



# **CONTINUING HEALTH CARE COVERAGE UNDER COBRA**

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# CONTINUING HEALTH CARE COVERAGE UNDER COBRA

(Consolidated Omnibus Budget Reconciliation Act of 1985)

## BNSF Group Benefits Plan

Effective Jan. 1, 2021

### What COBRA Continuation Coverage Is

#### Coverage Under BNSF Benefit Programs

This chapter contains important information about your right to a temporary extension of medical, dental, vision care, Employee Assistance Program (EAP) and Health Care Flexible Spending Account (HCFSA) coverages, referred to as health plan coverage, from the BNSF Group Benefits Plan under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ([COBRA](#)).<sup>\*</sup> This temporary extension is called COBRA continuation coverage. The information that follows generally explains COBRA continuation coverage, when it may become available to you and your family, 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 you when you would otherwise lose your medical, dental, vision care, EAP and/or HCFSA coverage under the BNSF Group Benefits Plan due to a COBRA qualifying event. It also can become available to other members of your family when they would otherwise lose coverage under the BNSF Group Benefits Plan because of a qualifying event. Specific qualifying events are listed in this section.

#### Other Coverage Options

Other options may be available when you lose group health coverage. For example, you may be eligible to buy an individual medical plan through the health insurance marketplace. By enrolling in coverage through the marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs.

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

**Links:** Click on [blue italic](#) items to link directly the section or chapter indicated.



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<sup>\*</sup> Medical coverage for COBRA beneficiaries does not include company contributions to a Health Savings Account (HSA) or Health Reimbursement Account (HRA). It includes continued access to any existing HRA balances. An HSA is your own bank account and remains your property.

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.

## Eligibility

COBRA continuation coverage will be offered to each person who is a qualified beneficiary. You and 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. Under the BNSF Group Benefits Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for the coverage. (See the [Cost](#) section of this COBRA chapter.)

### COBRA Qualifying Events

#### *You and Your Dependents*

You and your currently covered dependents will become qualified beneficiaries if you lose health coverage because of any of the following qualifying events:

- ▶ Your hours of employment are reduced, or
- ▶ Your salaried employment ends for any reason other than your gross misconduct.

#### *Your Spouse*

If you are the spouse of an employee, you will become a qualified beneficiary if you lose health coverage because any of the following happens:

- ▶ Your spouse dies,
- ▶ Your spouse's hours of employment are reduced,
- ▶ Your spouse's employment ends for any reason other than his or her gross misconduct, or
- ▶ You become divorced or legally separated from your spouse who is the [BNSF](#) employee.

#### *Your Children*

Your dependent children will become qualified beneficiaries if they lose health coverage because any of the following happens:

- ▶ You die,
- ▶ Your hours of employment are reduced,
- ▶ Your salaried employment ends for any reason other than your gross misconduct,
- ▶ You and your spouse legally separate or divorce, or
- ▶ The child stops meeting the BNSF Group Benefits Plan eligibility requirements for a dependent child.

**Responsibility for Notification and Your COBRA Election Deadline**

The BNSF Group Benefits Plan will offer COBRA continuation coverage to you and your family as qualified beneficiaries only after the COBRA Administrator, which is the BNSF Benefits Center, has been notified that a COBRA qualifying event has occurred.

- ▶ When the COBRA qualifying event is the end of salaried employment, reduction of hours of employment, or your death, your [employer](#) must notify the BNSF Benefits Center of the qualifying event. You will be mailed an election notice from the BNSF Benefits Center. To continue applicable Group Benefits Plan coverage, you must log into [digital.alight.com/BNSF](https://digital.alight.com/BNSF) *within 60 days* of the date you receive the notice or the date your coverage ends due to a qualifying event, whichever is later, and make your COBRA elections.
- ▶ For a child's loss of eligibility for coverage as a dependent child due to aging out, the BNSF Benefits Center will automatically end coverage and mail an election notice.
- ▶ For the other COBRA qualifying events (divorce, 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 833-277-8051 that a qualifying event has occurred. Call a representative *within 60 days* after the date of the event.

***If you do not notify the BNSF Benefits Center of a COBRA qualifying event within 60 days by calling 833-277-8051, you and/or your dependents will lose the right to continuation coverage under COBRA.***

**Election Deadline**

Within 14 days after receiving notice of a COBRA qualifying event, the BNSF Benefits Center will send you an election notice. You must enroll in COBRA *within 60 days* of the date you receive the notice or the date your 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. However, you may elect COBRA coverage on behalf of your spouse and / or children.

**Cost**

If you elect COBRA continuation coverage, you must pay the total cost of coverage (both [BNSF's](#) contribution and the active employee contribution), plus a 2% administrative fee, for the entire time you have COBRA coverage.

If you or your covered dependent becomes eligible for a disability extension of COBRA coverage (see [Disability Extension](#) below), you must pay 102% of the total cost for the first 18 months and 150% of the total cost for the 19th through the 29th months of coverage. These costs apply to all covered family members.

- ▶ Your first payment is due *no later than 45 days* after you elect to continue coverage, and it must cover the period beginning on the first day of your COBRA coverage through the end of the month in which payment is made.

- ▶ For COBRA coverage to remain in effect, the BNSF Benefits Center must receive your 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 your death, your divorce or legal separation, or a child's loss of eligibility as a dependent, COBRA continuation coverage lasts for up to 36 months.
- ▶ When the [COBRA](#) qualifying event is the end of your employment or reduction of your hours of employment, and you became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA coverage for qualified beneficiaries other than you lasts until 36 months after the date of your Medicare entitlement.

**Example:** If you become entitled to Medicare eight months before the date your employment ends, COBRA coverage for your spouse and children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus eight months).

- ▶ Otherwise, when the COBRA qualifying event is the end of your salaried employment or reduction of your hours of employment, COBRA coverage generally lasts for up to 18 months. This 18-month period of COBRA coverage may be extended in two ways, as described below.
- ▶ COBRA continuation coverage under the HCFSA is available *only if* the reimbursements you have received as of your qualifying event date are less than the amount of your contributions to your HCFSA as of that same date. HCFSA COBRA continuation coverage lasts until the end of the plan year in which the qualifying event occurs and may not be extended any longer than that period.

### **Disability Extension**

If you or anyone in your family covered under the BNSF Group Benefits Plan is determined to be disabled by Social Security or the Railroad Retirement Board (RRB), and your eligibility for COBRA is because of your termination of salaried employment or reduction in hours, you and your entire family may be entitled for up to an additional 11 months of COBRA continuation coverage, for a total of 29 months. To qualify, you must notify the BNSF Benefits Center of the disability by mail or by calling 833-277-8051:

- ▶ Before the end of the first 18 months of COBRA coverage, and
- ▶ No later than 60 days following the date you or a covered dependent is determined to be disabled by Social Security.

The disability *must have started before the 60th day of COBRA coverage* and must last at least until the end of the first 18-month period of COBRA coverage.

If the disabled person later is not considered disabled by the Social Security Administration, you must notify the BNSF Benefits Center by mail or by calling 833-277-8051 within 30 days of the end of the disability. Coverage after the first 18-month continuation period will end as of the first day of the month that is more

than 30 days after the Social Security Administration's or RRB's final determination that the person is no longer disabled.

### **Second Qualifying Event Extension**

If your family experiences a second COBRA qualifying event during the first 18 months of COBRA continuation coverage and your eligibility for COBRA is because of your termination of salaried employment or reduction in hours, your spouse and dependent children are eligible for up to an additional 18 months of COBRA continuation coverage, for a maximum of 36 months in total. You or a dependent must notify the BNSF Benefits Center by mail or by calling 833-277-8051 *within 60 days* of the second qualifying event. This extension may be available to your spouse and any dependent child enrolled in COBRA coverage if:

- ▶ The employee or former employee dies or gets divorced or legally separated; or
- ▶ The child is no longer eligible under the BNSF Group Benefits Plan as a dependent child.

The second event also must be a COBRA qualifying event that would have caused the spouse or dependent child to lose health coverage under the BNSF Group Benefits Plan had the first qualifying event not occurred.

### **When COBRA Coverage Ends**

COBRA continuation coverage will end sooner than the periods described above if the BNSF Group Benefits Plan ends and BNSF does not provide replacement health coverage.

Coverage also will end if you:

- ▶ Become covered under another group health plan after you elect COBRA coverage because of the employee's salaried termination or reduction in hours. 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 benefit 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. You must continue to pay the monthly premiums for your BNSF COBRA coverage. Note, it is your responsibility to notify the BNSF Benefits Center of your enrollment in another group health plan by calling 833-277-8051. Termination of your COBRA coverage is not automatic.
- ▶ Do not pay required premiums when due.
- ▶ Become entitled to (eligible for) Medicare benefits for the first time after you elect COBRA coverage. Note, it is your responsibility to notify the BNSF Benefits Center of your Medicare enrollment by calling 833-277-8051. Termination of your COBRA coverage is not automatic.
- ▶ Are covered under the 11-month disability extension and later are not considered disabled by the Social Security Administration or RRB.

**If You Have  
COBRA  
Questions**

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

For more information about your rights under [ERISA](#), and your 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 [dol.gov/agencies/ebsa](http://dol.gov/agencies/ebsa).

**Notify Us of Address Changes**

To protect your family's rights while you or a dependent is on COBRA, please inform the [COBRA Administrator](#) of any changes in the addresses of family members. You should keep a copy of any notices you send to the COBRA Administrator.

Call or write to the COBRA Administrator, BNSF Benefits Center, at:

P.O. Box 661065  
The Woodlands, TX 77387-4052  
833-277-8051  
[digital.alight.com/BNSF](http://digital.alight.com/BNSF)

COBRA payments should be sent to:

BNSF  
P.O. Box 3742  
Carol Stream, IL 60132-3742

Or pay online at:

[digital.alight.com/BNSF](http://digital.alight.com/BNSF)

**WHO TO CALL ABOUT YOUR BENEFITS**

For questions about eligibility for continuation of health care coverage under COBRA, call the BNSF Benefits Center at 833-277-8051. Benefits Center representatives are available Monday through Friday, 7 a.m. to 7 p.m. Central time.

## DEFINED TERMS

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### 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, 2301 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](#) chapter of this SPD for identification of the COBRA Administrator.

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



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