

NATIONAL AUTOMATIC SPRINKLER METAL TRADES WELFARE FUND Q&As REGARDING FREE COBRA AVAILABLE APRIL 1 – SEPTEMBER 30, 2021

To maintain health coverage from the NASMT Welfare Fund when insufficient hours and contributions have been reported and paid on your behalf, normally, you and/or your Dependents must pay for COBRA Continuation Coverage.

Between April 1 and September 30, 2021, however, a new federal program will pay for COBRA Continuation Coverage, in full, for certain eligible individuals.

The following summarizes the NASMT Welfare Fund’s eligibility rules and provides Q&A-style information on the new “Free COBRA” program. As always, please feel free to contact the Fund Office if you have any questions.

BACKGROUND | ELIGIBILITY IN THE NASMT WELFARE FUND

Eligibility for health coverage from the NASMT Welfare Fund is based on contributions received for hours worked under Collective Bargaining Agreements.

Once eligible, you will remain eligible on a monthly basis so long as you are credited with at least 80 hours in rolling consecutive two-month periods, with at least one hour in the second month.

If you fail to maintain these hours, coverage will end after the last day of the fourth month following the last two consecutive months in which you are credited with 80 or more hours of work, with at least one hour in the second of those two months.

For instance, a Participant would lose coverage after March 31, 2021, in the following example:

Oct. 2020	Nov. 2020	Dec. 2020	Jan. 2021	Feb. 2021	Mar. 2021
79 hrs. credited	1 hr. credited	0 hrs. credited	0 hrs. credited	0 hrs. credited	0 hrs. credited Loses eligibility for coverage April 1, 2021

In this example, October 2020 and November 2020 represent the last two-consecutive-month period in which the Participant is credited with 80 hours. Therefore, the Participant’s eligibility for coverage ends after the last day of the fourth month following November 2020. Consequently, the Participant would lose coverage starting April 1, 2021, unless the Participant opts for COBRA continuation of coverage.

Normally, continuing coverage through COBRA is very expensive.¹

[FREE COBRA FOR QUALIFYING PARTICIPANTS AVAILABLE APRIL 1 – SEPTEMBER 30, 2021](#)

The American Rescue Plan Act of 2021 is a massive federal stimulus package designed to support individuals in need during the coronavirus pandemic.

The Act directs the federal government to subsidize 100% of the COBRA premiums payable by qualifying individuals from April 1, 2021, through September 30, 2021.

In other words, COBRA is free for qualifying individuals during this period.

The following Q&As include important information about how the Free COBRA program works:

1. Who Is Eligible for Free COBRA?

Free COBRA is available to participants who: (1) lose their health coverage at any time between November 1, 2019, through September 30, 2021, by not working enough hours² to remain eligible; and (2) do not qualify for other health coverage through Medicare or another group health plan, such as their spouse's plan.

2. Are Dependents Eligible for Free COBRA?

Yes, if your dependent's coverage is terminating as a result of you not working enough hours to remain eligible. No, if your dependent's coverage is terminating as a result of other qualifying events, such as divorce in the case of your spouse, or reaching age 26 in the case of your children.

3. For Which Months Is Free COBRA Available?

Free COBRA is available from April 1, 2021, through September 30, 2021.

Free COBRA ends if your maximum COBRA period (typically 18 months), as measured from the date you first lost coverage, expires before September 30, 2021. The following example and the chart below illustrate how this works.

- For instance, if you first lost coverage on January 1, 2020, Free COBRA would start on April 1, 2021 and end on June 30, 2021. This is because your first 15 months of COBRA began on January 1, 2020 and stopped on March 31, 2021, and your remaining 3 months of Free COBRA—for a total maximum COBRA period of 18 months—began on April 1, 2021 and ends on June 30, 2021.

Lost Coverage in:	Months Eligible for Free COBRA in 2021
November 2019	April
December 2019	April, May
January 2020	April, May, June
February 2020	April, May, June, July
March 2020	April, May, June, July, August
April 2020–March 2021	April, May, June, July, August, September

Free COBRA also ends if you regain coverage from the Fund through hours worked.

Finally, Free COBRA also ends if you qualify for other health coverage through Medicare or another group health plan, such as your spouse's plan.

4. How Do I Enroll in Free COBRA?

If you are eligible for Free COBRA, you will receive an enrollment package from the Fund Office. To enroll, you must complete and return to the Fund Office: (1) a COBRA Continuation Coverage Election Form and (2) a Request for Treatment as an Assistance Eligible Individual within 60 days of the date listed on your enrollment package. (If you are presently enrolled in COBRA, you must simply return the Request for Treatment as an Assistance Eligible Individual.)

Unfortunately, the enrollment package is long and complicated. This is because the content of the enrollment package is dictated by the Department of Labor.

5. Who Should Expect to Receive an Enrollment Package for Free COBRA?

You should expect to receive an enrollment package for Free COBRA if:

- a. You are currently enrolled in COBRA, or
- b. You become eligible for COBRA on and after April 1, 2021 and before September 30, 2021, or
- c. You became eligible for COBRA before April 1, 2021, and your maximum COBRA period includes any month between April 2021 and September 2021. (If you fall into this category, you may elect free COBRA even if: (1) you did not elect COBRA when first eligible; or (2) you elected COBRA but then stopped paying COBRA premiums (and lost COBRA coverage) before April 1, 2021.)

6. What if I Become Eligible for Other Group Health Insurance or Medicare After I Enroll?

If you become **eligible for other group health insurance or Medicare** after you enroll in Free COBRA, **you are no longer eligible for Free COBRA, and you must notify the Fund Office.** If you fail to notify the Fund Office, you may have to pay a tax penalty. In some cases, the penalty could be as much as 110% of the cost of the Free COBRA made available to you.

7. What if I Paid a COBRA Premium for Months for Which Free COBRA Is Available?

If you paid a COBRA premium for months for which Free COBRA is available, and you are eligible for and enroll in Free COBRA, the COBRA premiums you sent to the Fund Office will be refunded.

8. What Benefits Are Covered by Free COBRA?

If your normal level of coverage includes Medical, Dental, and Vision Benefits, COBRA includes Medical, Dental, and Vision Benefits as well as the Plan's Additional Benefits as described in Chapters III and IV of your Summary Plan Description and Plan Document (SPD).

If your normal level of coverage includes Medical Benefits but not Dental and Vision Benefits, COBRA includes Medical Benefits as well as the Plan's Additional Benefits as described in Chapters III and IV of your SPD.

COBRA does not include the Death Benefit, the Accidental Death and Dismemberment Benefit, or the Weekly Disability Income Benefit.

¹ The information set forth in the "Background" section of these Free COBRA Q&As is simply a short summary of the important aspects of the NASMT Welfare Fund's eligibility rules. For a complete description of the Welfare Fund's eligibility rules, please refer to your Summary Plan Description and Plan Document. In the event of any conflict or ambiguity arising between this document and the Fund's official governing text, the governing text, as interpreted exclusively by the Trustees, shall control.

² Free COBRA is also available if you lose your health coverage because of an involuntary termination (except in the case of gross misconduct.) This eligibility factor does not apply to Participants who maintain their eligibility through hours worked under Collective Bargaining Agreements. Rather, this eligibility factor is more relevant to Participants who maintain their eligibility through a Participation Agreement.