

GROUP HEALTH CONTINUATION COVERAGE UNDER COBRA

A federal law was enacted, Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), requiring that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called "continuation coverage") at group rates in certain instances where coverage under the HBC (the "Plan") would otherwise end.

What other options may be available to you when you lose medical coverage under the Plan?

You may be eligible to buy individual medical insurance coverage through the Health Insurance Marketplace. By enrolling in medical insurance coverage through the Health Insurance Marketplace, you may qualify for lower cost on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another employer group medical plan for which you are eligible (such as your spouse's plan), even if that plan generally doesn't accept late enrollees.

For additional information about your rights and obligations under the Plan and under COBRA, you should review the Summary Plan Description for the Plan or contact the Plan Administrator, as specified in the Summary Plan Description.

This notice is intended to inform you, in a summary fashion, of your rights and obligations under the continuation coverage provisions of the law. (Both you and your spouse should take the time to read this notice carefully.) If you are an employee of HBC (the "Employer" covered by the Plan, you have a right to choose this continuation coverage if you lose your group health coverage because of a reduction in your hours of employment with the Employer or the termination of your employment (for reasons other than gross misconduct on your part) with the Employer or you are called to active military duty.

If you are the spouse of an employee covered by the Plan, you have the right to choose continuation coverage for yourself and if you lose group health coverage under Plan for any of the following four reasons:

1. The death of your spouse;
2. A termination of your spouse's employment (for reasons other than gross misconduct) or reduction in your spouse's hours of employment with the Employer;
3. Divorce or legal separation from your spouse; or
4. Your spouse becomes entitled to Medicare.

In the case of a dependent child of an employee covered by the Plan, he or she has the right to continuation coverage if group health coverage under the Plan is lost for any of the following reasons:

1. The death of the employee;
2. A termination of the employee's employment (for reasons other than gross misconduct) or reduction in the employee's hours of employment with Employer;
3. The employee's divorce or legal separation;
4. The employee becomes entitled to Medicare; or
5. The dependent child ceases to be a "dependent child" under the Plan.

Under COBRA, you, your spouse and your dependent children who are entitled to continuation coverage because of one of the above events is considered to be a “qualified beneficiary”.

Under COBRA, you, your spouse or your dependent child has the responsibility to inform the Plan Administrator of a divorce, legal separation, or a child losing dependent status under the Plan within 60 days of the date of the event or when coverage terminates, whichever occurs later. The request must be submitted in writing to benefitexpress with corresponding supporting documentation. For example, if the event is death, a death certificate should be submitted as supporting documentation. The Employer has the responsibility to notify the Plan Administrator of your death, termination, reduction in hours of employment or Medicare entitlement.

If you choose continuation coverage, the Employer is required to give you coverage that is identical to the coverage provided under the Plan to similarly situated employees or family members. The law requires that you be afforded the opportunity to maintain continuation coverage for 36 months unless you lost group health coverage because of your termination of employment or reduction in hours with the Employer. In that case, the required continuation coverage period is 18 months. This 18 month period may be extended for affected individuals to 36 months from your termination of employment if other events (such as a death, divorce, legal separation, or Medicare entitlement) occur during that 18 month period. Also, if you or your spouse gives birth to or adopts a child while on continuation coverage, you will be allowed to change your coverage status to include the child.

If you lost coverage because of being called up for military service, you and your covered dependents will be entitled to 24 months of continuation coverage.

In no event will continuation coverage last beyond 36 months from the date of the event that originally made a qualified beneficiary eligible to elect coverage. The 18 months may be extended to 29 months if an individual (you, your spouse or any other covered dependent) is determined by the Social Security Administration to be disabled (for Social Security disability purposes) as of the termination or reduction in hours of employment, or within sixty days thereafter and must last until the end of the 18-month period of coverage. To be eligible for this extension, any qualified beneficiary must notify the Plan Administrator of that determination within 60 days, but not later than the end of the original 18 month period. The request must be submitted in writing to benefitexpress and must include the Award Letter from the Social Security Administration as supporting documentation. If the qualified beneficiary is no longer

disabled such individual must also notify the Plan Administrator within 30 days of any final determination.

If you do not choose continuation coverage on a timely basis, your group health insurance coverage will end. Not choosing continuation coverage may cause a break in your continued coverage, and any such break of more than sixty-three days may cause loss of coverage portability.

The premium for continuation coverage that qualified beneficiaries are charged is based on the applicable total (the Employer and employee) premium cost under coverage for "similarly-situated" employees. The Employer charges qualified beneficiaries no more than 102% of the applicable plan option premium cost. The additional 2% above the premium cost covers the Employer's cost of administering continuation coverage.

Disabled qualified beneficiaries that are granted the special 11-month extension are charged up to 150% (rather than 102%) of the applicable plan premium during the 11 month period of extended continuation coverage.

There is a grace period of at least 30 days for payment of the regularly scheduled premium. (At the end of the 18 month, 29 month or 36 month continuation coverage period, qualified beneficiaries may be allowed to enroll in an individual conversion health plan provided under the Plan.)

Are there other coverage options besides COBRA continuation coverage?

Yes. Instead of enrolling in COBRA continuation coverage, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicare, Medicaid, Children's Health Insurance Program (CHIP), or other group health plan options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at www.healthcare.gov.

Can I enroll in Medicare instead of COBRA continuation coverage after my group health plan coverage ends?

In general, if you don't enroll in Medicare Part A or B when you are first eligible because you are still employed, after the Medicare initial enrollment period, you have an 8-month special enrollment period to sign up for Medicare Part A or B, beginning on the earlier of:

1. The month after your employment ends; or
2. The month after group health plan coverage based on current employment ends.

If you don't enroll in Medicare and elect COBRA continuation coverage instead, you may have to pay a Part B late enrollment penalty and you may have a gap in coverage if you decide you want Part B later. If you elect COBRA continuation coverage and later enroll in Medicare Part A or B before the COBRA continuation coverage ends, the Plan may terminate your continuation

coverage. However, if Medicare Part A or B is effective on or before the date of the COBRA election, COBRA coverage may not be discontinued on account of Medicare entitlement, even if you enroll in the other part of Medicare after the date of the election of COBRA coverage.

If you are enrolled in both COBRA continuation coverage and Medicare, Medicare will generally pay first (primary payer) and COBRA continuation coverage will pay second. Certain plans may pay as if secondary to Medicare, even if you are not enrolled in Medicare.

For more information visit <https://www.medicare.gov/medicare-and-you>.

Keep Your Plan Informed of Address Changes

In order to protect your family's rights, you should keep the Plan 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 the Plan Administrator. All address changes should be submitted in writing to benefitexpress.

If you have Questions

Questions concerning your Plan or your COBRA 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 (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.)

Plan Contact Information

If you have any questions about COBRA, plan specific information or to report a change in status please contact:

benefitexpress
1700 E. Golf Road, Suite 1000
Schaumburg, Illinois 60173
(877) 837-5017

Sincerely,

benefitexpress
Your Health Continuation Administrator

NEW HEALTH INSURANCE MARKETPLACE COVERAGE OPTIONS AND YOUR HEALTH COVERAGE

Form Approved
OMB No. 1210-0149

GENERAL INFORMATION

When key parts of the new health care law took effect in 2014, they created a new way to buy health insurance: the Health Insurance Marketplace. To assist you as you evaluate options for you and your family, this notice provides some basic information about the new Marketplace and employment-based health coverage offered by your employer.

What is the Health Insurance Marketplace?

The Marketplace is designed to help you find health insurance that meets your needs and fits your budget. The Marketplace offers "one-stop-shopping" to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away. Check with www.healthcare.gov to obtain information about open enrollment periods for health insurance coverage through the Marketplace.

Can I Save Money on my Health Insurance Premiums in the Marketplace?

You may qualify to save money and lower your monthly premium, but only if your employer does not offer coverage, or offers coverage that doesn't meet certain standards. The savings on your premium that you're eligible for depends on your household income.

Does employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

Yes. If you have an offer of health coverage from your employer that meets certain standards, you will not be eligible for a tax credit through the Marketplace and may wish to enroll in your employer's health plan. However, you may be eligible for a tax credit that lowers your monthly premium, or a reduction in certain cost-sharing if your employer does not offer coverage to you at all or does not offer coverage that meets certain standards. If the cost of a plan from your employer that would cover you (and not any other members of your family) is more than 9.5% of your household income for the year, or if the coverage your employer provides does not meet the "minimum value" standard set by the Affordable Care Act, you may be eligible for a tax credit.[1]

Note: If you purchase a health plan through the Marketplace instead of accepting health coverage offered by your employer, then you may lose the employer contribution (if any) to the employer-offered coverage. Also, this employer contribution - as well as your employee contribution to employer-offered coverage - is often excluded from income for Federal and State income tax purposes. Your payments for coverage through the Marketplace are made on an after-tax basis.

How Can I Get More Information?

For more information about your coverage offered by your employer, please check your summary plan description or contact your Benefits Department.

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit **HealthCare.gov** for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

[1] An employer-sponsored health plan meets the "minimum value standard" if the plan's share of the total allowed benefit costs covered by the plan is no less than 60 percent of such costs.

Part B. Information About Health Coverage Offered by Your Employer

This section contains information about any health coverage offered by your employer. If you decide to complete an application in the Marketplace, you will be asked to provide this information. This information is numbered to correspond to the Marketplace application.

3. Employer Name HBC		4. Employer Identification Number (EIN) 620331040	
5. Employer Address 225 Liberty Street Floor 31		6. Employer Phone Number	
7. City New York	8. State NY	9. Zip Code 10281	
10. Who can we contact about employee health coverage at this job?			
11. Phone Number (if different from above)		12. Email Address	

Here is some basic information about health coverage offered by this employer:

- As your employer, we offer a health plan to some employees. Eligible employees are:
- With respect to dependents, we do offer coverage. Eligible dependents are:
- This coverage meets the minimum value standard, and the cost of this coverage to you is intended to be affordable, based on employee wages.

** Even if your employer intends your coverage to be affordable, you may still be eligible for a premium discount through the Marketplace. The Marketplace will use your household income, along with other factors, to determine whether you may be eligible for a premium discount. If, for example, your wages vary from week to week (perhaps you are an hourly employee or you work on a commission basis), if you are newly employed mid-year, or if you have other income losses, you may still qualify for a premium discount.

If you decide to shop for coverage in the Marketplace, HealthCare.gov will guide you through the process.