

Retiree Insurance vs. COBRA Coverage: Making an Informed Decision

****Important Information – PLEASE READ****

Upon retiring, you have the option of selecting retiree insurance coverage or COBRA continuation coverage for certain benefits. The following information is designed to help you determine which type of coverage will be best for you during retirement.

What are my retiree insurance benefits and how long do they last?

Retiree coverage allows you to continue your medical, dental, vision, life insurance, and supplemental accidental death and dismemberment (AD&D) insurance as long as you continue to pay for coverage. The company expects to maintain its retiree benefits program in the future; however, it maintains the right to modify, amend or terminate any portion of its retiree benefit plans at any time.

How much do my retiree insurance benefits cost?

Retiree insurance premiums are based on retiree group plan rates, not active employee plan rates and are subject to change. Rates vary depending on the plan you choose, the number of covered dependents, and the level of coverage you select for supplemental life and supplemental AD&D insurance.

How long do I have to elect retiree insurance benefits?

You must elect retiree insurance benefits within the first 31 days after you retire, otherwise you will not be allowed to elect retiree insurance benefits at a later date. Your retiree enrollment packet will specify your exact enrollment deadline based on when the packet is created and mailed.

What is COBRA continuation coverage and how long does it last?

COBRA provides certain former employees, retirees, spouses, and dependent children the right to temporary continuation of group health plan coverage at group rates. It allows you to continue your current group health plan coverage for an 18-month period of time. Coverage may be continued longer than 18 months in certain circumstances. COBRA coverage, however, is only available when coverage is lost due to certain events.

How much does COBRA continuation coverage cost?

If you choose COBRA continuation coverage, you will generally pay the full cost of your coverage (without any employer subsidy received as an active employee) plus a 2 percent administrative fee.

If I elect COBRA continuation coverage, can I elect retiree insurance when the COBRA coverage expires?

No. Once COBRA benefits end, you will not be allowed to enroll in retiree coverage. **Your insurance coverage through Windstream will end permanently.** You only have one opportunity to elect retiree medical, dental, and vision insurance. If you do not elect retiree medical, dental, and/or vision insurance within the first 31 days after you retire, you will not be allowed to elect retiree medical, dental, or vision insurance in the future.

May I elect both COBRA continuation coverage and retiree insurance coverage for certain benefits?

No. You cannot elect COBRA continuation coverage and retiree insurance coverage for the same benefits. COBRA continuation coverage allows you to continue only your medical, dental and vision insurance for a limited period of time. Retiree insurance coverage allows you to continue your dental and vision insurance as long as you continue to pay for coverage and your medical coverage until you reach age 65 and are Medicare eligible. If you are interested in maintaining your medical, dental, or vision coverage for longer than 18 months, you may want to consider electing retiree insurance coverage for those benefits (although there are not any guarantees of its continuation into the future).

Example 1: You elect medical benefits under COBRA; therefore, you are no longer eligible to elect medical benefits under the retiree insurance plan. Your medical coverage will end in 18 months.

Example 2: You elect dental and vision benefits under the retiree insurance plan. You may not elect dental and vision benefits under COBRA.

Is it possible to elect a combination of coverage under COBRA continuation coverage and retiree insurance coverage?

Yes. COBRA coverage is available only for medical, dental and vision insurance. If you were a participant in the life insurance or AD&D benefits as an active employee, you would be eligible to continue retiree insurance coverage for those benefits even if you continue medical, dental and/or vision under COBRA.

Example 1: You are 64 and will be eligible for Medicare at 65. You choose COBRA coverage for medical insurance since you only need coverage for a few months. In addition, you elect retiree insurance coverage for vision, dental, life and AD&D benefits. Although your medical coverage ends after 18 months, your vision, dental, life and AD&D benefits continue as long as you continue to pay for coverage.

Example 2: You elect medical and vision benefits under COBRA. In addition, you elect dental, life and AD&D benefits under the retiree insurance plan. Although your medical and vision coverage ends after 18 months, your dental, life and AD&D benefits continue as long as you continue to pay for the coverage.

Example 3: You do not elect medical, dental or vision benefits under COBRA or retiree insurance. However, you elect life and AD&D benefits under retiree insurance. Your life and AD&D benefits continue as long as you continue to pay for the coverage.

If I elect retiree insurance coverage now, but later decide that I want COBRA, may I change my mind?

No. Once you are covered under another group health plan, you may no longer elect COBRA continuation coverage.

Windstream reserves the right, in its sole discretion, to modify, change, revise, amend, or terminate any plan at any time, for any reason, and without prior notice.