



NORTHWESTERN UNIVERSITY

Status of Benefit Programs upon Separation of Employment COBRA

2011

Contents

Introduction	3
Coverage Cancellation Dates	4
COBRA.....	5
Eligibility	5
Premium amounts.....	5
Continuation Period	6
Discontinuation of COBRA coverage.....	7
Enrollment and Notification process.....	7
Premium payments.....	7
Open Enrollment	8
Coverage Effective Dates.....	8
Residence Outside of Illinois	8
Flexible Spending Account Plans (FSA)	8
Life Insurance Plans	8
Basic Term Life Insurance	8
Supplemental Term Life Insurance	9
Spouse Term Life Insurance	9
Dependent Child Term Life Insurance.....	9
Short Term Disability Plan (LTD)	9
Long Term Disability Plan (LTD)	9
Long Term Care Plan (LTC).....	10
Retirement plans.....	10
Tuition Plans	10
Other University Benefits	10
Health Monthly Premiums	11
Dental Monthly Premiums	11
Vision Monthly Premiums	11
Cigna International Premiums.....	11

Introduction

The following is a brief summary of the benefit programs available to University employees and what happens to such coverage at separation of employment.

This summary is only a general, descriptive summary and is not intended to be a full explanation of University sponsored benefits. It is also not intended to summarize benefit coverage at termination of employment from the University.

For additional information, please refer to the Insurance Certificate online and information provided by the insurance companies or investment companies and other plan literature available from the Benefits Division website.

Northwestern University reserves the right to change or terminate benefits at any time with or without notice.

Coverage Cancellation Dates

Individuals who are enrolled in a University sponsored benefit plan and receive a University paycheck, has deductions during a month that pay for coverage for that month. For example, deductions taken from the April paycheck(s) pay for April coverage. Termination of University employment will result in benefit coverage ending at the end of the month in which termination (last day worked) occurs.

Plan	Deductions in a month pay for coverage the	Coverage ends at the...
Health/Dental/Vision	Same month	End of the month of termination
FSA Health & HSA	Same month	End of the month of termination
FSA Dependent Care	Same month	End of the month of termination
Basic Term Life	Same month	End of the month of termination
Supplemental Life	Same month	End of the month of termination
Spouse Term Life	Same month	End of the month of termination
Dependent Term Life	Same month	End of the month of termination
Short Term Disability	Same month	End of the month of termination
Long Term Disability	Same month	End of the month of termination
Long Term Care	Same month	End of the month of termination
Retirement plans	Same month	End of the month of termination
Tuition plans		End of the term of study in which termination occurs

COBRA

Under the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA), an employee at separation of employment may elect to temporarily continue coverage in the University sponsored health, dental, vision and healthcare FSA plans in which they were enrolled at the time of separation from employment. The terminated employee's spouse/Civil Union Partner and eligible dependent children may also elect to continue health, dental and vision coverage under COBRA.

During the period an individual is actively working and is covered by a University sponsored health, dental, or vision plan, the dependent children of the employee may continue health, dental vision coverage under COBRA should the child turn 26. The continuation period is up to a maximum of 36 months. Similarly, should the individual divorce or prove dissolution of a Civil Union, the ex-spouse or Civil Union partner may continue coverage under COBRA. The continuation period is typically up to a maximum of 36 months.

Eligibility

To be eligible for COBRA coverage, the employee must have been enrolled in the University's health, dental, vision, or healthcare FSA and the plans must continue to be in effect for active employees.

COBRA continuation is available upon the occurrence of a qualifying event that would cause an individual to lose his or her health, dental, vision or healthcare FSA coverage.

Coverage is extended to a **dependent child** through age 25. Dependent children also include natural, step, legally adopted children, foster, and any children who are in an individual's custody under an interim court order prior to the finalization of adoption proceedings. Any children who are dependent upon an employee for financial support and maintenance because of disability will be covered regardless of age if they were covered prior to reaching the limiting age. **Proof of dependency** will be required prior to adding a dependent. Examples of such documentation include:

- Birth Certificate
- Marriage Certificate
- Certificate of Civil Union
- Adoption Certificate
- Court Ordered Document of Legal Custody
- Copy of Federal Tax Return
- Foster Care paperwork

A **Spouse/Civil Union partner** must be legally married or in a legally recognized union and have their principal residence with the employee.

Premium amounts Individuals pay 100% of the monthly premium plus a 2% administrative fee for the health, dental and vision plans. Contributions to the healthcare FSA must be for the same monthly amount contributed prior to termination. Contributions are made on an after-tax basis.

Continuation Period Generally, a terminated employee and their family members may continue coverage for up to 18 months. The coverage period for the family members, may however be extended up to an additional 18 months should a second COBRA qualifying event occur during the initial 18 month continuation period. The maximum continuation period is 36 months.

- Example 1: An employee terminates employment and while on COBRA divorces or proves dissolution of a Civil Union. The coverage period for the ex-spouse/Civil Union partner and any eligible dependent children, in such circumstances, will extend the initial 18 month period by another 18 months up to a maximum combined continuation period of 36 months.
- Example 2: An employee's scheduled hours decrease to less than half-time and the employee also has a 25 year old dependent child. After the first month of COBRA coverage, the dependent turns 26. In such circumstances, the initial 18 month continuation period for the dependent will be extended another 18 months up to a maximum combined continuation period of 36 months.

Should an individual qualify for Social Security disability benefits within 60 days of the initial 18 month continuation period, the overall maximum continuation period may extend an additional 11 months to an overall maximum continuation period of 29 months.

When an actively working employee and their spouse divorce as well as when a child loses eligibility, the continuation period is 36 months.

Qualifying Event	Maximum Continuation Period		
	Employee	Spouse	Child
Employee terminates employment for any reason other than gross misconduct	18 months	18 months	18 months
Regularly scheduled work hours are reduced below half time	18 months	18 months	18 months
Employee does not return from an Unpaid Leave of Absence	18 months	18 months	18 months
Employee's position is eliminated or is laid off	18 months	18 months	18 months
Employee becomes disabled as determined by Social Security Administration and within 60 days of the commencement of COBRA coverage	29 months	29 months	29 months
Employee becomes eligible for Medicare		36 months	36 months
Employee is deceased and did or did not attain, as of the date of death, specified age and service requirements for continued coverage under the retiree plan		Indefinite under the NU retiree plan *	Indefinite under the NU retiree plan *
A dependent child is no longer eligible when they reach the maximum eligible age of 26			36 months
Spouse/Civil Union Partner and/or dependent child(ren) lose coverage due to divorce, legal separation or dissolution of Civil Union		36 months	36 months
Spouse/Civil Union Partner loses coverage due to divorce, legal separation or dissolution of Civil Union with Spouse age 55 or older		Medicare eligible age	
FSA Health Care Account participation may be continued through the end of calendar year in which the employer terminates employment.			

* Arrangements have been made with each of the health, dental and vision plans to enable the surviving spouse/Civil Union partner and eligible dependent children of a deceased employee to continue coverage under the retiree plan for as long as the University offers such plans and for as long as premiums are paid in a timely manner.

Discontinuation of COBRA coverage COBRA coverage will be discontinued should any of the following occur:

- The premium is not paid when due
- Northwestern no longer provides group insurance to any of its employees
- The COBRA period ends. The COBRA offer letter indicates how long coverage will continue. The continuation period is generally 18 to 36 months though may end earlier if :
 1. An individual obtains coverage under another group plan (including Medicare), unless that plan includes a waiting period for coverage or a time period during which pre-existing conditions are not covered. In these cases, the University sponsored COBRA coverage will be discontinued once the end of the appropriate waiting period has been met or at the time the COBRA coverage period ends.
 2. An individual remarries and becomes eligible under the new spouse's /Civil Union partner's group health plan

Enrollment and Notification process

Upon notification of an employee's separation of employment, or change in benefits status, the Benefit's Division will mail out the COBRA continuation of insurance offer letter and enrollment forms to the employee's last home address recorded on HRIS. It is therefore essential that employees update the home address using Self Service.

Coverage is cancelled with the insurance company pending notification from the employee or individual until they elect to continue coverage under COBRA. The offer letter must be returned to the Benefits Division within 60 days from the later of the date

- coverage ends, or
- the COBRA offer letter is sent

Each eligible individual has a separate right to continue coverage. For example, the employee's spouse or dependent children may elect continuation coverage even if the employee does not elect COBRA coverage. An employee or spouse/ Civil Union partner may also elect coverage for an eligible dependent child. Individuals at the time of making the COBRA election must elect coverage under the plan that he or she had at the time of the COBRA qualifying event.

Premium payments The first month's premium must be paid within 45 days calendar days from the date of the COBRA offer letter submission to the Benefits Division. Upon receipt of the completed offer letter and premium payment, coverage is reinstated with the insurance company retroactive to the separation date so as to assure continuity of coverage. The Benefits Division issues monthly billing statements and payment is due the first of each month. Failure to make premium payments in a timely fashion will result in termination of coverage.

Open Enrollment

Once an employee/ individual is covered by a health care, dental or vision plan under COBRA, the individual may change health, dental and/or vision plans during the annual Open Enrollment period held each fall. The Benefits Division will notify enrolled COBRA participants of the Open Enrollment dates each year for any changes to be effective on January 1st of the following year.

Coverage Effective Dates

COBRA coverage begins the first of the month following separation from Northwestern University. If the employee works until August 25th, for example, COBRA coverage will begin September 1st.

Residence Outside of Illinois

An eligible COBRA participant who is enrolled in the HMO Illinois plan or First Commonwealth Dental HMO plan and who are moving out of Illinois must switch to one of the PPO plans at the time of the move.

Flexible Spending Account Plans (FSA)

A participant in the healthcare flexible spending account plan (FSA) may receive reimbursement for expenses for eligible services incurred during the calendar year period of time they were actively employed at Northwestern University and participating in the plan. Under COBRA provisions, if an employee is unable to claim the healthcare FSA balance by the date of separation, the employee may continue to pay contributions on an *after-tax* basis for the remainder of the year. This allows the individual to remain eligible to file claims against their healthcare FSA and recover contributions already made that year including services received after the date of separation through the end of the calendar year.

If a COBRA participant does not elect to continue their healthcare FSA, then they may only seek reimbursement for services received *prior to the date of separation*.

Employees participating in the dependent care FSA may only seek reimbursement for the eligible expenses incurred during the calendar year prior to the date of separation. COBRA continuation provisions do not apply to the dependent care account.

Life Insurance Plans

Basic Term Life Insurance

The University-paid Basic Term Life Insurance plan provides coverage up to a maximum coverage of \$250,000. This plan is sponsored by ReliaStar Life Insurance Company, a member of the ING family of companies.

Basic Term Life Insurance coverage ceases at the end of the month in which the employee separates from NU. However, at separation, an employee may either convert the existing amount of coverage to a Whole Life policy or choose the Portability option to continue as a Term Life policy by contacting ReliaStar Life Insurance Company directly. The application form for either option should be submitted to ReliaStar Life Insurance Company within 31 calendar days after coverage ceases. Separated

employees can call ReliaStar for an application within 31 days of separation from NU at 800-955-7736.

Supplemental Term Life Insurance

The University's Supplemental Term Life Insurance plan coverage may also be continued. This plan is sponsored by ReliaStar Life Insurance Company, a member of the ING family of companies.

At separation, an employee may either convert the existing amount of coverage to a Whole Life policy or choose the Portability option to continue as a Term Life policy. The coverage amount is a combination of your Basic and Supplemental life coverage amounts up to a maximum of \$750,000 with a minimum of \$5,000. The application form for either option should be submitted to ReliaStar Life Insurance Company within 31 calendar days after coverage ceases. Separated employees can call ReliaStar for an application within 31 days of their NU separation at 800-955-7736.

Spouse Term Life Insurance

The University's Spouse Term Life Insurance plan coverage may also be continued at separation. Coverage is available in increments of \$10,000 up to the employee's total Basic plus Supplemental coverage, not to exceed \$500,000.

In the event of separation, portability/conversion of the spouse coverage cannot exceed the amount the employee ports/converts. Spousal life portability/conversion is only available if the employee ports or converts their coverage. The minimum amount for porting is 25% or \$5,000. The application form for either option should be submitted to ReliaStar Life Insurance Company within 31 calendar days after coverage ceases. Employees/spouses can call ReliaStar for an application within 31 days of the end of NU employment at 800-955-7736.

Dependent Child Term Life Insurance

The University's Dependent Child Term Life Insurance plan provides coverage in \$2,000 increments to a maximum of \$10,000. In the event of separation, portability/conversion of the dependent child coverage cannot exceed the amount the employee ports/converts and is only available if the employee ports or converts their coverage.

The application form for either option should be submitted to ReliaStar Life Insurance Company within 31 calendar days after coverage ceases. Separated employees can call ReliaStar for an application within 31 days of separation at 800-955-7736.

Short Term Disability Plan (LTD)

The University's Short Term Disability plan ends at the end of the month in which separation of employment occurs. There is no provision to convert coverage to an individual policy.

Long Term Disability Plan (LTD)

The University's Short Term Disability plan ends at the end of the month in which separation of employment occurs. There is no provision to convert coverage to an individual policy.

Long Term Care Plan (LTC)

This benefit is portable and may be continued directly with CNA. To continue your LTC coverage after your separation from NU, call CNA directly at 1 877-777-9072 to set up direct billing on a quarterly basis.

Retirement plans

The University's Retirement Plan enables eligible employees to set aside funds for future use during retirement years. At separation of employment, plan participants have a number of options with regards to withdrawing accumulated funds. The separated plan participants should contact either TIAA-CREF at 800-842-2776 or Fidelity Investments at 800-343-0860 directly and request forms or ask about all available withdrawal options.

Tuition Plans

Eligibility for Educational Assistance, Reduced tuition and Portable tuition benefits ends upon separation of employment. If an employee terminates employment during a term of study, benefits continue through the end of that term of study only.

Other University Benefits

Sick leave: Upon separation of employment, no payment is made for unused sick leave. Accumulated unused sick leave is forfeited.

Vacation: Upon separation of employment, an employee receives a lump-sum for credited but unused vacation time, up to the accrual maximum. NOTE – the date of separation must be the last day at work. Employees may not use vacation or sick leave to extend the dates of employment.

Personal Floating Holiday: Upon separation of employment, an employee receives a lump-sum for credited but unused personal floating holidays.

Wildcard: At separation of employment, the Wildcard ID is cancelled and must be returned to your supervisor.

NetID and Email: Upon separation of employment, NetID and email account privileges are revoked.

Keys: University keys must be returned to the employee's supervisor.

Library Books: Upon separation of employment, library privileges are revoked. All books and other library materials on loan must be returned immediately.

Parking: Contact the campus parking office for information. Ev: 847-491-3319, Ch: 312-503-1103

Credit Union: Members of the FNCU may continue participation following separation of employment. Once your membership is dropped however, it cannot be reinstated.

Health Monthly Premiums

Plan	You only	You + Spouse	You + child (ren)	You + Spouse + child (ren)
Premier PPO	\$527.34	\$1,153.62	\$982.26	\$1,734.00
Select PPO	\$382.50	\$836.40	\$710.94	\$1,256.64
Value PPO	\$337.62	\$738.48	\$627.30	\$1,108.74
HMO Illinois	\$432.48	\$1,009.80	\$879.24	\$1,257.66

Dental Monthly Premiums

Plan	You only	You + Spouse	You + child (ren)	You + Spouse + child (ren)
Blue Cross	\$40.80	\$88.74	\$99.96	\$141.73
First Commonwealth	\$16.32	\$29.58	\$30.60	\$44.88

Vision Monthly Premiums

Plan	You only	You + Spouse	You + child (ren)	You + Spouse + child (ren)
EyeMed	\$7.14	\$14.28	\$15.30	\$19.38

Cigna International Premiums

Plan	You only	You + Spouse	You + child (ren)	You + Spouse + child (ren)
Health	\$463.08	\$1,072.02	\$953.70	\$1,472.92
Dental	\$46.92	\$92.82	\$104.04	\$160.14
Vision	\$9.18	\$19.38	\$17.34	\$26.52