

## 2<sup>nd</sup> Election Opportunity –

(NOTE: This information was mailed on 6/1/21 to laid-off members not currently enrolled in COBRA, whose COBRA enrollment period was prior to 4/1/21.

If you elect coverage, note that you will need to decide if you want coverage beginning 4/1/21 (at no cost under the American Rescue Plan Act) OR if you want to enroll all the way back to your prior coverage date (which is not covered by the American Rescue Plan Act so members would bear the cost of COBRA if you elect this option). **It is important to answer this question correctly.**



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**IMPORTANT INFORMATION: COBRA Continuation Coverage, other Health Coverage Alternatives, and Extended Election Periods under the American Rescue Plan Act of 2021 (ARP)**

May 24, 2021

Dear: Participant and Qualified Beneficiaries<sup>5</sup>

**This notice has important information about your new rights related to continued health care coverage in a group health plan sponsored by The Boeing Company (“Boeing”).**

The American Rescue Plan Act of 2021 (ARP) provides temporary premium assistance for COBRA continuation coverage. Premium assistance is available to certain individuals who are eligible for COBRA continuation coverage due to a qualifying event that is a reduction in hours or an involuntary termination of employment. If you qualify for premium assistance, you do not need to pay any of the COBRA premium otherwise due to the plan for coverage during the months when you are eligible for premium assistance. This premium assistance is available to help pay for coverage from April 1, 2021 through September 30, 2021. If you have already paid for coverage during this time period and are eligible for the premium assistance, a refund will be issued. If you are eligible and choose to continue your COBRA continuation coverage beyond September 30, 2021, you may have to pay the full COBRA premium amount due for any period of coverage after that date. However, when your premium assistance ends, you may qualify for a special enrollment period to enroll in coverage through the Health Insurance Marketplace<sup>®1</sup> (see section on “other coverage options” below).

You are receiving this notice because you experienced a qualifying event while covered under a Boeing-sponsored group health plan (the “Plan”) that may have been a reduction in hours or an involuntary termination of employment and you have not reached the maximum period for your COBRA continuation coverage or did not elect COBRA continuation coverage when it was first offered.

To help determine whether you can receive the ARP premium assistance, you should read this notice and the attached documents carefully. In particular, review the “Summary of the COBRA Premium Assistance Provisions under the American Rescue Plan of 2021” (the “Premium Assistance Eligibility Summary”) with details regarding eligibility, restrictions, and obligations.

Please read the information in this notice very carefully before you make your decision.

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<sup>1</sup> Health Insurance Marketplace<sup>®</sup> is a registered service mark of the U.S. Department of Health & Human Services.  
<sup>5</sup> A “qualified beneficiary” may be you, your spouse, and your dependent children who lose group health plan coverage because of a qualifying event, like involuntary termination or a reduction in hours.

**If I did not have COBRA continuation coverage and now elect COBRA continuation coverage, when will my coverage begin and how long will the coverage last?**

Please refer to your initial COBRA Enrollment Materials that were provided to you previously to determine your COBRA Coverage begin and end dates. If you cannot locate those materials or just have questions, please contact the Boeing Service Center for Health and Insurance at 1-866-504-4256 to review available options and to enroll.

You may have the option to elect COBRA effective 4/1/2021 and/or dating back to the date you were last covered by the Plan. To enroll in coverage prior to 4/1/2021, you will be required to pay any unpaid premiums; however, you may elect COBRA with a 4/1/2021 effective date without the requirement of paying any prior unpaid premiums, if you are eligible for premium assistance.

COBRA continuation coverage may end before the date noted in your original COBRA Enrollment Worksheet under certain circumstances, including for failure to pay premiums, for fraud, or if you become covered by another group health plan.

**Note that you are receiving this notice because your employer believes you meet the criteria for premium assistance. However, your employer may not have access to information that may disqualify you from premium assistance eligibility, such as if you are eligible for other group health plan coverage or Medicare. Please review the Premium Assistance Eligibility Summary to determine whether you are premium assistance eligible. If you think you are not eligible for the premium assistance, you should not elect COBRA with premium assistance. For questions, please contact the Boeing Service Center for Health and Insurance immediately at 1-866-504-4256. Electing COBRA and receiving premium assistance if you are ineligible could result in penalties.**

**How long do I have to enroll?**

You have 60 days from receipt of this notice to enroll in COBRA coverage. If you do not enroll, you forfeit your right to COBRA coverage with premium assistance.

Note, due to the COVID-19 National Emergency, the Department of Labor, the Department of the Treasury, and the Internal Revenue Service issued a Notice of Extension of Certain Timeframes for Employee Benefit Plans, Participants, and Beneficiaries Affected by the COVID-19 Outbreak (“Joint Notice”).<sup>2</sup> This notice provided relief for certain actions related to employee benefit plans required or permitted under Title I of ERISA and the Code, including the 60-day initial election period for COBRA continuation coverage. The Department of Labor’s Employee Benefits Security Administration (EBSA) provided further guidance on this relief in EBSA Disaster Relief Notice 2021-01.<sup>3</sup> The extended deadline relief provided in the Joint Notice and Notice 2021-01 does not apply, however, to the 60-day election period related to COBRA premium assistance under the ARP. Potential Assistance Eligible Individuals therefore

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<sup>2</sup> 85 FR 26351 (May 4, 2020).

<sup>3</sup> Available at <https://www.dol.gov/sites/dolgov/files/ebsa/employers-and-advisers/plan-administration-and-compliance/disaster-relief/ebsa-disaster-relief-notice-2021-01.pdf>.

must elect COBRA continuation coverage within 60 days of receipt of the relevant notice or forfeit their right to elect COBRA continuation coverage with premium assistance.

However, a potential Assistance Eligible Individual has the choice of electing COBRA continuation coverage beginning April 1, 2021 or after (or beginning prospectively from the date of your qualifying event if your qualifying event is after April 1, 2021), or electing COBRA continuation coverage commencing from an earlier qualifying event if you are eligible to make that election, including under the extended time frames provided by the Joint Notice. The election period for COBRA continuation coverage with premium assistance does not cut off an individual's preexisting right to elect COBRA continuation coverage, including under the extended timeframes provided by the Joint Notice and EBSA Disaster Relief Notice 2021-01.

### **Can I now extend the length of COBRA continuation coverage?**

If you now elect COBRA continuation coverage, you may be eligible to extend the length of COBRA continuation coverage if a qualified beneficiary is disabled, or if a second qualifying event occurs or occurred during your COBRA continuation period. You must notify the Boeing Service Center for Health and Insurance at 1-866-504-4256 of a disability or a second qualifying event within a certain time period to extend the period of COBRA continuation coverage. If you don't provide notice of a disability or second qualifying event within the required time period, it will affect your right to extend the period of COBRA continuation coverage.

For more information about extending the length of COBRA continuation coverage visit <https://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/publications/an-employees-guide-to-health-benefits-under-cobra.pdf>.

### **How much does COBRA continuation coverage now cost?**

The ARP reduces the COBRA premium to zero for certain individuals. Premium assistance is available to certain individuals who are eligible for COBRA continuation coverage due to a qualifying event that is a reduction in hours or an involuntary termination of employment. If you qualify for premium assistance, you need not pay any of the COBRA premium otherwise due to the plan during the premium assistance period. This premium assistance is available for coverage from April 1, 2021 through September 30, 2021. If you are eligible and choose to continue your COBRA continuation coverage beyond September 30, 2021, you may have to pay the full amount due for coverage after that date. See the attached "Summary of the COBRA Premium Assistance Provisions under the American Rescue Plan of 2021" for more details, restrictions, and obligations as well as the form to complete to establish eligibility.

If you qualify as an "Assistance Eligible Individual" your monthly COBRA premium cost will be zero from April 1, 2021 through September 30, 2021 and you do not have to send any payment. The Plan will send you additional payment information.

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

Yes. There may be other coverage options for you and your family through the Health Insurance Marketplace<sup>®</sup>, Medicare, or other group health plan coverage options (such as a spouse's plan) through a special enrollment period. Additionally, you may apply for and, if eligible, enroll in

Medicaid at any time. If you are not eligible for premium assistance under the ARP, some of these options may cost less than COBRA continuation coverage. If you are eligible for other group health plan coverage, such as through a new employer's plan or a spouse's plan (not including excepted benefits, a qualified small employer health reimbursement arrangement, or a health flexible spending arrangement), or if you are eligible for Medicare, you are not eligible for ARP premium assistance. However, if you have individual market health insurance coverage, like a plan through the Marketplace, or if you have Medicaid, you may be eligible for ARP premium assistance if you elect COBRA continuation coverage. Note, however, that you will not be eligible for a premium tax credit, or advance payments of the premium tax credit, for your Marketplace coverage for months that you are enrolled in COBRA continuation coverage and you may not be eligible for months during which you remain an employee but are eligible for COBRA continuation coverage with premium assistance because of a reduction of hours. If you're eligible for Medicare, consider signing up during its special enrollment period to avoid a coverage gap when your COBRA coverage ends and a late enrollment penalty.

You should compare your other coverage options with COBRA continuation coverage and choose the coverage that is best for you. For example, if you move to other coverage, you may pay more out of pocket than you would under COBRA, because the new coverage may impose a new deductible. Also, keep in mind that if you elect COBRA continuation coverage with premium assistance, then you may qualify for a special enrollment period to enroll in Marketplace coverage when your premium assistance ends. You may use the special enrollment period to enroll in Marketplace coverage with a tax credit if you end your COBRA continuation coverage when your premium assistance ends and you are otherwise eligible.

It's important that you choose carefully between maintaining COBRA continuation coverage and selecting other coverage options, because once you've made your choice, it can be difficult or impossible to switch to another coverage option until the next available open enrollment period.

### **For more information**

This notice doesn't fully describe COBRA continuation coverage or other rights under the Plan. More information about COBRA continuation coverage and your rights under the Plan is available in your summary plan description or from the Plan Administrator.

If you have questions about the information in this notice, your rights to coverage, or if you want a copy of your summary plan description, contact:

Boeing Service Center for Health and Insurance  
1-866-504-4256

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, visit the U.S. Department of Labor's EBSA website at <https://www.dol.gov/agencies/ebsa>, go to [www.askebsa.dol.gov](http://www.askebsa.dol.gov), or call their toll-free number at 1-866-444-3272. For more information about health insurance options available through the Health Insurance Marketplace<sup>®</sup>, and to locate an assister in your area who you can talk to about the different options, visit [www.HealthCare.gov](http://www.HealthCare.gov).

## **Keep Your Plan Informed of Address Changes**

To protect you and your family's rights, still keep the Plan Administrator informed of any changes in your address and the addresses of family members. You should also still keep a copy of any notices you send to the Plan Administrator.





## **Summary of the COBRA Premium Assistance Provisions under the American Rescue Plan Act of 2021**

President Biden signed H.R. 1319, the American Rescue Plan Act of 2021 (ARP), on March 11, 2021. This law subsidizes the full COBRA premium for “Assistance Eligible Individuals” for periods of coverage from April 1, 2021 through September 30, 2021.

To be eligible for the premium assistance, you:

- **MUST** have a COBRA qualifying event that is a reduction in hours or an involuntary termination of a covered employee’s employment;
- **MUST** elect COBRA continuation coverage for which the coverage period includes some portion of the April 1, 2021 through September 30, 2021 time period;
- **MUST NOT** be eligible for Medicare; AND
- **MUST NOT** be eligible for coverage under any other group health plan, such as a plan sponsored by a new employer or a spouse’s employer.

### **◆ IMPORTANT ◆**

- ◇ Even if you are eligible for premium assistance, if you are not currently enrolled in COBRA, you must elect COBRA within 60 days of receipt of this form in order to receive the premium assistance. If you do not, you may be ineligible for the premium assistance.
- ◇ If you elect COBRA continuation coverage with premium assistance, and then become eligible for other group health plan coverage (not including coverage that is only excepted benefits (such as dental or vision coverage), a Qualified Small Employer Health Reimbursement Arrangement, or a health flexible spending arrangement), or if you become eligible for Medicare, you **MUST** notify your Boeing-sponsored group health plan (the “Plan”) by calling the Boeing Service Center for Health and Insurance at 1-866-504-4256. If you fail to provide this notice, you may be subject to a penalty of \$250 (or if the failure is fraudulent, the greater of \$250 or 110% of the premium assistance provided after termination of eligibility). You won’t be subject to the penalty if your failure to notify the Plan is due to reasonable cause and not due to willful neglect.
- ◇ Employers that don’t satisfy COBRA continuation coverage requirements may be investigated by the Department of Labor and may be subject to an excise tax under the Internal Revenue Code.
- ◇ If you elect COBRA continuation coverage and are eligible for the premium assistance, you cannot claim the Health Coverage Tax Credit. You also cannot qualify for a premium tax credit to help pay for coverage through a Health Insurance Marketplace<sup>®4</sup>, such as on HealthCare.gov, for any months that you are enrolled in COBRA continuation coverage with or without the premium assistance.

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\* This restriction does not include coverage under a plan that provides only excepted benefits, a qualified small employer health reimbursement arrangement, or coverage under a health flexible spending arrangement.

<sup>4</sup> Health Insurance Marketplace<sup>®</sup> is a registered service mark of the U.S. Department of Health & Human Services.

For general information on your Plan's COBRA continuation coverage, specific information on your Plan's administration of the ARP premium assistance, or to notify the Plan of your ineligibility to receive premium assistance, contact the Boeing Service Center for Health and Insurance at 1-866-504-4256.

For more information regarding ARP premium assistance and eligibility questions, visit: <https://www.dol.gov/cobra-subsidy> or contact the Department of Labor at [askebsa.dol.gov](mailto:askebsa.dol.gov) or 1-866-444-EBSA (3272).