



COBRA

Medical and Vision Programs for Pre-Medicare Retirees

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CONTINUING HEALTH CARE COVERAGE UNDER COBRA

(Consolidated Omnibus Budget Reconciliation Act of 1985)

Medical and Vision Care Programs for Pre-Medicare Retirees

BNSF Group Benefits Plan

Effective January 1, 2014

What COBRA Continuation Coverage Is

This chapter contains important information about your spouse's and/or children's right to a temporary extension of retiree medical or vision coverage, referred to as "health plan coverage," from the BNSF Group Benefits Plan under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended – known as **COBRA**. This temporary extension is called "COBRA continuation coverage." The information that follows generally explains COBRA continuation coverage, when it may become available to your spouse and/or children, and what you need to do to protect the right to receive it.

The right to COBRA continuation coverage was created by a federal law. It can become available to your spouse and/or children when they would otherwise lose retiree medical or vision coverage under the BNSF Group Benefits Plan due to a "COBRA qualifying event." Specific qualifying events are listed in this section.

Defined terms: For the meaning of terms in [blue](#), click to see the *Defined Terms* section.



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Eligibility

COBRA continuation coverage will be offered to each person who is a "qualified beneficiary." Any eligible dependent may become a qualified beneficiary if coverage under the BNSF Group Benefits Plan is lost because of a qualifying event described below.

COBRA Qualifying Event

- ▶ **Spouse** – The spouse of a retiree becomes a qualified beneficiary upon losing health coverage because of divorce or legal separation from the [BNSF](#) retiree.
- ▶ **Children** – An eligible dependent child (or children) of a retiree will become a qualified beneficiary if the child loses health coverage because the child stops meeting the BNSF Group Benefits Plan eligibility requirements for a "dependent child."

Responsibility for Notification and COBRA Election Deadline

For COBRA qualifying events (divorce or legal separation or a child's loss of eligibility for coverage as a dependent child), you or your covered dependent must notify the BNSF Benefits Center by phone at 877-451-2363 that a qualifying event has occurred. Call a representative *within 60 days* after the date of the event.

The BNSF Group Benefits Plan will offer COBRA continuation coverage to your spouse and/or child(ren) as qualified beneficiaries only after the COBRA Administrator, which is the BNSF Benefits Center, has been notified that a COBRA qualifying event has occurred.

If the BNSF Benefits Center is not notified of a COBRA qualifying event within 60 days by calling 877-451-2363, your spouse and/or child(ren) will lose the right to continuation coverage under COBRA.

Within 14 days after receiving notice of a COBRA qualifying event, the BNSF Benefits Center's agent, Benefit Concepts, will send an election form. The beneficiary must return the election form to Benefit Concepts *within 60 days* of the date the form is received or the date BNSF Group Benefits Plan coverage ends due to the qualifying event, whichever is later.

Once the BNSF Benefits Center receives notice that a COBRA qualifying event has occurred, COBRA continuation coverage will be offered to each qualified beneficiary. Each has an independent right to elect coverage.

Special Provisions for Trade Adjustment Assistance

If you are eligible for trade adjustment assistance (TAA) under the Trade Act of 2002 or any extensions thereof, you lost health coverage due to a TAA-related event and you did not elect COBRA continuation coverage during the first 60-day election period, you may elect coverage:

- ▶ Within 60 days of the first day of the month in which you become eligible for TAA, but
- ▶ No later than six months from the date you first lose BNSF Group Benefits Plan coverage.

If you elect COBRA continuation coverage during this special second election opportunity, your coverage will begin on the first day of this second period, rather than the date BNSF Group Benefits Plan coverage is lost. The time between the loss of coverage and the beginning of the second election opportunity does not count as a break in coverage under HIPAA. (See the chapter of this SPD titled *Who Is Eligible and How to Enroll – Medical and Vision Programs for Pre-Medicare Retirees* and look in the *Annual Enrollment* section for *Important Considerations if Opting Out of Medical Coverage*.) If you qualify or may qualify for a second TAA election opportunity, contact the BNSF Benefits Center.

Cost

If COBRA continuation coverage is elected, the beneficiary must pay the total cost of coverage (both BNSF's contribution and the retiree contribution), plus a 2 percent administrative fee, for the entire time the beneficiary has COBRA coverage.

- ▶ The first payment is due *no later than 45 days* after the beneficiary elects to continue coverage, and it must cover the period beginning on the first day of the beneficiary’s COBRA coverage through the end of the month in which payment is made.
- ▶ For COBRA coverage to remain in effect, Benefit Concepts must receive payment no later than 30 days after the first day of the month for which the payment is due.

Duration of Coverage

COBRA continuation coverage is a temporary continuation of BNSF Group Benefits Plan coverage. When the COBRA qualifying event is divorce or legal separation, or a child’s loss of eligibility as a dependent, COBRA continuation coverage lasts for up to 36 months.

When COBRA Coverage Ends

COBRA continuation coverage will end sooner than the period described above if the BNSF Group Benefits Plan ends and [BNSF](#) does not provide replacement health coverage.

Coverage also will end if the beneficiary:

- ▶ Becomes covered under another group health plan after electing COBRA coverage. However, if the new group coverage is limited by a pre-existing condition exclusion, partial coverage will continue up to the remainder of the first 18-month period. The BNSF program will be the primary coverage of the pre-existing condition; the other group health plan will be the primary coverage for all other eligible health care expenses. Monthly premiums for BNSF COBRA coverage must continue to be paid.
- ▶ Does not pay required premiums when due.
- ▶ Becomes eligible for Medicare benefits for the first time after electing COBRA coverage.

Conversion Privilege for Individual Medical Policy After COBRA

(BCBS Option Only)

If the beneficiary participated in a Blue Cross Blue Shield network option, he or she may convert to different health care coverage under an individual policy when COBRA benefits are exhausted. See the chapter of this Summary Plan Description (SPD) titled *When Coverage Ends Medical and Vision Programs for Pre-Medicare Retirees* and go to the section named *Medical Conversion Policy after COBRA*.

If You Have COBRA Questions

If you have questions about the BNSF Group Benefits Plan or a beneficiary’s COBRA continuation coverage rights, call or write to the [COBRA Administrator](#), the BNSF Benefits Center, at the address or phone number below.

For more information about a beneficiary’s rights under [ERISA](#), and rights to COBRA continuation coverage, contact the nearest Regional or District Office of the U.S. Department of Labor’s Employee Benefits Security Administration (EBSA) or visit the EBSA website at www.dol.gov/ebsa.

Notify Us of Address Changes

To protect the rights of a beneficiary who is on COBRA, please inform the [COBRA Administrator](#) of any changes of address. You should keep a copy of any notices sent to the COBRA Administrator.

Call or write to the COBRA Administrator’s agent, Benefit Concepts, at:
 Benefit Concepts
 P.O. Box 246
 Barrington, RI 02806
 800-969-2009

WHOM TO CALL ABOUT YOUR BENEFITS

For questions about eligibility for continuation of health care coverage under COBRA, call the BNSF Benefits Center at 877-451-2363.

DEFINED TERMS**About These Terms**

The following definitions of certain words and phrases will help you understand the provisions to which the definitions apply.

Some definitions apply in a special way to specific benefits or provisions. So, if a term that is defined in another chapter of this SPD also appears as a defined term listed here, the definition in the other chapter will apply to that specific chapter rather than the definition below.

BNSF, company, employer – Burlington Northern Santa Fe, LLC, 2500 Lou Menk Drive, Fort Worth, TX 76131, and subsidiary companies.

COBRA – Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

COBRA Administrator – See the *Administrative Information – Medical and Vision Care Programs for Pre-Medicare Retirees* chapter of this SPD for identification of the COBRA Administrator.

ERISA – Employee Retirement Income Security Act of 1974, as amended.



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