

Payroll & Health Benefits Information

2007-2008

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Payroll Information

Introduction and Explanation of Pay Methods

WHEN	Last banking day of the month.
HOW	Contracts will be paid over 12 months for employees who qualify for benefits and 10 months for employees who do not qualify. Time sheets are paid the month after the work was done.
WHERE	Your Building, except when school is not in session, then checks or automatic deposit information is mailed to your home.

Pay Methods:

WARRANT

DIRECT DEPOSIT *(Mandatory for all new employees)*

Deposit is made to your account on payday. You will receive a printout of all payroll information.

Key Times to Remember

Pay Dates	Last banking day of the month	
Time Sheet Due Dates	1st of the month	Submit to Administrator
Absence Reports	1st of the month	Submit to Administrator
Deductions	10th of the month	Submit to Payroll
W-4 Changes	10th of the month	Submit to Payroll
Direct Deposit Changes	10th of the month	Submit to Payroll

Time Sheets

CERTIFICATED EMPLOYEES

Regular Time Sheet

Non-contract time only for extra time over and above contract

- Staff Meetings
- Staff Training
- Curriculum Development

Per Diem Time Sheets

- Five days per year, to be used 2 weeks prior to, during or 2 weeks following each school year. Time sheets will be submitted in 7 ½ hour increments for full time staff or the appropriate hours per day as determined by your FTE for part time staff.

Professional Development Day

- One day per year to be used for August Institute or Independent Plan.

Verification of Extra Time Worked Day

- Paid in June

To be paid for time sheet hours, the time sheets must be received by payroll no later than sixty (60) days following completion of the time worked. All work completed in May and June must be turned in no later than July 10th.

All time sheets need to be turned into your administrator for approval at the end of each month!

CLASSIFIED EMPLOYEES

Regular Time Sheet

Non-contract time only used for extra time over and above contract

- Staff Meetings
- Staff Training

Department Time Sheet

- Food Service Time Sheet
- M&O/Custodian Time Sheet
- Secretary Para Technical Time Sheet
- Transportation Time Sheet

All time sheets need to be turned into your administrator for approval at the end of each month!

Absence Reports

TYPES OF ABSENCES

- Sick Leave:** Employee illness or doctor appointment
- Emergency Leave:** Family member illness, doctor's appointment, or other emergency as approved by administrator.
- Bereavement Leave:** Family members or close friends (*see bargaining agreement*)
- Jury Duty:** Keep check from court.
- Subpoena:** Give explanation (*work related or personal only paid if work related*)
- Personal Leave:** Need to complete a personal leave request form signed by your building administrator, and submit to the HR Department for approval. (*see bargaining agreements for conditions for approval*)
- School Business:** Give explanation of school business.
- Vacation:** (260 Day employees ONLY)

Fill in total hours absent, reason, sign, date, and turn into administrator for approval by the 1st of the month following the absence!

Section

4

Retirement

If you are eligible for retirement, you will be making monthly contributions to the state retirement system. An employee must work sixty eligible months of 70 hours each, to become vested in the system. After vesting, you are eligible for a pension after meeting the minimum requirements for your plan. Please review the retirement manual at your leisure for the particulars of your plan.

PLANS & RATES FOR 2007-2008

	Employee	Employer	
PRS Plan I	6.00%	6.13%	
SRS Plan II	3.90%	5.88%	
SRS Plan III			
Option A:	All Ages	5.00%	5.88%
Option B:	Until Age of 34	5.00%	5.88%
	Age 35 to 45	6.00%	5.88%
	Age 45 and above	7.50%	5.88%
Option C:	until Age of 34	6.00%	5.88%
	Age 35 to 44	7.50%	5.88%
	Age 45 and above	8.50%	5.88%
Option D:	All Ages	7.00%	5.88%
Option E:	All Ages	10.00%	5.88%
Option F:	All Ages	15.00%	5.88%
TRS Plan I	6.00%	5.82%	
TRS Plan II	2.90	5.82%	
TRS Plan III			
Option A:	All Ages	5.00%	5.82%
Option B:	Until Age of 34	5.00%	5.82%
	Age 35 to 45	6.00%	5.82%
	Age 45 and above	7.50%	5.82%
Option C:	until Age of 34	6.00%	5.82%
	Age 35 to 44	7.50%	5.82%
	Age 45 and above	8.50%	5.82%
Option D:	All Ages	7.00%	5.82%
Option E:	All Ages	10.00%	5.82%
Option F:	All Ages	15.00%	5.82%

Deductions

ANNUITIES

(See attached list for Tax Sheltered Annuities and representatives in the area)

DEFERRED COMPENSATION PROGRAM

Department of Retirement Systems

1-888-327-5596

www.wa.gov/DRS/dcp

Valic

Ryan Amos

1-888-327-5596

CANCER INSURANCE

AFLAC Cancer Insurance

1-800-992-3522

www.aflac.com

CREDIT UNIONS

Numerica Credit Union

662-6117

www.numericacu.org

Washington School Employees Credit Union

1-800-552-7447

www.secuwa.org

FITNESS CLUBS

Gold's Gym

663-4965

Wenatchee Swim and Tennis Club

662-3544

Wenatchee Valley YMCA

662-2109

UNION DUES

See Bargaining Agreement

ANNUITIES

Enrollments, changes, and cancellations can be done each month. The Wenatchee School District Salary Reduction Agreement must be completed by employee and an authorized annuity representative. Forms must be received by the payroll department by the 10th of the month.

To start a new annuity we must have 5 employees' sign Salary Reduction Agreements for the new 403(b) annuity and the provider must have signed the districts Provider Agreement Form.

Tax Sheltered Annuities

Life of the Southwest
Met Life
New York Life
Oppenheimer Funds
Mid Atlantic Trust
Security Benefit
WEA Plans (VALIC)

Tax Sheltered Annuity Representatives who can sell you the annuities listed above:

Allstate Financial Services
Larry Hoven
2351 N Mission Ave
Wenatchee, WA 98801
664-4000

CNC Financial Group
Steve Bogen
175 E Penney Rd
Wenatchee, WA 98801
888-0430

D.A. Davidson & Co.
Robert Johnson II
630 N Chelan, Suite B2
Wenatchee, WA 98801
664-9063

Financial Alternatives
Gene Hoon
Julie Hoon
Ralph Peterson
Eric Peterson
610 N Mission, Suite A-6
Wenatchee, WA 98801
663-7526

Financial Alternatives
Ford Barrett
900 N Mission Suite A
Wenatchee, WA 98801
663-7526

Mass mutual Financial Group
Eric J Anderson
2900N Nevada St
Spokane, WA 99207

Smith Barney
Curt Harvey, Darren Goehner
18 S Mission Street, Suite 101
Wenatchee, WA 98801
663-2141

WEA TSA Investments
Thomas L McNair
10 First Street, Suite 122
Wenatchee, WA 98801
662-4443

Western United Life Assurance Co.
Scott Cordell

Flexible Spending Plan

(Section 125)

Employees of Wenatchee School District have a wide variety of needs when it comes to employee benefits. These benefits are therefore offered in what is popularly known as a flexible spending plan. There are actually three plans in the Wenatchee School District Flexible Spending Plan.

As the name implies, a flexible spending plan gives employees important choices about the plans in which they enroll. Because they operate under special rules set out in Federal Laws and in regulations published by the Internal Revenue Service, these plans may enable you to realize significant tax advantages that were previously unavailable.

Insurance Premium Plan

If you enroll in the insurance Premium Plan, your cost of the premiums for Wenatchee School District's benefit plans will be deducted from your pay before Federal Income Tax and Social Security taxes are deducted.

Medical Reimbursement Plan

AW Rehn & Associates

1-800-872-8979

A separate account is available to you to take care of health care expenses not paid under the insurance contracts. The maximum amount of compensation you can redirect each plan year for reimbursement of eligible health care expenses is \$2,400. If you are considering this benefit, please be sure to contact the payroll office for an application and additional information. You must reenroll each year.

Dependent Care Plan

AW Rehn & Associates

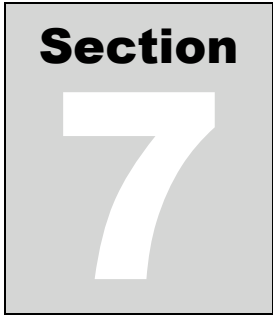
1-800-872-8979

A separate account calling for specific sums (up to \$5,000 per calendar year) can be allocated to this benefit account for reimbursement of dependent care expenses. If you are considering this benefit, please contact the payroll office for an application and additional information. You must reenroll each year.

Reminder

**You must reenroll each year by completing new enrollment forms.
The deadline is September 10, 2007**

The plan year is: October 1, 2007 through September 30, 2008



Health Benefits

In order to receive maximum benefits for pooling, we must have your paperwork **no later than Sept. 10, 2007**

MEDICAL INSURANCE

RATES

Benefit	PP01	PP02	PP03	PP04 -500	PP04-750	Foundations
Employee	\$ 551.30	\$ 482.40	\$ 431.55	\$ 398.75	\$ 386.45	\$ 494.60
Employee + Spouse	\$ 1,070.95	\$ 934.20	\$ 835.95	\$ 772.15	\$ 748.40	\$ 1,003.15
Employee + Spouse + Child(ren)	\$ 1,290.95	\$ 1,125.65	\$ 1,007.30	\$ 930.25	\$ 901.65	\$ 1,213.50
Employee + Child(ren)	\$ 771.30	\$ 673.85	\$ 602.90	\$ 556.85	\$ 539.75	\$ 705.00

DENTAL INSURANCE

Family Coverage (Dental insurance coverage is determined by bargaining unit)

Washington Dental (without orthodontia) 111.20
Washington Dental (with orthodontia) 121.20

VISION INSURANCE

Blue Cross Vision (family coverage) 17.35

OPTIONAL INSURANCE

-
- Salary Insurance
 - Accidental Death and Dismemberment
 - Optional Life
 - AFLAC Insurance

Health Benefits Continued

In order to receive maximum benefits for pooling, enrollment forms for your insurance coverage for the 2007-2008 year must be returned to the payroll office **no later than Sept. 10, 2007.**

Blue Cross of Washington & Alaska 1-800-422-0032

www.premera.com

Washington Dental With or W/O Orthodontia 1-800-554-1907

(Depending on bargaining unit)

Blue Cross Plan A 1-800-345-6784

NOTE:

Your dental and / or vision coverage are family plans. Check to see that you have signed up all eligible family members.

Changes in Your Family Status:

Please be sure to notify payroll if any of the following take place during the year.

Marriage (within 30 days)

Birth or Adoption of Children (within 60 days)

Family members no longer qualified to be covered as dependents on your insurance. They may qualify for COBRA coverage (contact the Payroll Office for more information)

Address change

Beneficiary changes (*marriage, divorce, or other family status changes*)

CONTINUATION COVERAGE RIGHTS UNDER COBRA

	Wenatchee School District Health Care Plan (the Plan)
Introduction	<p>The following information about your right to continue your health care coverage in the Plan is <u>important</u>. Please read it very carefully.</p> <p>COBRA continuation coverage is a temporary extension of group health coverage under the Plan under certain circumstances when coverage would otherwise end. The right to COBRA coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA coverage can become available to you when you would otherwise lose your group health coverage under the Plan. It can also become available to your spouse and dependent children, if they are covered under the Plan, when they would otherwise lose their group health coverage under the Plan. The following paragraphs generally explain COBRA coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it.</p> <p>COBRA (and the description of COBRA coverage contained in this SPD) applies only to the group health plan benefits offered under the Plan and not to any other benefits offered under the Plan (such as life insurance, disability, or accidental death or dismemberment benefits). The Plan provides no greater COBRA rights than what COBRA requires--nothing in this SPD is intended to expand your rights beyond COBRA's requirements.</p> <p>For additional information about your rights and obligations under the Plan and under federal law, you should, contact Wenatchee School District, which is the Plan administrator.</p>
What is COBRA Coverage?	COBRA coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events are listed below in the section entitled "Who Is Entitled to Elect COBRA?"
<i>COBRA coverage may become available to "qualified beneficiaries"</i>	<p>After a qualifying event occurs and any required notice of that event is properly provided to Wenatchee School District, COBRA coverage must be offered to each person losing Plan coverage who is a "qualified beneficiary." You, your spouse, and your dependent children could become qualified beneficiaries and would be entitled to elect COBRA if coverage under the Plan is lost because of the qualifying event. (Certain newborns, newly adopted children, and alternate recipients under Qualified Medical Child Support Orders (QMCSOs) may also be qualified beneficiaries. This is discussed in more detail in separate paragraphs below.)</p> <p>We use the pronoun "you" in the following paragraphs regarding COBRA to refer to each person covered under the Plan who is or may become a qualified beneficiary.</p>
<i>COBRA coverage is the same as coverage available to other participants or beneficiaries under the Plan</i>	COBRA coverage is the same coverage that the Plan gives to other participants or beneficiaries under the Plan who are not receiving COBRA coverage. Each qualified beneficiary who elects COBRA will have the same rights under the Plan as other participants or beneficiaries covered under the component or components of the Plan elected by the qualified beneficiary, including open enrollment and special enrollment rights, under the Plan, qualified beneficiaries who elect COBRA must pay for COBRA coverage.
Who is Entitled to Elect COBRA?	
<i>Qualifying events for the covered employee</i>	<p>If you are an employee, you will be entitled to elect COBRA if you lose your group health coverage under the Plan because either of the following qualifying events happens:</p> <ul style="list-style-type: none"> • your hours of employment are reduced; or • your employment ends for any reason other than your gross misconduct.
<i>Qualifying events for the covered spouse</i>	<p>If you are the spouse of an employee, you will be entitled to elect COBRA if you lose your group health coverage under the Plan because any of the following qualifying events happens:</p> <ul style="list-style-type: none"> • your spouse dies; • your spouse's hours of employment are reduced;

	<ul style="list-style-type: none"> • 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. Also, if your spouse (the employee) reduces or eliminates your group health coverage in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, then the divorce or legal separation may be considered a qualifying event for you even though your coverage was reduced or eliminated before the divorce or separation.
<i>Qualifying events for dependent children</i>	<p>If you are the dependent child of an employee, you will be entitled to elect COBRA if you lose your group health coverage under the Plan because any of the following qualifying events happens:</p> <ul style="list-style-type: none"> • your parent-employee dies; • your parent-employee's hours of employment are reduced; • your parent-employee's employment ends for any reason other than his or her gross misconduct; • you stop being eligible for coverage under the Plan as a "dependent child."
<i>Electing COBRA after leave under the Family and Medical Leave Act (FMLA)</i>	<p>If an employee takes FMLA leave and does not return to work at the end of the leave, the employee (and the employee's spouse and dependent children, if any) will be entitled to elect COBRA if (1) they were covered under the Plan on the day before the FMLA leave began (or became covered during the FMLA leave); and (2) they will lose Plan coverage within 18 months because of the employee's failure to return to work at the end of the leave. (This means that some individuals may be entitled to elect COBRA at the end of an FMLA leave even if they were not covered under the Plan during the leave.) COBRA coverage elected in these circumstances will begin, on the last day of the FMLA leave, with the same 18-month maximum coverage period (subject to extension or early termination) generally applicable to the COBRA qualifying events of termination of employment and reduction of hours. (See the section below entitled "Length of COBRA Coverage.")</p>
<i>Special second election period for certain eligible employees who did not elect COBRA</i>	<p>Special COBRA rights apply to certain employees and former employees who are eligible for federal trade adjustment assistance (TAA) or alternative trade adjustment assistance (ATAA). These individuals are entitled to a second opportunity to elect COBRA for themselves and certain family members (if they did not already elect COBRA) during a special second election period. This special second election period lasts for 60 days or less. It is the 60-day period beginning on the first day of the month in which an eligible employee or former employee becomes eligible for TAA or ATAA, but only if the election is made within the six months immediately after the individual's group health plan coverage ended. If you are an employee or former employee and you qualify or may qualify for TAA or ATAA, contact Wenatchee School District using the Plan contact information provided below. CONTACT Wenatchee School District PROMPTLY AFTER QUALIFYING FOR TAA OR ATAA OR YOU WILL LOSE THE RIGHT TO ELECT COBRA DURING A SPECIAL SECOND ELECTION PERIOD.</p>
When Is COBRA Coverage Available?	<p>When the qualifying event is the end of employment, reduction of hours of employment or death of the employee, the Plan will offer COBRA coverage to qualified beneficiaries. You need not notify Wenatchee School District of any of these three qualifying events.</p>
<i>You must notify the plan administrator of certain qualifying events by this deadline</i>	<p>For the other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), a COBRA election will be available to you only if you notify the COBRA Administrator in writing within 60 days after the later of (1) the date of the qualifying event; and (2) the date on which the qualified beneficiary loses (or would lose) coverage under the terms of the Plan as a result of the qualifying event.</p>
<i>No COBRA election will be available unless you follow the Plan's notice procedures and meet the notice deadline</i>	<p>In providing this notice, you must use the Plan's form entitled "Notice of Qualifying Event" (Form & Notice Procedures), and you must follow the procedures attached to the form entitled "Notice Procedures for Notice of Qualifying Event." If these procedures are not followed or if the notice is not provided in writing during the 60-day notice period, YOU WILL LOSE YOUR RIGHT TO ELECT COBRA. (You may obtain a copy of the "Notice of Qualifying Event" (Form & Notice Procedures) from the COBRA Administrator.)</p>

Electing COBRA Coverage	
<i>How to elect COBRA</i>	<p>To elect COBRA, you must complete the Election Form that is part of the Plan's COBRA election notice and submit it to the Plan's COBRA Administrator. (An election notice will be provided to qualified, beneficiaries at the time of a qualifying event.) Under federal law, you must have 60 days after the date of the COBRA election notice provided to you at the time of your qualifying event to decide whether you want to elect COBRA under the Plan.</p> <p>Mail or hand deliver the completed Election Form to:</p> <p>COBRA Administrator AW Rehn& Associates 1322 N. Post Spokane, WA 99201</p> <p>The Election Form must be completed in writing and mailed or hand-delivered to the individual and address specified above. The following are not acceptable as COBRA elections and will not preserve COBRA rights: oral communications regarding COBRA coverage, including in-person or telephone statements about an individual's COBRA coverage; and electronic communications, including e-mail and faxed communications.</p>
<i>Deadline for COBRA election</i>	If mailed, your election must be postmarked (and if hand-delivered, your election must be received by the individual at the address specified above) no later than 60 days after the date of the COBRA election notice provided to you at the time of your qualifying event. IF YOU DO NOT SUBMIT A COMPLETED ELECTION FORM BY THIS DUE DATE, YOU WILL LOSE YOUR RIGHT TO ELECT COBRA.
<i>If you reject COBRA</i>	If you reject COBRA before the due date, you may change your mind as long as you furnish a completed Election Form before the due date.
<i>Premium payments are due later not with Election Form</i>	You do not have to send any payment with your Election Form when you elect COBRA. Important additional information about payment for COBRA coverage is included below.
<i>Independent election rights</i>	Each qualified beneficiary will have an independent right to elect COBRA. For example, the employee's spouse may elect COBRA even if the employee does not. COBRA may be elected for only one, several, or for all dependent children who are qualified beneficiaries. Covered employees and spouses (if the spouse is a qualified beneficiary) may elect COBRA on behalf of all of the qualified beneficiaries; and parents may elect COBRA on behalf of their children. Any qualified beneficiary for whom COBRA is not elected within the 60-day election period specified in the Plan's COBRA election notice WILL LOSE HIS OR HER RIGHT TO ELECT COBRA COVERAGE.
<i>Notify us if a qualified beneficiary is entitled to Medicare before electing COBRA</i>	When you complete the Election Form, you must notify the COBRA Administrator if any qualified beneficiary has become entitled to Medicare (Part A, Part B, or both) and, if so, the date of Medicare entitlement. If you become entitled to Medicare (or first learn that you are entitled to Medicare) after submitting the Election Form, immediately notify the COBRA Administrator of the date of your Medicare entitlement at the address specified above for delivery of the Election Form.
<i>Is COBRA coverage available if a qualified beneficiary has other plan coverage or Medicare?</i>	Qualified beneficiaries who are entitled to elect COBRA may do so even if they have other group health plan coverage or are entitled to Medicare benefits on or before the date on which COBRA is elected. However, as discussed in more detail below, a qualified beneficiary's COBRA coverage will terminate automatically if, after electing COBRA, he or she becomes entitled to Medicare benefits or becomes covered under other group health plan coverage (but only after any applicable preexisting condition exclusions of that other plan have been exhausted or satisfied). See the section below entitled "Termination of COBRA Coverage Before the End of the Maximum Coverage Period."
Special Considerations in	In considering whether to elect COBRA, you should take into account that a failure

Deciding Whether to Elect COBRA	to elect COBRA will affect your future rights under federal law. First, you can lose the right to avoid having preexisting condition exclusions applied to you by other group health plans if you have more than a 63-day gap in health coverage, and election of COBRA may help you not have such a gap. Second, you will lose the guaranteed right to purchase individual health insurance policies that do not impose such preexisting condition exclusions if you do not get COBRA coverage for the maximum time available to you. Finally, you should take into account that you have special enrollment rights under federal law. You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your spouse's employer) within 30 days after your group health coverage under the Plan ends because of one of the qualifying events listed above. You will also have the same special enrollment right at the end of COBRA coverage if you get COBRA coverage for the maximum time available to you.
Length of COBRA Coverage	COBRA coverage is a temporary continuation of coverage. The COBRA coverage periods described below are maximum coverage periods. COBRA coverage can end before the end of the maximum coverage period for several reasons, which are described in the section below entitled "Termination of COBRA Coverage Before the End of the Maximum Coverage Period."
<i>When the qualifying event is death, divorce, legal separation, or child's loss of dependent status</i>	When Plan coverage is lost due to the death of the employee, the covered employee's divorce or legal separation, or a dependent child's losing eligibility as a dependent child, COBRA coverage can last for up to a total of 36 months.
<i>When the covered employee becomes entitled to Medicare within 18 months before his or her termination of employment or reduction of hours</i>	When Plan coverage is lost due to the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA coverage for qualified beneficiaries (other than the employee) who lose coverage as a result of the qualifying event can last until up to 36 months after the date of Medicare entitlement. For example, if a covered employee becomes entitled to Medicare eight months before the date on which his employment terminates, COBRA coverage under the Plan for his spouse and children who lost coverage as a result of his termination 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). This COBRA coverage period is available only if the covered employee becomes entitled to Medicare within 18 months BEFORE the termination or reduction of hours.
<i>When the qualifying event is a termination of employment or reduction of hours</i>	Otherwise, when Plan coverage is lost due to the end of employment or reduction of the employee's hours of employment, COBRA coverage generally can last for only up to a total of 18 months.
Extension of Maximum Coverage Period	If the qualifying event that resulted in your COBRA election was the covered employee's termination of employment or reduction of hours, an extension of the maximum period of coverage may be available if a qualified beneficiary becomes disabled or a second qualifying event occurs. You must notify the COBRA Administrator of a disability or a second qualifying event in order to extend the period of COBRA coverage. Failure to provide notice of a disability or second qualifying event will eliminate the right to extend the period of COBRA coverage. These extension opportunities also do not apply to a period of COBRA coverage resulting from a covered employee's death, divorce, or legal separation or a dependent child's loss of eligibility.
<i>Disability extension of COBRA coverage</i>	If a qualified beneficiary is determined by the Social Security Administration to be disabled and you notify the COBRA Administrator in a timely fashion, all of the qualified beneficiaries in your family may be entitled to receive up to an additional 11 months of COBRA coverage, for a total maximum of 29 months. This extension is available only for qualified beneficiaries who are receiving COBRA coverage because of a qualifying event that was the covered employee's termination of employment or reduction of hours. The disability must have started at some time before the 61st day after the covered employee's termination of employment or reduction of hours and must last at least until the end of the period of COBRA coverage that would be available without the disability extension (generally 18 months, as described above). Each qualified beneficiary will be entitled to the disability extension if one of them qualifies.
<i>You must notify the COBRA Administrator of a</i>	The disability extension is available only if you notify the COBRA Administrator in writing of the Social Security Administration's determination of disability within 60 days after the latest of:

<p><i>qualified beneficiary's disability by this deadline</i></p>	<ul style="list-style-type: none"> • the date of the Social Security Administration's disability determination; • the date of the covered employee's termination of employment or reduction of hours; and • the date on which the qualified beneficiary loses (or would lose) coverage under the terms of the Plan as a result of the covered employee's termination of employment or reduction of hours. <p>You must also provide this notice within 18 months after the covered employee's termination of employment or reduction of hours in order to be entitled to a disability extension.</p>
<p><i>No disability extension will be available unless you follow the Plan's notice procedures and meet the notice deadline</i></p>	<p>In providing this notice, you must use the Plan's form entitled "Notice by Qualifying Beneficiary" (Form & Notice Procedures), and you must follow the procedures attached to the form entitled "Notice Procedures for Notice Qualifying Beneficiary." If these procedures are not followed or if the notice is not provided in writing to the COBRA Administrator during the 60 day notice period and within 18 months after the covered employee's termination of employment or reduction of hours, THEN THERE WILL BE NO DISABILITY EXTENSION OF COBRA COVERAGE. (You may obtain a copy of the "Notice by Qualifying Beneficiary" (Form & Notice Procedures) from the COBRA Administrator.)</p>
<p><i>Second qualifying event extension of COBRA coverage</i></p>	<p>An extension of coverage will be available to spouses and dependent children who are receiving COBRA coverage if a second qualifying event occurs during the 18 months (or, in the case of a disability extension, the 29 months) following the covered employee's termination of employment or reduction of hours. The maximum amount of COBRA coverage available when a second qualifying event occurs is 36 months. Such second qualifying events may include the death of a covered employee, divorce or legal separation from the covered employee or a dependent child's ceasing to be eligible for coverage as a dependent under the Plan. These events can be a second qualifying event only if they would have caused the qualified beneficiary to lose coverage under the Plan if the first qualifying event had not occurred. (This extension is not available under the Plan when a covered employee becomes entitled to Medicare.)</p>
<p><i>You must notify the COBRA Administrator of a second qualifying event by this deadline</i></p>	<p>This extension due to a second qualifying event is available only if you notify the COBRA Administrator in writing of the second qualifying event within 60 days after the later of (1) the date of the second qualifying event; and (2) the date on which the qualified beneficiary would lose coverage under the terms of the Plan as a result of the second qualifying event (if it had occurred while the qualified beneficiary was still covered under the Plan).</p>
<p><i>No extension will be available unless you follow the Plan's notice procedures and meet the notice deadline</i></p>	<p>In providing this notice, you must use the Plan's form entitled "Notice by Qualifying Beneficiary" (Form & Notice Procedures), and you must follow the procedures attached to the form entitled "Notice Procedures for Notice by Qualifying Beneficiary." If these procedures are not followed or if the notice is not provided in writing to the COBRA Administrator during the 60 day notice period, THEN THERE WILL BE NO EXTENSION OF COBRA COVERAGE DUE TO A SECOND QUALIFYING EVENT. (You may obtain a copy of the "Notice by Qualifying Beneficiary" (Form & Notice Procedures) from the COBRA Administrator.)</p>
<p>Termination of COBRA Coverage Before the End of the Maximum Coverage Period</p>	<p>COBRA coverage will automatically terminate before the end of the maximum period if:</p> <ul style="list-style-type: none"> • any required premium is not paid in full on time; • a qualified beneficiary becomes covered, after electing COBRA, under another group health plan (but only after any preexisting condition exclusions of that other plan for a preexisting condition of the qualified beneficiary have been exhausted or satisfied); • a qualified beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing COBRA; • the employer ceases to provide any group health plan for its employees; • or during a disability extension period, the disabled qualified beneficiary is determined by the Social Security Administration to be no longer disabled, For more information about the disability extension period, see the section above entitled "Extension of Maximum Coverage Period. COBRA coverage may also be terminated for any reason the Plan would terminate coverage of a participant or beneficiary not receiving COBRA coverage (such as fraud).
<p><i>You must notify the</i></p>	<p>You must notify the COBRA Administrator in writing within 30 days if, after electing</p>

<i>COBRA Administrator if a qualified beneficiary becomes entitled to Medicare or obtains other group health plan coverage</i>	COBRA, a qualified, beneficiary becomes entitled to Medicare (Part A, Part B, or both) or becomes covered under other group health plan coverage (but only after any preexisting condition exclusions of that other plan for a preexisting condition of the qualified beneficiary have been exhausted or satisfied).
<i>Termination of COBRA coverage due to Medicare entitlement or other coverage</i>	COBRA coverage will terminate (retroactively if applicable) as of the date of Medicare entitlement or as of the beginning date of the other group health coverage (after exhaustion or satisfaction of any preexisting condition exclusions for a preexisting condition of the qualified beneficiary). The Plan will require repayment of all benefits paid after the termination date, regardless of whether or when you provide notice to the COBRA Administrator of Medicare entitlement or other group health plan coverage.
<i>You must notify the COBRA Administrator if a qualified beneficiary ceases to be disabled</i>	If a disabled qualified beneficiary is determined by the Social Security Administration to no longer be disabled, you must notify the COBRA Administrator of that fact within 30 days after the Social Security Administration's determination.
<i>Termination of COBRA coverage when qualified beneficiary ceases to be disabled</i>	If the Social Security Administration's determination that the qualified beneficiary is no longer disabled occurs during a disability extension period, COBRA coverage for all qualified beneficiaries will terminate (retroactively if applicable) as of the first day of the month that is more than 30 days after the Social Security Administration's determination that the qualified beneficiary is no longer disabled. The Plan will require repayment of all benefits paid after the termination date, regardless of whether or when you provide notice to the COBRA Administrator that the disabled qualified beneficiary is no longer disabled. (For more information about the disability extension period, see the section above entitled "Extension of Maximum Coverage Period".)
Cost of COBRA Coverage	Each qualified beneficiary is required to pay the entire cost of COBRA coverage. The amount a qualified beneficiary may be required to pay may not exceed 102 percent (or, in the case of an extension of COBRA coverage due to a disability, 150 percent) of the cost to the group health plan (including both employer and employee contributions) for coverage of a similarly situated plan participant or beneficiary who is not receiving COBRA coverage. The amount of your COBRA premiums may change from time to time during your period of COBRA coverage and will most likely increase over time. You will be notified of COBRA premium changes.
<i>Eligible individuals may take advantage of a tax credit (the HCTC) to assist in paying COBRA premiums</i>	The Trade Act of 2002 created a new tax credit for certain individuals who become eligible for trade adjustment assistance and for certain retired employees who are receiving pension payments from the Pension Benefit Guaranty Corporation (eligible individuals). Under the new tax provisions, eligible individuals can take a tax credit equal to 65% of premiums paid for qualified health insurance, including COBRA coverage. If you have questions about these new tax provisions, you may call the Health Coverage Tax Credit Customer Contact Center toll-free at 1-866-628-4282. TTD/TTY callers may call toll-free at 1-866-626-4282. More information about the Trade Act is also available at www.doleta.gov/tradeact/2002act_index.asp .
Payment for COBRA Coverage	
<i>How premium payments must be made</i>	All COBRA premiums must be paid by check. Your first payment and all monthly payments for COBRA coverage must be mailed or hand-delivered to: COBRA Administrator AW Rehn & Associates 1322 N. Post Spokane, WA 99201
<i>When premium payments are considered to be made</i>	If mailed, your payment is considered to have been made on the date that it is postmarked. If hand-delivered, your payment is considered to have been made when it is received by the individual at the address specified above. You will not be considered to have made any payment by mailing or hand delivering a check if your check is returned due to insufficient funds or otherwise.
<i>First payment for COBRA coverage</i>	If you elect COBRA, you do not have to send any payment with the Election Form. However, you must make your first payment for COBRA coverage not later than 45 days after the date of your election. (This is the date your Election Form is

	<p>postmarked, if mailed, or the date your Election Form is received by the individual at the address specified for delivery of the Election Form, if hand-delivered.) See the section above entitled "Electing COBRA Coverage."</p> <p>Your first payment must cover the cost of COBRA coverage from the time your coverage under the Plan would have otherwise terminated up through the end of the month before the month in which you make your first payment. (For example, Sue's employment terminates on September 30, and she loses coverage on September 30, Sue elects COBRA on November 15. Her initial premium payment equals the premiums for October and November and is due on or before December 30, the 45th day after the date of her COBRA election.) You are responsible for making sure that the amount of your first payment is correct. You may contact the COBRA Administrator using the contact information provided below to confirm the correct amount of your first payment.</p> <p>Claims for reimbursement will not be processed and paid until you have elected COBRA and made the first payment for it.</p> <p>If you do not make your first payment for COBRA coverage in full within 45 days after the date of your election, you will lose all COBRA rights under the Plan.</p>
<i>Monthly payments for COBRA coverage</i>	<p>After you make your first payment for COBRA coverage, you will be required to make monthly payments for each subsequent month of COBRA coverage. The amount due for each month for each qualified beneficiary will be disclosed in the election notice provided to you at the time of your qualifying event. Under the Plan, each of these monthly payments for COBRA coverage is due on the first day of the month for that month's COBRA coverage. If you make a monthly payment on or before the first day of the month to which it applies, your COBRA coverage under the Plan will continue for that month without any break. The COBRA Administrator does send a courtesy monthly notice of payments due for these coverage periods.</p>
<i>Grace periods for monthly COBRA premium payments</i>	<p>Although monthly payments are due on the first day of each month of COBRA coverage, you will be given a grace period of 30 days after the first day of the month to make each monthly payment. Your COBRA coverage will be provided for each month as long as payment for that month is made before the end of the grace period for that payment. However, if you pay a monthly payment later than the first day of the month to which it applies, but before the end of the grace period for the month, your coverage under the Plan will be suspended as of the first day of the month and then retroactively reinstated (going back to the first day of the month) when the monthly payment is received. This means that any claim you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated.</p> <p>If you fail to make a monthly payment before the end of the grace period for that month, you will lose all rights to COBRA coverage under the Plan.</p>
More Information About Individuals Who May Be Qualified Beneficiaries	
<i>Children born to or placed for adoption with the covered employee during a period of COBRA coverage</i>	<p>A child born to, adopted by, or placed for adoption with a covered employee during a period of COBRA coverage is considered to be a qualified beneficiary provided that, if the covered employee is a qualified beneficiary, the covered employee has elected COBRA coverage for himself or herself. The child's COBRA coverage begins when the child is enrolled in the Plan, whether through special enrollment or open enrollment, and it lasts for as long as COBRA coverage lasts for other family members of the employee. To be enrolled in the Plan, the child must satisfy the otherwise applicable Plan eligibility requirements (for example, regarding age).</p>
<i>Alternate recipients under QMCSOs</i>	<p>A child of the covered employee who is receiving benefits under the Plan pursuant to a qualified medical child support order (QMCSO) received by Wenatchee School District during the covered employee's period of employment is entitled to the same rights to elect COBRA as an eligible dependent child of the covered employee.</p>
If You Have Questions	<p>Questions concerning your Plan or your COBRA 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 newest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security</p>

	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.)
Keep Your Plan Informed of Address Changes	In order to protect your family's rights, <u>you should keep the Plan informed of any changes in the addresses of family members.</u> You should also keep a copy, for your records, of any notices you send to the Plan,
Plan Contact Information	<p>You may obtain information about the Plan and COBRA coverage on request from:</p> <p>Wenatchee School District Attn: Payroll 235 Sunset Ave WenatcheeWA 98801 -OR-</p> <p>COBRA Administrator AW Rehn & Associates 1322 N. Post Spokane, WA 99201 (509) 534-0600</p> <p>The contact information for the Plan may change from time to time. The most recent information will be included in the Plan's most recent SPD (if you, are not sure whether this is the Plan's most recent SPD, you may request the most recent one from Wenatchee School District).</p>