make a periodic payment before the end of the grace period for that coverage period, you will lose all rights to continuation coverage under the Plan.

Each Covered Person may elect to continue his/her coverage, even if other Covered Persons do not elect to continue their coverage. The coverage must be identical to the coverage provided under the Plan to similarly situated members or family members.

The Trust may terminate coverage prior to the expiration of the 36-month or 18-month period only under the following circumstances:

1. termination of all health Plans provided to any member;
2. the Covered Person's failure to make the required contribution;
3. the Covered Person's coverage under another group health Plan upon employment, remarriage, or otherwise, so long as the group Plan does not have a preexisting condition provision or limitation that applies to the Covered Person; or
4. the Covered Person's entitlement to Medicare benefits.

AMENDMENT PROVISION

Northern New England Benefit Trust has established this Plan for the benefit of its Members and their dependents under the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

In keeping with the ERISA provisions, Northern New England Benefit Trust anticipates that this Plan is established as a health and welfare benefit Plan. Northern New England Benefit Trust, however, reserves the right to amend, modify, suspend or terminate the Plan, or any part of the Plan, by written instrument executed by Northern New England Benefit Trust. This express reservation of right is intended specifically to include any and all retiree welfare benefits provided by the Plan. Any such benefits provided by the Plan at any time shall be deemed not to be vested, nor shall any retiree participant or beneficiary be exempt from this express reservation on the basis of any claim of status as a retiree participant, or entitles to continue welfare benefits of such status. Upon execution of such instrument, such instrument will become effective in accordance with its terms as to all Plan participants and all persons having or claiming any interest hereunder; provided that Northern New England Benefit Trust will not have the power to:

1. amend the Plan in such a manner as would cause or permit any part of the assets of Northern New England Benefit Trust Plan to be diverted to purposes other than for the exclusive benefit of the Plan participants and their covered Dependents; or
2. amend the Plan retroactively in such a manner as would deprive any person of any benefit to which that person was entitled under the Plan prior to the amendment, unless such amendment is permitted by, or necessary to bring the Plan into compliance with any law, governmental regulation or ruling.

The Fund Director of Northern New England Benefit Trust shall have express authority to implement any Plan changes voted on by the Board of Trustees.

Northern New England Benefit Trust will provide Plan participants with notice of any Plan change in writing within 60 days of the change as required under ERISA provisions.

Plan members can find more information about their specific rights under ERISA by referring to the section of this Plan Document, entitled "ERISA Information."