



**Annual COBRA/Cal-COBRA  
Status Notification**

**R E S P O N S E   R E Q U I R E D**

**Company Name:**

**CaliforniaChoice<sup>®</sup> Group Number:**

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**Status:**

Please select **one** of the following choices (see reverse side for COBRA status definitions):

**Effective January 1st 2009, our company will be subject to:**

- Federal COBRA** (20 or more employees for at least 50% of the 2008 calendar year)
- Cal-COBRA** (2 to 19 employees for at least 50% of the 2008 calendar year)
- Exempt** (Church Plans Only)

**Note:** Failure to notify CaliforniaChoice<sup>®</sup> of a status change will expose your company to liability for COBRA non-compliance.

\_\_\_\_\_  
**Plan Administrator (Name)**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

**RETURN PRIOR TO DECEMBER 31, 2008**

**Please fax this completed form to CaliforniaChoice<sup>®</sup> at (714) 796-7685**



## COBRA and Cal-COBRA General Guidelines

Federal (COBRA) and California State (Cal-COBRA) laws allow for continuation of group health benefits by individuals who lose coverage as a result of certain “qualifying events.” In order to maintain compliance with these laws, notification of your current group status must be submitted to CaliforniaChoice® on an annual basis. If notification is not received, your group’s COBRA status will remain unchanged.

COBRA or Cal-COBRA status is determined each calendar year based on the previous calendar year’s total employee count and does not change mid-year.

### General rules for determining your status are as follows:

#### Federal COBRA (20 or more employees for at least 50% of the 2008 calendar year)

- An employer with a group health plan that employs 20 or more “employees” on at least 50% of its “typical business days” during the preceding calendar year is generally subject to Federal COBRA law.
- “Employees” are all full-time and part-time common law employees, whether or not they are eligible for coverage under the employer’s group health plan.
- Self-employed individuals, independent contractors and corporate directors are not treated as employees for Federal COBRA purposes and need not be counted toward the total employee count.
- Part-time employees may be counted as a fraction of an employee. The fraction is based on the number of hours actually worked compared to the number of hours required to be considered a full-time employee, but not greater than 40 hours per week.
- Employers must aggregate employees from all divisions, subsidiaries and any other entities that make up a controlled group of corporations in determining total employee count.
- Employers may use either daily or pay-period methods of counting total employees.

#### Cal-COBRA (2 to 19 employees for at least 50% of the 2008 calendar year)

- An employer with only 2 to 19 eligible employees on at least 50% of its “working days” during the preceding calendar year is generally subject to Cal-COBRA law.
- All full-time, part-time, leased and self-employed persons (such as partners in a law firm) are considered “employees” regardless of whether or not they are eligible for coverage.
- Agents, independent contractors and corporate directors are counted as eligible employees if they are eligible for the group health plan coverage.
- Employers must aggregate employees from all divisions, subsidiaries and any other entities that make up a controlled group of corporations in determining total employee count.

#### Exempt (Church Plans Only)

- Employers maintaining church plans may be exempt from Federal COBRA requirements.
- Not all church-controlled organizations are exempt—legal counsel should be consulted in determining if your group qualifies for this exemption.
- Church plans are “plans established and maintained by a church or by a convention or association of churches which are exempt from taxes under Internal Revenue Code Section 501.”
- Employers maintaining a church plan for only 2 to 19 employees will not be exempt from Cal-COBRA.

**Please complete the reverse side of this form  
and fax to CaliforniaChoice® by December 31, 2008.**

# RESPONSE REQUIRED