



BURLINGTON EMPLOYEES' RETIREMENT SYSTEM

James T. Strouse
Chairman of the Board
Robert Hooper
Vice-Chairman

Stephanie Hanker
Retirement Administrator
802-865-7097
DIAL 7-1-1 (TTY)

Dear Retiree:

The City currently allows retirees to purchase group health insurance coverage and dental at 102% of cost through a pension payroll deduction plan. Under the provisions of a Federal Law which took effect on July 1, 1986, the Comprehensive Omnibus Budget Reconciliation Act of 1985 – COBRA, you have the opportunity to purchase health and dental benefits through the City's group plan. This coverage is normally for 18 months and that is true for the dental coverage. However, as a retiree, you are currently eligible to continue health insurance until you decide you are no longer interested. You must decide within 60 days of the event of your retirement (or of notification) of your decision to continue health and dental coverage. Once you drop either coverage, you will no longer be eligible to join the City's plans.

If you do drop coverage or die, your spouse or dependent may decide to continue health coverage for up to an additional 36 months under COBRA regulations. Dental benefits may continue for a **total** of 36 months.

A form is enclosed for you to indicate to us whether or not you wish to pick up the health coverage, the dental coverage or both. The current rates follow. Rates increase each July 1st.

Single Health	\$580.50	Single Dental	\$28.60
Two Person Health	\$1330.14	Two Person Dental	\$52.40
Family Health	\$1735.12	Family Dental	\$88.09
Medi-Comp	\$284.56		

If you choose to pick up either coverage, the monthly rate will be withheld from your pension check.

As previously noted, continued dental coverage is normally allowed for up to 18 months from the date of your retirement unless you qualify for more time (not to exceed 36 months) as noted in the enclosed COBRA information sheet.

It is your responsibility to notify The Retirement Office at (802)865-7097 if there has been another qualifying event such as being approved for Social Security Disability. If you have retired under the Disability Retirement Ordinance and are approved for Social Security Disability, the City will automatically continue your dental coverage for another 11 months (for a total of 29 months), unless advised to do otherwise by the retiree.

When your COBRA benefits have expired for dental coverage, you can purchase an individual product through Delta Dental's Marketing Department. If you are interested in this product, please call Patrick Danis at 603-223-1282.

Remember that you have 60 days following retirement to notify the City whether or not you want this coverage. The sooner you notify us of your intent to pick up the coverage for health and dental, the sooner you can be added to our enrollment, which as you know, begins on the first of the month following the month of notification. Your pension check will reflect the deduction during your first month of enrollment and for subsequent months in which you participate.

If you have any questions regarding your benefits, please feel free to call the Retirement Administrator at (802)865-7097.

The City wishes you all the best for your retirement years.

NOTICE OF RIGHT TO CONTINUE MEDICAL AND/OR DENTAL COVERAGE

Your first payment will be deducted for the first full month of coverage after notification.

Contact Blue Cross for a description of the cost and types of conversion policies available in place of continued group medical coverage.

ADDITIONAL COBRA INFORMATION FOR RETIREES

If a retiree's spouse is currently covered under the dental or health plan, they would become a qualified beneficiary if coverage under the plan would terminate for any of the following qualifying events:

- The retiree dies;
- The retiree drops coverage through the City; or
- You become divorced or legally separated from your spouse.

Covered dependent children will become qualified beneficiaries if they lose coverage under the plan because any of the following qualifying events:

- The parent-retiree dies;
- The retiree drops coverage through the City; or
- 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 City of Burlington, and that bankruptcy results in the loss of coverage of any retired employee covered under the Plan, the retired employee will become a qualified beneficiary with respect to the bankruptcy. The retired employee's spouse, surviving spouse, and dependent children will also become qualified beneficiaries if bankruptcy results in the loss of their coverage under the Plan.

Retiree spouses and dependents pay 102% of the monthly premium for the appropriate plan (single, 2-person, family or Medi-Comp).

Extensions of the 18-month period of continuation coverage for dental

If you or anyone in your family is covered under the dental plan is determined by the Social Security Administration to be disabled and you notify the Plan Administrator in a timely fashion, you and your entire family may be entitled to receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months.

If your family experiences another qualifying event while receiving 18 months of COBRA continuation coverage for dental, 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 notice of the second qualifying event is properly given to the Plan. This extension may be available to the spouse and any dependent children receiving continuation coverage if the employee or former employee dies, or gets divorced or legally separated, or if the dependent child stops being eligible under the Plan as a dependent child, but only if the event would

have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred.

Once the Plan Administrator 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 retirees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children.

COBRA continuation coverage is a temporary continuation of coverage. When the qualifying event is the death of the retiree, the retiree no longer being covered under the City of Burlington's plan, your divorce or legal separation, or a dependent child's losing eligibility as a dependent child - COBRA continuation coverage lasts for up to a total of 36 months.

Keep Your Plan Informed of Address Changes

In order to protect your family's rights, you should keep the Insurance or Retirement Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to either of the individuals.

Plan Contact Information

For additional information about your rights and obligations under the Plans and under federal law, you should review the Plan's Summary Plan Descriptions or contact the Plan Administrator, Human Resources, City of Burlington, 179 South Winooski Avenue, Suite 100, Burlington, VT 05401, 802-865-7145.

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 ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), 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 the EBSA website at www.dol.gov/ebsa. (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.)

CITY OF BURLINGTON, VERMONT

**NOTICE OF RIGHT TO CONTINUE GROUP MEDICAL
AND/OR DENTAL BENEFITS FOR RETIREES**

TO RETAIN YOUR COVERAGE, THIS FORM MUST BE COMPLETED AND RETURNED
TO THE ABOVE EMPLOYER BY: _____

Policyholder Name _____

Address: _____

As an employee of the City of Burlington who is about to terminate, or who has terminated, I understand my right to elect or reject the option to continue group medical and/or dental benefits under my employer's plan.

After being informed of my option to continue the group medical and/or dental plan coverage for myself and my dependents, if any, I have chosen to:

_____ Elect to continue with my employer's group medical plan by having the premium deducted and providing my employer with the information necessary to continue my coverage. SINGLE TWO-PERSON FAMILY (circle one)

_____ Elect to continue with my employer's group dental plan (for up to 18 months unless another qualifying even occurs) by having the premium deducted and providing my employer with the information necessary to continue my coverage.
SINGLE TWO-PERSON FAMILY (circle one)

_____ Elect not to continue with my employer's group medical and/or dental plan.

I understand that in order to continue these Group Medical and/or Dental Care Expense Benefits, the payment which I will have deducted monthly is 100% of the appropriate plan (single, 2-person, family or Medi-Comp). This is subject to change as the result of any rate changes or benefit plan revision.

I understand that COBRA benefits for eligible dependents, as previously explained, will be calculated at 102% of the monthly premium amount.

Signature

Date