

Statement Date: July 3, 2020



My Benefits Portal™

www.yourbenefitsresources.com/tapestry

Sample Employee
10 Hudson Yards.
New York, NY 10001

COBRA Rights Notice

You are receiving this notice because you have recently become eligible under Tapestry, Inc. group health plan. This notice contains important information about your right to COBRA continuation coverage, which is a temporary extension of coverage under Tapestry, Inc. plan. **This notice generally explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it.**

The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you when you would otherwise lose your group health coverage. It can also become available to other members of your family who are covered under the Plan when they would otherwise lose their group health coverage. For additional information about your rights and obligations under the Plan and under federal law, you should review your Summary Plan Description or contact Tapestry Benefits Center.

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

What Is COBRA Continuation Coverage?

COBRA continuation coverage is a continuation of group health plan coverage when coverage would otherwise end because of a life event known as a "qualifying event". Specific qualifying events are listed later in this notice. After a qualifying event occurs, COBRA continuation coverage must be offered to each person who is a "qualified beneficiary". You, your spouse, and your dependent children could become qualified beneficiaries if coverage under the Plan is lost because of a qualifying event. Qualified beneficiaries who elect COBRA continuation coverage must pay for that coverage.

You will become a qualified beneficiary if you lose your coverage under the Plan because either one of the following qualifying events happens:

- n Your hours of employment are reduced; or
- n Your employment ends for any reason other than your gross misconduct.

Your spouse will become a qualified beneficiary if he or she loses coverage under the Plan because any of the following qualifying events happens:

- n Your hours of employment are reduced;
- n Your employment ends for any reason other than your gross misconduct;
- n Your death;
- n Your entitlement to Medicare benefits (under Part A, Part B, or both); or
- n You become divorced or legally separated.

Your dependent children will become qualified beneficiaries if they lose coverage under the Plan because any of the following qualifying events happens:

- n Your hours of employment are reduced;
- n Your employment ends for any reason other than your gross misconduct;
- n Your death;
- n Your entitlement to Medicare benefits (under Part A, Part B, or both);
- n Your divorce or legal separation; or
- n The dependent stops being eligible for coverage under the Plan as a "dependent child".

When Is COBRA Coverage Available?

Tapestry, Inc. will offer COBRA continuation coverage to qualified beneficiaries only after Tapestry Benefits Center has been notified that a qualifying event occurred. For the following qualifying events, Tapestry, Inc. will notify Tapestry Benefits Center of the qualifying event:

- n Your hours of employment are reduced;
- n Your employment ends for any reason other than gross misconduct;
- n Your death; or
- n Your entitlement to Medicare benefits (under Part A, Part B, or both).

You Must Give Notice of Some Qualifying Events

For the following qualifying events, you or a family member must notify Tapestry Benefits Center within 60 days after the qualifying event occurs:

- n Your divorce or legal separation; or
 - n Your dependent's loss of eligibility for coverage as a dependent child.
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You must notify Tapestry Benefits Center of the qualifying event by accessing My Benefits Portal™ at www.yourbenefitsresources.com/tapestry or calling 833-692-6387.

How Is COBRA Coverage Provided?

Once Tapestry Benefits Center receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. You may elect continuation coverage on behalf of your spouse and dependent children. Your spouse may also elect continuation coverage on behalf of your dependent children.

COBRA continuation coverage is a temporary continuation of coverage. When the qualifying event is one of the following events, COBRA continuation coverage lasts for up to a total of 36 months for your spouse and dependent children:

- Your death;
- Your divorce or legal separation; or
- Your dependent stops being eligible for coverage under the Plan as a "dependent child".

When the qualifying event is one of the following events, COBRA continuation coverage lasts for up to a total of 18 months for qualified beneficiaries:

- Your hours of employment are reduced; or
- Your employment ends for any reason other than your gross misconduct.

When the qualifying event is your reduction in hours or your termination of employment and you were entitled to Medicare benefits prior to the qualifying event, additional coverage for your spouse and dependents may be available. Your spouse and dependents would be eligible to receive up to 36 months of COBRA continuation coverage from the date of your entitlement to Medicare. For example, if you became entitled to Medicare 8 months before the date your employment terminates, COBRA continuation coverage for your spouse and dependent children 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 8 months prior to the qualifying event).

There are two ways in which an 18-month period of COBRA continuation coverage can be extended.

Disability Extension of 18-Month Period of Continuation Coverage

COBRA coverage may be available for you and your family for up to a total of 29 months at a higher premium if:

- You, your covered spouse, or your covered dependents (including newborn and newly adopted children) are determined to be disabled as defined by the Social Security Act prior to the qualifying event or during the first 60 days of COBRA coverage;
 - The Social Security Administration's (SSA) disability determination is received before or during the disabled individual's 18 months of COBRA coverage;
 - The disability lasts at least until the end of the 18-month period of continuation coverage; and
 - Tapestry Benefits Center is notified and receives a copy of the SSA's disability determination before the end of the 18-month COBRA coverage period, but not later than 60 days after the date the disabled individual's Social Security disability determination is issued by the SSA. If the disability determination occurred before COBRA coverage started, you're required to notify Tapestry Benefits Center and provide a copy of the disability determination within the first 60 days of COBRA coverage.
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You, your covered spouse, or your covered dependents must notify and provide a copy of the Social Security Administration's (SSA) disability determination to Tapestry Benefits Center before the end of the 18-month COBRA coverage period, but not later than 60 days after the date the disabled individual's Social Security disability determination is issued by the SSA in order to receive the coverage extension. To notify Tapestry Benefits Center of the disability determination event, call 833-692-6387.

If the disabled individual is determined by the SSA to no longer be disabled, you, your covered spouse, or your covered dependents must notify Tapestry Benefits Center within 30 days of the date of such determination by calling 833-692-6387.

Second Qualifying Event Extension of 18-Month Period of Continuation Coverage

If your family experiences another qualifying event while receiving 18 months of COBRA continuation coverage, your spouse and dependent children can receive up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months. Additional continuation coverage is available only if the event would have caused your spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred. These events include:

- n Your death;
- n Your divorce or legal separation; or
- n Your dependent stops being eligible for coverage under the Plan as a "dependent child".

You, your covered spouse, or your covered dependents must notify Tapestry Benefits Center within 60 days after the event occurs in order to receive this additional coverage. To notify Tapestry Benefits Center of the additional qualifying event, call 833-692-6387.

Events That May Change Continued Coverage

Once your COBRA coverage begins, you may be able to change your COBRA coverage elections outside of the annual enrollment period based on plan rules if you experience a Qualified Life Event. You, your covered spouse, or your covered dependents must notify Tapestry Benefits Center by calling 833-692-6387 within 30 days of the Qualified Life Event to change your COBRA coverage. Additional documentation may be required before a coverage change is permitted. See your Summary Plan Description or contact Tapestry Benefits Center for detailed information on allowable changes in status. Adding family members to COBRA coverage may result in a higher premium for this additional coverage.

You may also change COBRA coverage if a child is born to the covered Employee or placed for adoption with the covered Employee during the 18-, 29-, or 36-month continuation period. In such case, you must notify Tapestry Benefits Center by calling 833-692-6387 within 30 days of the birth or placement to cover the new dependent as a qualified beneficiary under COBRA. There may be a higher premium for this additional coverage.

Events That End Continued Coverage

COBRA coverage will end automatically upon the expiration of the 18-, 29-, or 36-month continuation periods described on the previous pages. In addition, COBRA coverage will end automatically earlier if any of the following situations occur:

- n Tapestry, Inc. stops providing group health benefits;
 - n Premiums are not paid within 30 days of the due date (with the exception of the initial premium which is due within 45 days of your election date); or
 - n The individual becomes covered under any other group health plan after electing COBRA coverage.
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- n The individual becomes eligible for and enrolls in Medicare benefits (under Part A, Part B, or both) after electing COBRA coverage.

If your coverage ends because of expiration of the 18-, 29-, or 36-month period, you may be able to convert coverage to an individual policy if this right currently exists in the Plan. Consult your Summary Plan Description or contact Tapestry Benefits Center for more detailed information on events that cause early termination of COBRA coverage.

Other Coverage Options

When you lose group health coverage, there may be other, more affordable 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 coverage options (such as a spouse's plan) through what is called a "special enrollment period". By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse's plan), even if that plan generally doesn't accept late enrollees. 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⁽¹⁾ to sign up for Medicare Part A or B, beginning on the earlier of

- n The month after your employment ends; or
- n 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>.

⁽¹⁾<https://www.medicare.gov/sign-up-or-change-plans/how-do-i-get-parts-a-b/part-a-part-b-sign-up-periods>. These rules are different for people with End Stage Renal Disease (ESRD).

Address Information

Be sure to keep your current address information up to date with Tapestry, Inc.. Doing so is the only way to ensure that important benefit information will reach you. You should also keep a copy, for your records, of any notices you send to Tapestry Benefits Center.

Your Rights Under ERISA

Questions concerning the Plan or your COBRA continuation coverage rights should be addressed to the contact or contacts identified below. For more information about your rights under ERISA, including COBRA, the Patient Protection and Affordable Care Act, 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 www.dol.gov/ebsa. (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.) For more information about the Marketplace, visit www.HealthCare.gov.

For More Information

**Online**

My Benefits Portal™

at www.yourbenefitsresources.com/tapestry**Phone**

Monday through Friday, 9:00 a.m. and 6:00 p.m. EST

toll-free at 833-692-6387 (United States)

Generally, you'll have a shorter wait time if you call after Tuesday.

**Fax**

1-866-721-0336 (United States)

Cover letter not necessary

**Mail**

Tapestry Benefits Center

PO Box 661065

Dallas, TX 75266-1065, IL 75266-1065

Hablamos español: Para información de beneficios, llama al 833-692-6387.

Tapestry Benefits Center is providing COBRA administration services on behalf of the plan administrator, Tapestry, Inc.. Please address any written correspondence to:

Tapestry Benefits Center
PO Box 661065
Dallas, TX 75266-1065, IL 75266-1065