

**State of California
DEPARTMENT LETTERHEAD**

ATTACHMENT C

TO: Employee Name
Current Mailing Address of Record
City, State, and Zip Code

FROM: Department Representative Name
Department Name
Mailing Address
City, State, and Zip Code

DATE: Current Date

SUBJECT: INITIAL GENERAL NOTICE OF RIGHTS UNDER COBRA
FlexElect Medical Reimbursement Account

Effective on _____, you are enrolled in the FlexElect Medical Reimbursement Account (MRA) Program. At the commencement of your enrollment, we are required to provide you a notification regarding your rights to continue your MRA through the Consolidated Omnibus Budget Reconciliation Act (COBRA) should you experience a loss of coverage due to specific qualifying events (see below).

Should an actual qualifying event occur in the future and eligibility is lost, the (insert department name) will provide you with the appropriate COBRA election notice at that time. It is important that you notify the (department name) of a change of address to ensure that any future notices can be mailed to you.

Qualifying Events for Eligible Employees

You have the right to elect to continue enrollment should you lose eligibility for the MRA due to the following qualifying events:

- A reduction of your hours
- A voluntary or involuntary termination from employment (for reasons other than gross misconduct, i.e., retirement, separation, etc.)

Notification Responsibilities

In order to continue your enrollment through COBRA, there are specific notification/payment procedures you must follow. Should you fail to follow these procedures, any rights to continue enrollment under COBRA will be lost. The Personnel Office must receive notification within 60 days from the qualifying event date or the date eligibility is lost. If notice is not received timely, then you will not be offered COBRA continuation for enrollment.

COBRA Election Period and Length of Coverage

At the time of your “qualifying event”, your employing agency will notify you of your COBRA rights by sending you a COBRA Qualifying Event Notice. You will have 60 days to elect COBRA continuation coverage. The 60-day election period is measured from the date the MRA coverage is lost or the date of the COBRA Qualifying Event Notice, whichever date is later. The continuation of your MRA under COBRA may extend no later than the end of the current plan (tax) year for which you are enrolled in the MRA.

COBRA Premiums (Contributions)

The cost to continue your MRA under COBRA will be 100% of your monthly contribution amount into your MRA plus an additional 2% administration fee. Please note there are no tax savings on your MRA contributions made under COBRA. Monthly premiums are due on the first of each month. There is a maximum grace period of 30 days for the monthly premiums.

Loss of COBRA Eligibility

Your COBRA eligibility for your MRA will cease if one of the following events occur prior to the expiration of the plan year for which you are enrolled:

- Employer ceases to provide the Medical Reimbursement Account
- Failure to pay timely the required monthly contribution and administration fee

If you should have any questions regarding this notice or your COBRA rights, please contact the Personnel Office at **(insert: phone number address, and name of representative)** or the FlexElect Program, California Department of Human Resources (CalHR), at (916) 327-6429 for assistance.