

Selecting Post Termination Health Insurance Coverage- Things to Consider

Your current health insurance coverage will continue through the last day of the month in which your employment terminates (example: If a 4/15 termination date, coverage continues until 4/30).

In accordance with Federal law, Franklin Templeton is required to provide you with information on the Consolidated Omnibus Budget Reconciliation Act (COBRA) which is a program that provides former employees and their covered dependents the right to temporary continuation of health coverage at group rates.

You'll have the following options for continuation of benefits coverage:

Pre -Age 65 (One of Three Options) -

- **Option 1: Enroll in COBRA.** This allows you to remain on the current FTI Medical, Dental, Vision group plans at the group rate for up to 18 months. Information on enrolling in COBRA will be mailed to your home address within 3 weeks of your termination date from our COBRA administrator, WEX. *If you will be turning 65 during the 18 months of COBRA, please read the important information in the Medicare section on Medicare and COBRA*
- At the end of your 18 months of COBRA and if under the age of 65, you will have the option to enroll in the Access Only Medical plan which allows you to stay on the FTI group plan until you are Medicare eligible (age 65). A separate election package which includes the rates will be sent to you at that time by our third-party administrator, WEX. This coverage is for continuation of medical only, COBRA dental and vision cease after 18 months.
- **Option 2: Enroll in Access Only Retiree Medical –** This allows you to stay on the FTI group medical plan until you are Medicare eligible (age 65). These rates are approximately 50% higher than the COBRA rates.
- If you meet the eligibility criteria for this plan, you may elect this medical coverage at the time your employment ends. Any qualified dependents must also enroll in this plan if they would like to continue coverage. You may still enroll separately for Vision and Dental through COBRA for a maximum of 18 months.
- If you prefer, you may *first* elect COBRA for 18 months and if at the end of the 18 months are under the age of 65, can further elect continuation of coverage under this Retiree Medical Access Only plan- up to age 65. This continuation of coverage after the 18 months is only applicable for medical. Dental and vision coverage ceases at the end of COBRA.
- A separate Access Only election package, including current rates, will be sent by our COBRA vendor at the time your COBRA ends. You must elect and return this form timely to continue coverage.
- If you are interested in enrolling in the Access Only Plan at the time your employment ends **instead of first electing** COBRA for medical, please contact the Franklin Templeton Human Resources department to ensure you receive the appropriate enrollment form from the vendor.
- **Option 3: Enroll in an individual plan on the public exchange –** You'll have the option to purchase an individual plan offered through the public exchange (Federal or State exchange – depending on where you live) - premiums will vary depending on region, family size and plan design. You can review your options and enroll in coverage through this site – please select the Pre-65 options category and click on 'Coverage Calculator'.

Age 65 and older -

Must Enroll in Medicare and any supplemental individual medical plans – If over 65, you'll need to enroll in Medicare (if you aren't already) and select supplemental coverage . Please see additional section below regarding Medicare.

The Aon retiree health exchange can assist in finding you the right Medicare coverage. Please select the Post 65 option on this site - that will bring you directly to the Aon health exchange for assistance.

<Optional> Enroll in COBRA. You could decide to also enroll in COBRA in addition to Medicare. However, you must be enrolled in Medicare as Medicare is primary and COBRA is secondary. COBRA allows you to remain on the current FTI Medical, Dental, and Vision group plans at the group rate for up to 18 months. Information on enrolling in COBRA will be mailed to your home address within 3 weeks of your termination date from our COBRA administrator, WEX.

Medicare-

When should I apply for Medicare?

If you are planning on leaving FTI, you should apply three months before the month you turn 65. If you are currently age 65 or older and have not yet applied for Medicare, you should do so ASAP to avoid any potential late enrollment penalties. If you choose to enroll in COBRA and become Medicare eligible you will need be enroll in Medicare prior to your 65th birthday. **Medicare does not consider COBRA coverage an “active group plan” and will impose financial penalties for late Medicare enrollments.**

Who pays first, Medicare or my COBRA continuation coverage?

If you or your spouse are age 65 or over and have COBRA continuation coverage, Medicare is the primary payer

PLEASE NOTE: If you are eligible for Medicare but don't enroll, your COBRA coverage (if you select COBRA) is still the secondary payer. The amount that Medicare would have covered as primary payer, will be your responsibility if you don't enroll into Medicare.

How do I learn more about Medicare and how to enroll?

For more information, call Social Security at 1-800-772-1213, visit www.socialsecurity.gov on the web, or apply at your State Medical Assistance (Medicaid) office. If you have a question about Medicare or the Medicare health and prescription drug plans in your area, visit www.medicare.gov on the web, or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

Additional Resources: Medicare and You handbook <https://www.medicare.gov/pub/medicare-you-handbook>