

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

### **\*\*Continuation Coverage Rights Under COBRA\*\***

#### **Introduction**

You are getting this notice because you recently gained coverage under The Vanguard Group, Inc. Benefit Plan (the “Plan”). This notice has 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, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you and your eligible dependents when group health coverage would otherwise end. **This notice explains COBRA continuation coverage, when it may become available to you and your eligible dependents, and what you need to do to protect your right to get it.** When you become eligible for COBRA, you may also become eligible for other coverage options that may cost less than COBRA continuation coverage.

For more information about your rights and obligations under the Plan and under federal law, you should review the Plan’s Summary Plan Description or contact the Plan Administrator. The Plan Administrator is the Benefits Committee. The Plan Administrator has designated the Human Resources Department (“Crew Central™”) to be responsible for the day-to-day administration of the Plan. In addition, the Plan Administrator has contracted with a third party to assist in the administration of COBRA continuation coverage under the Plan. The third-party administrator is: ADP, PO Box 34240, Louisville, KY 40232. ADP customer service representatives can be reached at 1-888-251-6982.

**You may have other options available to you when you lose group health coverage.** For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace (“Marketplace”). By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse’s plan), even if that plan generally doesn’t accept late enrollees.

#### **What is COBRA continuation coverage?**

COBRA continuation coverage is a continuation of Plan coverage when it would otherwise end because of a life event. This is also called a “qualifying event.” Specific qualifying events are listed later in this notice. After a qualifying event, COBRA continuation coverage must be offered to each person who is a “qualified beneficiary.” You and your eligible dependents could become qualified beneficiaries if coverage under the Plan is lost because of the qualifying event. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

If you are a crew member, you will become a qualified beneficiary if you lose your coverage under the Plan because of the following qualifying events:

- Your hours of employment are reduced to less than 30 hours per week, or
- Your employment ends for any reason other than your gross misconduct.

If you are the spouse or domestic partner of a crew member, you will become a qualified beneficiary if you lose your coverage under the Plan because of the following qualifying events:

- Your spouse/domestic partner dies;
- Your spouse's/domestic partner's hours of employment are reduced to less than 30 hours per week;
- Your spouse's/domestic partner's employment ends for any reason other than his or her gross misconduct;
- Your spouse/domestic partner becomes entitled to Medicare benefits (under Part A, Part B, or both); or
- You become divorced or legally separated from your spouse/domestic partner.

Your dependent children will become qualified beneficiaries if they lose coverage under the Plan because of the following qualifying events:

- The parent-crew member dies;
- The parent-crew member's hours of employment are reduced to less than 30 hours per week;
- The parent-crew member's employment ends for any reason other than his or her gross misconduct;
- The parent-crew member becomes entitled to Medicare benefits (Part A, Part B, or both);
- The parents become divorced or legally separated; or
- The child stops being eligible for coverage under the Plan as a "dependent child."

Sometimes, filing a proceeding in bankruptcy under title 11 of the United States Code can be a qualifying event. If a proceeding in bankruptcy is filed with respect to The Vanguard Group, Inc., and that bankruptcy results in the loss of coverage of any retired crew member covered under the Plan, the retired crew member will become a qualified beneficiary. The retired crew member's spouse, surviving spouse, and dependent children will also become qualified beneficiaries if bankruptcy results in the loss of their coverage under the Plan.

### **When is COBRA continuation coverage available?**

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after Crew Central has been notified that a qualifying event has occurred. The Vanguard Group, Inc. must notify ADP of the following qualifying events:

- The end of employment or reduction of hours of employment to less than 30 hours per week;
- Death of the crew member;

- Commencement of a proceeding in bankruptcy with respect to the employer; or
- The crew member's becoming entitled to Medicare benefits (under Part A, Part B, or both).

**For all other qualifying events (divorce or legal separation of the crew member and spouse/domestic partner or a dependent child's losing eligibility for coverage as a dependent child), you must notify Crew Central, within 60 days after the qualifying event occurs. You must provide this notice to:** Crew Central by calling 844-VG1-CREW (844-841-2739) or submitting a case through the Crew Central portal on CrewNet. Certain events may require you to submit a copy of supporting documentation. This documentation must be forwarded to Crew Central via interoffice mail at mailport M-20. The mailing address is: The Vanguard Group, Inc., Attn: Crew Central, P.O. Box 2600, Valley Forge, PA 19482-2600. If you fail to provide notice of the qualifying event to Crew Central within 60-days after the qualifying event occurs, any family member that loses coverage will NOT be offered the option to elect COBRA continuation coverage.

### **How is COBRA continuation coverage provided?**

Once Crew Central receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered crew members may elect COBRA continuation coverage on behalf of their spouse/domestic partner, and parents may elect COBRA continuation coverage on behalf of their children.

COBRA continuation coverage is a temporary continuation of coverage that generally lasts for 18 months due to employment termination or reduction of hours to less than 30 hours per week. Certain qualifying events, or a second qualifying event during the initial period of coverage, may permit a beneficiary to receive a maximum of 36 months of coverage.

There are also ways in which this 18-month period of COBRA continuation coverage can be extended:

#### ***Disability extension of 18-month period of COBRA continuation coverage***

If you or anyone in your family covered under the Plan is determined by Social Security to be disabled and you notify ADP in a timely fashion, you and your entire family may be entitled to get up to an additional 11 months of COBRA continuation coverage, for a maximum of 29 months. The disability would have to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of COBRA continuation coverage.

**If ADP is not properly notified of the determination within 60 days of the date of the determination, you will not be eligible for the extension of coverage.** ADP must also be notified of a Social Security cessation of disability determination within 30 days of the date of the notice. These notices should be sent to: ADP, PO Box 34240, Louisville, KY 40232. If you should have any questions about the submitting the determinations to ADP, you may contact ADP directly at 1-888-251-6982.

### ***Second qualifying event extension of 18-month period of continuation coverage***

If your family experiences another qualifying event during the 18 months of COBRA continuation coverage, the spouse and dependent children in your family can get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if the Plan is properly notified about the second qualifying event. This extension may be available to the spouse and any dependent children getting COBRA continuation coverage if the crew member or former crew member dies; becomes entitled to Medicare benefits (under Part A, Part B, or both); gets divorced or legally separated; or if the dependent child stops being eligible under the Plan as a dependent child. This extension is only available if the second qualifying event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred.

### **Are there other coverage options besides COBRA Continuation Coverage?**

Yes. Instead of enrolling in COBRA continuation coverage, there may be other coverage options for you and your family through the Marketplace, Medicaid, or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at [www.healthcare.gov](http://www.healthcare.gov).

### **If you have questions**

Questions concerning your Plan or your COBRA continuation coverage rights should be addressed to the contact or contacts identified below. For more information about your rights under the Employee Retirement Income Security Act (ERISA), including COBRA, the Patient Protection and Affordable Care Act, and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit [www.dol.gov/ebsa](http://www.dol.gov/ebsa). (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.) For more information about the Marketplace, visit [www.HealthCare.gov](http://www.HealthCare.gov).

### **Keep your Plan informed of address changes**

To protect your family's rights, let Crew Central know about any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to Crew Central and ADP.

**Plan contact information**

If you have any questions about the Plan or your COBRA continuation coverage, you should contact Crew Central by calling 844-VG1-CREW (844-841-2739) or submitting a case through the Crew Central portal on CrewNet. The Crew Central address is: The Vanguard Group, Inc., Attn: Crew Central, Mailport M20, P.O. Box 2600, Valley Forge, PA 19482-2600.