

**Cook County  
Request for Time**

e-mail form

4.A.

**Before the Board of Commissioners**

1.	a. Topic or Issue: (As should be listed on agenda) School House Road	b. Requested Date: 5/3/2016	c. Amount of time with Board 10 minutes	Consent Agenda <input type="checkbox"/>
2.	a. Person requesting/presenting Jeff Cadwell	b. Phone: 387-3687	c. Email: jeff.cadwell@co.cook.mn.us	
3.	a. Departments affected: Highway	b. Department Head: Dave Betts	c. Dept been contacted? yes	
4.	a. Has the Board addressed this before? YES	b. If so, When?	c. What was the result? discussion about plowing old/new road	
5.	Are there other individuals or departments that will be affected by this matter and if so, who? Have they been notified?			
6.	<b>BOARD ACTION REQUESTED</b> (detail what you seek from the board, including motion/vote): Approve the proposed purchase agreement with Steve Carlson, see attached.			
7.	<b>BACKGROUND AND JUSTIFICATION</b> (please be clear and concise; this information will be communicated to the public; and please attach ANY relevant supporting documentation you wish the Board to consider). This will purchase the triangle between the old schoolhouse road and the current schoolhouse road. Highway department can then return the old schoolhouse road to right of way and work with property owners to create driveway access to the current road.			
8.	How will this request affect the County Budget?			
9.	Have funds been budgeted/allocated for this request?			
10.	If funds have been budget or allocated, please give details (i.e., levy, grants, general fund, department budget, or some combination; fully budgeted or partially budgeted; etc.):  will be done out of Highway ROW acquisition funds			

**COUNTY STAFF INFORMATION**

Meeting Date Set:	Agenda Item Number:
Auditor-Treasurer Contacted:	County Attorney Contacted:
YES <input type="checkbox"/> NO <input type="checkbox"/> N/A <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/> N/A <input type="checkbox"/>

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Google

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Google Maps

## PURCHASE AGREEMENT

1. **PARTIES.** This Purchase Agreement is made on \_\_\_\_\_, 2016, by and between **STEVEN G. CARLSON**, a single person ("Seller") and **COOK COUNTY**, a political subdivision of the State of Minnesota (collectively, "Buyer").

2. **OFFER/ACCEPTANCE.** Buyer offers to purchase and Seller agrees to sell real property legally described as follows: **All that part of the West Half of the Northwest Quarter, Section 3, Township 61 North, Range 1 East of the Fourth Principal Meridian, lying Northwesterly of the centerline of Cook County Road No. 55 a/k/a School House Road, located in County of Cook, State of Minnesota.**

3. **ACCEPTANCE DEADLINE.** The acceptance date of this Agreement is the date it is delivered by the last party signing to the other party. This offer to purchase, unless accepted sooner, shall be void at 11:59 p.m., on \_\_\_\_\_, 2016.

4. **PRICE AND TERMS.** The price for the real property included in this sale is **Four Thousand Eight Hundred and 00/100 Dollars (\$4,800.00)** which Buyer shall pay as follows: \$4,800.00 cash on \_\_\_\_\_, 2016, the DATE OF CLOSING.

5. **DEED/MARKETABLE TITLE.** Upon performance by the Buyer, Seller shall execute and deliver a Warranty Deed, joined in by spouse, if any, conveying marketable title subject to:

- (a) Building and zoning laws, ordinances, State and Federal regulations.
- (b) Restrictions relating to use or improvement of property without effective forfeiture provision.
- (c) Reservation of any mineral rights by the State of Minnesota.
- (d) Utility and drainage easements which do not interfere with existing improvements.
- (e) Exceptions to title which constitute encumbrances, restrictions, or easements which have been disclosed to Buyer and accepted by Buyer in this Purchase Agreement: None.

6. **REAL ESTATE TAXES AND SPECIAL ASSESSMENTS.** Real Estate Taxes due and payable in and for the year of closing shall be prorated between Seller and Buyer on a calendar year basis to the actual date of closing, unless otherwise provided in this Agreement.

**SELLER SHALL PAY** on Date of Closing all installments of special assessments certified for payment with the real estate taxes due and payable in the year of closing.

**SELLER SHALL PAY ON DATE OF CLOSING** all other special assessments levied as of the date of this agreement.

**SELLER SHALL PROVIDE FOR PAYMENT OF** special assessments pending as of the date of this agreement for improvements that have been ordered by the City Council or other governmental assessing authorities. (Seller's provision for payment shall be by payment into escrow of 1½ times the estimated amount of the assessments.) As of the date of this Agreement, Seller represents that Seller has not received a Notice of Hearing of a new public improvement project from any governmental assessing authority, the costs of which project may be assessed against the property. If a special assessment becomes pending **after** the date of this Agreement and **before** the date of closing, Buyer may, at Buyers option:

- A. Assume payment of the pending special assessment without adjustment to the purchase agreement price of the property; or
- B. Require Seller to pay the pending special assessment (or escrow for payment of same as

- provided above) and Buyer shall pay a commensurate increase in the purchase price of the property, which increase shall be the same as the estimated amount of the assessment; or
- C. Declare this Agreement null and void by notice to Seller.

SELLER SHALL PAY ON DATE OF CLOSING any deferred real estate taxes or special assessments payment of which is required as a result of the closing of this sale.

Buyer shall pay real estate taxes due and payable in the year following closing and thereafter and any unpaid special assessments payable therewith and thereafter, the payment of which is not otherwise provided herein. Seller makes no representation concerning the amount of future real estate taxes or of future special assessments.

7. **DAMAGES TO REAL PROPERTY.** If the real property is substantially damaged prior to closing, this Agreement shall terminate and the earnest money shall be refunded to Buyer. If the real property is damaged materially but less than substantially prior to closing, Buyer may rescind this Agreement by notice to Seller within twenty-one (21) days after Seller notifies Buyer of such damage, during which 21-day period Buyer may inspect the real property.

8. **SELLER'S ACCESS, RESTRICTIONS AND LIEN WARRANTIES.** Seller warrants that there is a right of access to the real property from a public right of way. Seller warrants that there has been no labor or material furnished to the property for which payment has not been made. Seller warrants that there are no present violations of any restrictions relating to the use or improvement of the property. These warranties shall survive the delivery of the deed or contract for deed.

9. **CONDITION OF PROPERTY.** Seller shall remove all debris and all personal property not included in this sale from the property before possession date. To the best of Seller's knowledge no hazardous substances or petroleum products have been placed, stored, or released from or on the property by any party in violation of any law, nor have any underground storage tanks been located on the property at any time.

Seller's warranties and representations contained in this paragraph shall survive the delivery of the Deed, provided that any notice of a defect or claim of breach of warranty must be in writing and given by Buyer to Seller within one year of the date of closing or be deemed waived.

Buyer shall have the right to have inspections of the property conducted prior to closing. Unless required by local ordinance or lending regulations, Seller does not plan to have the property inspected. Other than the representations made in this paragraph, the property is being sold "AS IS" with no express or implied representations or warranties by Seller as to physical conditions or fitness for any particular purpose.

10. **DISCLOSURE OF NOTICES.** Seller has not received any notice from any governmental authority as to violation of any law, ordinance or regulation affecting the property. If the property is subject to restrictive covenants, Seller has not received any notice from any person as to a breach of the covenants.

11. **POSSESSION.** Seller shall deliver possession of the property not later than the date of closing.

12. **TITLE AND EXAMINATION.** Within a reasonable time, after acceptance of this Purchase Agreement, Buyer, at Buyer's expense, shall obtain the following title evidence, which shall include proper searches covering bankruptcies, state and federal judgments and liens, and levied and pending special assessments: A commitment for an owner's policy of title insurance on a current ALTA form issued by North Shore Title in Grand Marais, MN. Buyer shall be responsible for all additional costs related to the issuance of the title insurance policy including but not limited to the premium(s), Buyer's name search and plat drawing, if any.

Buyer shall have ten (10) business days after receipt of the Commitment to provide Seller with written objections, if any. Buyer shall be deemed to have waived any title objections not made within the applicable ten (10) day period for above, except that this shall not operate as a waiver of Seller's covenant to deliver a statutory Warranty Deed.

13. TITLE CORRECTIONS AND REMEDIES. Seller shall have 30 days from receipt of Buyer's written title objections to make title marketable. Upon receipt of Buyer's title objections, Seller shall, within ten (10) business days, notify Buyer of Seller's intention to make title marketable within the 30-day period. Liens or encumbrances for liquidated amounts which can be released by payment or escrow from proceeds of closing shall not delay the closing. Cure of the defects by Seller shall be reasonable, diligent, and prompt. Pending correction of title, all payments required herein and the closing shall be postponed.

- A. If notice is given and Seller makes title marketable, then upon presentation to Buyer and proposed lender of documentation establishing that title has been made marketable, and if not objected to in the same time and manner as the original title objections, the closing shall take place within ten (10) business days or on the scheduled closing date, whichever is later.
- B. If notice is given and Seller proceeds in good faith to make title marketable but the 30 day period expires without title being made marketable, Buyer may declare this Agreement null and void by notice to Seller, neither party shall be liable for damages hereunder to the other and earnest money shall be refunded to Buyer.
- C. If Seller does not give notice of intention to make title marketable, or if notice is given but the 30 day period expires without title being made marketable due to Seller's failure to proceed in good faith. Buyer may seek, as permitted by law, any one or more of the following:
  1. Proceed to closing without waiver or merger in the deed of the objections to title and without waiver of any remedies and may:
    - (a) Seek damages, costs, and reasonable attorney's fees from Seller as permitted by law (damages under this subparagraph (a) shall be limited to the cost of curing objections to title and consequential damages are excluded); or
    - (b) Undertake proceedings to correct the objections to title;
  2. Rescission of this Purchase Agreement by notice as provided herein, in which case the Purchase Agreement shall be null and void and all earnest money paid hereunder shall be refunded to Buyer.
  3. Damages from Seller including costs and reasonable attorney's fees, as permitted by law.
  4. Specific performance within six months after such right of action arises.
- D. If title is marketable or is made marketable as provided herein, and Buyer defaults in any of the agreements herein, Seller may elect either of the following options, as permitted by law:
  1. Cancel this contract as provided by statute and retain all payments made hereunder as liquidated damages. The parties acknowledge their intention that any note given pursuant to this contract is a down payment note, and may be presented for payment notwithstanding cancellation.
  2. Seek specific performance within six months after such right of action arises, including costs and reasonable attorney's fees, as permitted by law.

- E. If title is marketable, or is made marketable as provided herein, and Seller defaults in any of the agreements herein, Buyer may, as permitted by law:
1. Seek damages from Seller including costs and reasonable attorney's fees;
  2. Seek specific performance within six months after such right of action arises.

**TIME IS OF THE ESSENCE FOR ALL PROVISIONS OF THIS CONTRACT.**

14. NOTICES. All notices required herein shall be in writing and delivered personally or mailed to the address as shown at Paragraph 1, above and if mailed, are effective as of the date of mailing.

15. AGENCY DISCLOSURE NOTICE. There is no real estate agent or broker representing either of the parties in this transaction.

16. SUBDIVISION OF LAND. If this sale constitutes or requires a subdivision of land owned by Seller, Seller shall pay all subdivision expenses and obtain all necessary governmental approvals. Seller warrants that the legal description of the real property to be conveyed has been or will be approved for recording as of the date of closing.

17. MINNESOTA LAW. This contract shall be governed by the laws of the State of Minnesota.

18. WELL DISCLOSURE. Seller certifies that Seller does not know of any wells on the described real property.

19. PRIVATE SEWER SYSTEM DISCLOSURE. Seller certifies that Seller does not know of any private sewer systems on the described real property.

20. SELLER'S AFFIDAVIT. At closing, Seller shall supplement the warranties and representations in this Purchase Agreement by executing and delivering a Minnesota Uniform Conveyancing Blank Affidavit of Seller.

21. Buyer shall not sell or assign its interest in this Agreement or the subject property, or any part thereof, without first obtaining the written consent of the Seller.

This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the property. There are no verbal agreements that change this Agreement and no waiver or amendment of any of its terms shall be effective unless in a writing executed by the parties. This Agreement or any amendments may be executed in counterparts, which, taken together, shall constitute one original. The parties agree that this Agreement may be transmitted between themselves by facsimile machine. The parties intend that faxed signatures constitute original signatures and that a faxed agreement or counterparts containing the signatures (original or faxed) of all the parties is binding upon the parties.

**REMAINDER OF PAGE INTENTIONALLY BLANK, SIGNATURE PAGE TO FOLLOW.**

**I AGREE TO SELL THE PROPERTY FOR THE PRICE AND TERMS AND CONDITIONS SET FORTH ABOVE.**

**SELLER:**

\_\_\_\_\_  
**STEVEN G. CARLSON** (Date)

**I AGREE TO PURCHASE THE PROPERTY FOR THE PRICE AND TERMS AND CONDITIONS SET FORTH ABOVE.**

**BUYER:**

**COOK COUNTY**  
(a political subdivision of the State of Minnesota)

By: \_\_\_\_\_  
Its: (Date)

By: \_\_\_\_\_  
Its: (Date)



**COMMITMENT FOR TITLE INSURANCE**

**ALTA PLAIN LANGUAGE COMMITMENT**

**INFORMATION**

The Title Insurance Commitment is a legal contract between you and the Company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy.

The Company will give you a sample of the Policy form, if you ask.

The Policy contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or you as the exclusive remedy of the parties. You may review a copy of the arbitration rules at <http://www.alta.org>.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

**THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT. YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.**

If you have any questions about the Commitment, contact Baiers C. Heeren, North Shore Title, LLC, Phone No.: (218)722-1321, Fax No.: (218)722-1325

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3.	Interest in the Land and Owner	
4.	Description of the Land	
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SCHEDULE B – II	EXCEPTIONS	Insert

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AMERICAN  
LAND TITLE  
ASSOCIATION





# OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

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## COMMITMENT FOR TITLE INSURANCE SCHEDULE A

File No.: 16027-NST

1. Effective Date: January 11, 2016 at 12:00 AM

2. Policy or Policies to be issued:

(a) ALTA Owners Policy (6/17/06)

Amount: \$0.00  
Proposed Insured: Cook County

3. Fee Simple interest in the land described in this Commitment is owned, at the Commitment Date, by:

Steven G. Carlson

4. The land referred to in the Commitment is described as follows:

All that part of the West One-half of the Northwest Quarter, Section 3, Township 61 North, Range 1 East of the Fourth Principal Meridian, lying Northwesterly of the centerline of Cook County Road No. 55, a.k.a. School House Road.

(Abstract property)

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ASSOCIATION



**SCHEDULE B - SECTION I**  
**REQUIREMENTS**

The following requirements must be met:

- a. Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- b. Pay us the premiums, fees and charges for the policy.
- c. Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- d. You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- e. Warranty Deed executed by Steven G. Carlson and spouse, if any, in favor of Cook County.
- f. Standard form affidavit of Seller and Purchaser.
- g. Certificate of Real Estate Value including social security numbers of Seller and Purchaser.

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## SCHEDULE B - SECTION II

### EXCEPTIONS

The policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company.

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the Effective Date but prior to the date on which the proposed insured acquires of record for value the estate or interest or mortgage thereon, covered by this commitment.
2. Any encroachment, measurement, party walls, or other facts which a correct survey of the premises would show.
3. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
4. Rights or claims of parties in possession not shown by the public records.
5. All assessments and taxes due and payable in 2016, and thereafter.
6. No coverage is provided for unpaid utility, water, or sewer services or fees for tree, weeds, grass, and snow or garbage removal.
7. Real estate taxes for the year 2015 in the amount of \$10.00 are paid in full, base tax \$10.00, no delinquent taxes, non-homestead tax status, taxes for the year 2016 are not spread yet, parcel identification no. 53-103-2230.
8. Rights of the public, if any, for County Road No. 55 (a.k.a. School House Road) as laid out and traveled. There is no easement of record establishing the location of the roadway.

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## SCHEDULE C

The land referred to in this Policy is described as follows:

All that part of the West One-half of the Northwest Quarter, Section 3, Township 61 North, Range 1 East of the Fourth Principal Meridian, lying Northwesterly of the centerline of Cook County Road No. 55, a.k.a. School House Road.

(Abstract property)

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## **PRIVACY POLICY**

### **We are committed to Safeguarding Customer Information**

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, Old Republic National Title Insurance Company, we have adopted the Privacy Policy to govern the use and handling of your personal information.

### **Applicability**

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use the information we have obtained from any other source, such as information obtained from a public record or from another person or entity.

### **Types of Information**

Depending on which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we received from you on your applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we received from a consumer reporting agency.

### **Use of Information**

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except; (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship is ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

### **Former Customers**

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

### **Confidential and Security**

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals or entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy. We currently maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.



**COMMITMENT FOR TITLE INSURANCE  
ALTA PLAIN LANGUAGE COMMITMENT**

**AGREEMENT TO ISSUE POLICY**

We agree to issue a policy to you according to the terms of the Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six (6) months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the policy is issued and then our obligation to you will be under the policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-I.

The Exceptions in Schedule B-II.

The Conditions.

This Commitment is not valid without SCHEDULE A and Sections I and II of SCHEDULE B.

**CONDITIONS**

**1. DEFINITIONS**

(a) "Mortgage" means mortgage, deed of trust or other security instrument. (b) "Public Records" means title records that give constructive notice of matters affecting your title according to the state statutes where your land is located.

**2. LATER DEFECTS**

The Exceptions in Schedule B - Section II may be amended to show any defects, liens or encumbrances that appear for the first time in the Public Records or are created or attach between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section I are met. We shall have no liability to you because of this amendment.

**3. EXISTING DEFECTS**

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

**4. LIMITATION OF OUR LIABILITY**

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:  
Comply with the Requirements shown in Schedule B - Section I or Eliminate with our written consent any Exceptions shown in Schedule B - Section II.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

**5. CLAIMS MUST BE BASED ON THIS COMMITMENT**

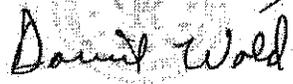
Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this Commitment and is subject to its terms.



Issued through the office of:  
North Shore Title, LLC  
202 W Superior St, Suite 800  
Duluth, MN 55802

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY  
A Stock Company  
400 Second Avenue South, Minneapolis, Minnesota 55401  
(612) 371-1111

Authorized Officer or Agent

By  President  
Attest  Secretary

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**Cook County  
Request for Time**

e-mail form

4.C.

**Before the Board of Commissioners**

1.	a. Topic or Issue: (As should be listed on agenda) Social Worker I Intake Children's Service	b. Requested Date: 5/3/2016	c. Amount of time with Board 10 minutes	Consent Agenda <input type="checkbox"/>
2.	a. Person requesting/presenting Jeff Cadwell	b. Phone: 387-3687	c. Email: jeff.cadwell@co.cook.mn.us	
3.	a. Departments affected: PHHS	b. Department Head: Sue Futerer	c. Dept been contacted? yes	
4.	a. Has the Board addressed this before?	b. If so, When?	c. What was the result?	
5.	Are there other individuals or departments that will be affected by this matter and if so, who? Have they been notified?			
6.	<b>BOARD ACTION REQUESTED</b> (detail what you seek from the board, including motion/vote): Accept the resignation of Heidi Akins effective May 6, 2016 and declare a vacancy for the position of Social Worker I Intake Children's Services.			
7.	<b>BACKGROUND AND JUSTIFICATION</b> (please be clear and concise; this information will be communicated to the public; and please attach ANY relevant supporting documentation you wish the Board to consider).			
8.	How will this request affect the County Budget?			
9.	Have funds been budgeted/allocated for this request?			
10.	If funds have been budget or allocated, please give details (i.e., levy, grants, general fund, department budget, or some combination; fully budgeted or partially budgeted; etc.):			

**COUNTY STAFF INFORMATION**

Meeting Date Set:	Agenda Item Number:
Auditor-Treasurer Contacted: YES <input type="checkbox"/> NO <input type="checkbox"/> N/A <input type="checkbox"/>	County Attorney Contacted: YES <input type="checkbox"/> NO <input type="checkbox"/> N/A <input type="checkbox"/>



**Cook County**

# **Public Health and Human Services**

411 West 2<sup>nd</sup> Street • Grand Marais, Minnesota 55604-2307 • Phone: (218) 387-3620 • Fax: (218) 387-3020

Date: 4/22/2016  
To: Cook County Public Health and Human Services  
RE: Resignation  
From: Heidi Akins

Dear Cook County Public Health and Human Services,

In the absence of my direct supervisor, Grace Bushard, and Cook County PHHS Director, Sue Futterer, I verbally informed Adult & Home and Community Based Services Supervisor Martina Williams today of my intent to vacate my position in two weeks, with my last day of work being May 6, 2016.

I have enjoyed my time with Cook County and will deeply miss working with my fellow Public Health and Human Services colleagues.

Thank you for the opportunity to work and grow within this position and for all of the knowledge I have gained regarding providing services to the community.

Sincerely,

A handwritten signature in black ink, appearing to read "Heidi Akins", written in a cursive style.

Heidi Akins  
4/22/2016

***"...supporting the health, safety, and well-being of our community."***

[www.cookcountypphs.org](http://www.cookcountypphs.org)

An equal opportunity/affirmative action employer

## JOB DESCRIPTION

BAND| GRADE| SUBGRADE|  
    C    4-3 - 2    

**JOB TITLE: SOCIAL WORKER I – INTAKE CHILDREN’S SERVICES**

**DEPARTMENT:** Public Health and Human Services

**TITLE OF IMMEDIATE SUPERVISOR:** Children’s Services Supervisor

**JOB SUMMARY:** Under direction, provides social work services in complex cases involving families and children including: assessment and investigation, developing and implementing treatment plans, identifying and directing service programs, working in accordance to legal options available for the safety of children and directing paraprofessional staff; also performs related work as assigned.

<u>TASK</u>	<u>DESCRIPTION</u>	<u>FREQUENCY</u>	<u>BAND  GRADE</u>
1.	Receives and investigates reports of child abuse and neglect, participates in screening team, makes determination for services with team. Maintains knowledge of screening criteria. Consults with law enforcement, county attorney and collateral contacts as appropriate.	25%	C
2.	Through direct observation, assesses and identifies family strengths, needs and risks. Develops and implements family service plans and/or treatment plans to support safety and well being. Presents case summaries during child protection team meetings for purposes of consultation. Consults with content area professionals as needed.	25 %	C
3.	Prepares court petitions, writes and files court reports, summarizes current evaluations, and prepares updated documents for court situations as required. Provides testimony during court hearings.	10 %	C
4.	Records all client contact using SSIS, maintains ongoing records and documentation. Enters necessary data to access funding streams; improves computer skills as required by position; Completes all paperwork in a timely manner in accordance with agency policy. Completes necessary paperwork for service implementation.	15%	B
5.	Maintain knowledge of out of home placement options and procedures for children including pre-authorizations, Northstar Care and IVE funding processes. Places and supervises	13%	C

	children in out of home placement. Interviews child, family, foster family and other out of home placement providers for appropriateness. Prepares necessary forms for eligibility and financial reimbursement of foster care. Informs foster family or other provider of the child's needs and arranges visitation by parents. Conducts required visits with children in out of home placement. Coordinates needs for physical and mental health care with area providers.		
6.	Investigates permanency options for children in out of home placement and monitors permanency timelines. Communicates with County Attorney as appropriate related to permanency timelines.	10%	C
7.	Provides emergency on-call services. Provides early intervention and assistance with transients and/or others needing services outside of the regular working hours. Provides backup services for other professionals when they are not available. Contributes to Case Reviews and All Staff meetings. Completes other duties as assigned.	2%	C
8.	Attends trainings/seminars to maintain skills and competence. Travels to meetings, trainings, and client homes as needed.	NB	

**APPROVED ON BEHALF OF JOB EVALUATION COMMITTEE:** \_\_\_\_\_

**APPROVED BY COOK COUNTY BOARD OF COMMISSIONERS:** 10/20/2015

**QUALIFICATIONS:** Requires a Bachelor's degree with a major in Social Work, Psychology, Sociology or closely related field, or a Bachelor's degree in any field plus one year of experience as a Social Worker.

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**ORGANIZATIONAL RELATIONSHIPS**

**Cook County  
Request for Time**

e-mail form

**Before the Board of Commissioners**

4.B.

1.	a. Topic or Issue: (As should be listed on agenda) Benefits Consultant Agreement	b. Requested Date: 5/3/2016	c. Amount of time with Board 10 minutes	Consent Agenda <input type="checkbox"/>
2.	a. Person requesting/presenting Jeff Cadwell	b. Phone: 387-3687	c. Email: jeff.cadwell@co.cook.mn.us	
3.	a. Departments affected: Human Resources	b. Department Head:	c. Dept been contacted?	
4.	a. Has the Board addressed this before?	b. If so, When?	c. What was the result?	
5.	Are there other individuals or departments that will be affected by this matter and if so, who? Have they been notified?			
6.	<b>BOARD ACTION REQUESTED</b> (detail what you seek from the board, including motion/vote): Authorize Administrator Cadwell to enter into an agreement with A.T. Group to provide benefits administration.			
7.	<p><b>BACKGROUND AND JUSTIFICATION</b> (please be clear and concise; this information will be communicated to the public; and please attach ANY relevant supporting documentation you wish the Board to consider).</p> <p>The greatest advantage of contracting with a third party administrator for benefits administration and noticing is that compliance liability (which can range from thousands to millions of dollars) is transferred through such an arrangement from the employer (Cook County) to the TPA.</p> <p>AT Group is proposing to provide this service and coverage in return for being named agent on our Life Insurance, LTD and other secondary benefits. They would ask 1.5% of our health insurance premium as a normal fee.</p> <p>Their proposal is phased beginning May 2016 with no out of pocket cost to the County until 2017. Beginning 2017 the county would pay the normal fee of 1.5% of medical insurance premiums. At current rates this would amount to approximately \$18,000 annually.</p>			
8.	How will this request affect the County Budget? no impact at this time			
9.	Have funds been budgeted/allocated for this request?			
10.	If funds have been budget or allocated, please give details (i.e., levy, grants, general fund, department budget, or some combination; fully budgeted or partially budgeted; etc.): fee would need to be included in 2017 budget			

**COUNTY STAFF INFORMATION**

Meeting Date Set:	Agenda Item Number:
Auditor-Treasurer Contacted:	County Attorney Contacted:
YES <input type="checkbox"/> NO <input type="checkbox"/> N/A <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/> N/A <input type="checkbox"/>

Jeff,

Thank you for meeting with us last week. We are looking forward to working with you and the County of Cook

We understand your budget is already set for the rest of 2016 but we also believe you when you said you will do what you can for the rest of 2016 as far as funds go. So here is our proposal. We will start working with the County as of May 1<sup>st</sup> under this arrangement.

1. We will work at our full capacity on all of your lines of insurance. Health, Life, Dental, Long Term Disability and Flex administration.
2. For the rest of 2016 we will work with your dental, life and LTD carriers to be listed as the agents of record for all the lines possible. If we have some problems here we may have to go to plan B.
3. For the rest of 2016 we will live with the commissions we are able to find in your current products and whatever you are able to come up with in your 2016 budget. I would hate to put this mutual opportunity off due to the fact that the budget is already set. We were waiting to see what Judy was going to send us but we have not seen that yet and still wanted to get this to you as soon as possible. (Judy just called us so we expect more information on your plans very soon.)
4. For 2017 we will be in full swing and throughout 2017 the fee would be 1.5% of medical insurance premium as a normal fee. Due to the fact that health insurance represents such a large part of the county's total budget we believe it is a worthwhile investment to protect you from all the compliance issues that come with benefit administration.
5. We would be looking to work together as teammates for at least 3 years and hopefully many more.

This is a bit below market but we have been doing this for a long time so we believe that after we have some efficiencies. We also liked Judy and think we will work well together. After we set up the initial processes we believe things will run very smoothly and we can start looking at the possibility of adding a few health plan options.

Hopefully this communicates our thought. If this concept appears to be something you and the county could work with we will draft the agreement in more detail.

If you have any questions or suggestions just let us know.

Have a good day,

Bill Singer  
A.T Group

## About Us – A.T. Group

### We are A.T. Group.

A.T. Group was formed in 1982 for the specific purpose of working with public groups, cities, counties, schools, public utilities, and other governmental agencies.

Throughout our 30+ year history as an independent agency, we have successfully filled the need for service in the governmental arena. A.T. Group provides employee benefits programs to over 170 public entity groups across the state of Minnesota.

We are confident in our ability to provide and service a cost effective employee benefits programs for our clients. Working with the public sector in the development and implementation of employee benefits programs has also made us uniquely well very versed in the rules and guidelines these groups must follow relating to continuation laws and other specific state statues.

The needs of your employees are our first and foremost concern. You will benefit from our sincere concern for our clients and their employees as well as the service and support that we have become known for across Minnesota, Wisconsin and North Dakota.

As a part of your "Benefits Team" we strive to remain flexible and will work to do whatever it takes to meet your needs. We believe our service sets us apart from the crowd. Our clientele has consistently grown each year and based on the continual need for superior service we expect this trend to continue. We are confident you will find our services valuable and our knowledge of public groups unparalleled.

A.T. Group is located in the North Metro area of Minneapolis, MN. From this location we service cities and counties across the State of Minnesota, from City of Ely in the north, to the City of Willmar in the west, the City of Kasson in the south to a large number of public groups located throughout the state of Minnesota.

# United States Department of Labor

## Employee Benefits Security Administration

### FAQs about COBRA Continuation Health Coverage

#### **Q1: What is COBRA continuation health coverage?**

The Consolidated Omnibus Budget Reconciliation Act (COBRA) health benefit provisions amend the Employee Retirement Income Security Act, the Internal Revenue Code and the Public Health Service Act to require group health plans to provide a temporary continuation of group health coverage that otherwise might be terminated.

#### **Q2: What does COBRA do?**

COBRA requires continuation coverage to be offered to covered employees, their spouses, former spouses, and dependent children when group health coverage would otherwise be lost due to certain specific events. COBRA continuation coverage is often more expensive than the amount that active employees are required to pay for group health coverage, since the employer usually pays part of the cost of employees' coverage and all of that cost can be charged to individuals receiving continuation coverage.

#### **Q3: What group health plans are subject to COBRA?**

The law generally applies to all group health plans maintained by private-sector employers with 20 or more employees, or by state or local governments. The law does not apply to plans sponsored by the Federal Government or by churches and certain church-related organizations. In addition, many states have laws similar to COBRA, including those that apply to health insurers of employers with less than 20 employees (sometimes called mini-COBRA). Check with your state insurance commissioner's office to see if such coverage is available to you.

#### **Q4: Are there alternatives for health coverage other than COBRA?**

If you become entitled to elect COBRA continuation coverage when you otherwise would lose group health coverage under a group health plan, you should consider all options you may have to get other health coverage before you make your decision. There may be more affordable or more generous coverage options for you and your family through other group health plan coverage (such as a spouse's plan), the Health Insurance Marketplace, or Medicaid.

Under the Health Insurance Portability and Accountability Act (HIPAA), if you or your dependents are losing eligibility for group health coverage, including eligibility for continuation coverage, you may have a right to special enroll (enroll without waiting until the next open season for enrollment) in other group health coverage. For example, an employee losing eligibility for group health coverage may be able to special enroll in a spouse's plan. A dependent losing eligibility for group health coverage may be able to enroll in a different parent's group health plan. To have a special enrollment opportunity, you or your dependent must have had other health coverage when you previously declined coverage in the plan in which you now want to enroll. You must request special enrollment within 30 days from the loss of your job-based coverage.

Losing your job-based coverage is also a special enrollment event in the Health Insurance Marketplace (Marketplace). The Marketplace offers "one-stop shopping" to find and compare private health insurance options. In the Marketplace, you could be eligible for a tax credit that lowers your monthly premiums and cost-sharing reductions (amounts that lower your out-of-pocket costs for deductibles, coinsurance and copayments), and you can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll.

Eligibility for COBRA continuation coverage won't limit your eligibility for Marketplace coverage or for a tax credit. You can apply for Marketplace coverage at [HealthCare.gov](http://HealthCare.gov) or by calling 1-800-318-2596 (TTY 1-855-889-4325). To qualify for special enrollment in a Marketplace plan, you must select a plan within 60 days before or 60 days after losing your job-based coverage. In addition, during an open enrollment period, anyone can enroll in Marketplace coverage. If you need health coverage in the time between losing your job-based coverage and beginning coverage through the Marketplace (for example, if you or a family member needs medical care), you may wish to elect COBRA coverage from your former employer's plan. COBRA continuation coverage will ensure you have health coverage until the coverage through your Marketplace plan begins.

Through the Marketplace you can also learn if you qualify for free or low-cost coverage from Medicaid or the Children's Health Insurance Program (CHIP). You can apply for and enroll in Medicaid or CHIP any time of year. If you qualify, your coverage begins immediately. Visit [HealthCare.gov](http://HealthCare.gov) or call 1-800-318-2596 (TTY 1-855-889-4325) for more information or to apply for these programs. You can also apply for Medicaid by contacting your state Medicaid office and learn more about the CHIP program in your state by calling 1-877-KIDS-NOW (543-7669) or visiting [insurekidsnow.gov](http://insurekidsnow.gov).

If you or your dependent elects COBRA continuation coverage, you will have another opportunity to request special enrollment in a group health plan or a Marketplace plan if you have a new special enrollment event, such as marriage, the birth of a child, or if you exhaust your continuation coverage. To exhaust COBRA continuation coverage, you or your dependent must receive the maximum period of continuation coverage available without early termination. Keep in mind if you choose to terminate your COBRA continuation coverage early with no special enrollment opportunity at that time, you generally will have to wait to enroll in other coverage until the next open enrollment period for the new group health plan or the Marketplace.

## **Q5: Who is entitled to continuation coverage under COBRA?**

In order to be entitled to elect COBRA continuation coverage, your group health plan must be **covered** by COBRA; a **qualifying event** must occur; and you must be a **qualified beneficiary** for that event.

**Plan Coverage** - COBRA covers group health plans sponsored by an employer (private-sector or state/local government) that employed at least 20 employees on more than 50 percent of its typical business days in the previous calendar year. Both full- and part-time employees are counted to determine whether a plan is subject to COBRA. Each part-time employee counts as a fraction of a full-time employee, with the fraction equal to the number of hours that the part-time employee worked divided by the hours an employee must work to be considered full time.

**Qualifying Events** - Qualifying events are events that cause an individual to lose his or her group health coverage. The type of qualifying event determines who the qualified beneficiaries are for that event and the period of time that a plan must offer continuation coverage. COBRA establishes only the minimum requirements for continuation coverage. A plan may always choose to provide longer periods of continuation coverage.

The following are qualifying events for covered employees if they cause the covered employee to lose coverage:

- Termination of the employee's employment for any reason other than gross misconduct; or
- Reduction in the number of hours of employment.

The following are qualifying events for the spouse and dependent child of a covered employee if they cause the spouse or dependent child to lose coverage:

- Termination of the covered employee's employment for any reason other than gross misconduct;
- Reduction in the hours worked by the covered employee;

- Covered employee becomes entitled to Medicare;
- Divorce or legal separation of the spouse from the covered employee; or
- Death of the covered employee.

In addition to the above, the following is a qualifying event for a dependent child of a covered employee if it causes the child to lose coverage:

- Loss of dependent child status under the plan rules. Under the Patient Protection and Affordable Care Act, plans that offer coverage to children on their parents' plan must make the coverage available until the adult child reaches the age of 26.

**Qualified Beneficiaries** - A qualified beneficiary is an individual covered by a group health plan on the day before a qualifying event occurred that caused him or her to lose coverage. Only certain individuals can become qualified beneficiaries due to a qualifying event, and the type of qualifying event determines who can become a qualified beneficiary when it happens. A qualified beneficiary must be a covered employee, the employee's spouse or former spouse, or the employee's dependent child. In certain cases involving the bankruptcy of the employer sponsoring the plan, a retired employee, the retired employee's spouse or former spouse, and the retired employee's dependent children may be qualified beneficiaries. In addition, any child born to or placed for adoption with a covered employee during a period of continuation coverage is automatically considered a qualified beneficiary. An employer's agents, independent contractors, and directors who participate in the group health plan may also be qualified beneficiaries.

### **Q6: How do I become eligible for COBRA continuation coverage?**

To be eligible for COBRA coverage, you must have been enrolled in your employer's health plan when you worked and the health plan must continue to be in effect for active employees. COBRA continuation coverage is available upon the occurrence of a qualifying event that would, except for the COBRA continuation coverage, cause an individual to lose his or her health care coverage.

### **Q7: How do I find out about COBRA coverage?**

Group health plans must provide covered employees and their families with certain notices explaining their COBRA rights. Your COBRA rights must be described in the plan's Summary Plan Description (SPD), which you should receive within 90 days after you first become a participant in the plan. In addition, group health plans must give each employee and spouse who becomes covered under the plan a general notice describing COBRA rights, also provided within the first 90 days of coverage.

Before a group health plan must offer continuation coverage, a qualifying event must occur, and the plan must be notified of the qualifying event. Who must give notice of the qualifying event depends on the type of qualifying event.

The employer must notify the plan if the qualifying event is the covered employee's termination or reduction of hours of employment, death, entitlement to Medicare, or bankruptcy of a private-sector employer. The employer must notify the plan within 30 days of the event.

You (the covered employee or one of the qualified beneficiaries) must notify the plan if the qualifying event is divorce, legal separation, or a child's loss of dependent status under the plan. The plan must have procedures for how to give notice of the qualifying event, and the procedures should be described in both the general notice and the plan's SPD. The plan can set a time limit for providing this notice, but it cannot be shorter than 60 days, starting from the latest of: (1) the date on which the qualifying event occurs; (2) the date on which you lose (or

would lose) coverage under the plan due to the qualifying event; or (3) the date on which you are informed, through the furnishing of either the SPD or the COBRA general notice, of the responsibility to notify the plan and procedures for doing so.

If your plan does not have reasonable procedures for how to give notice of a qualifying event, you can give notice by contacting the person or unit that handles your employer's employee benefits matters. If your plan is a multiemployer plan, notice can also be given to the joint board of trustees, and, if the plan is administered by an insurance company (or the benefits are provided through insurance), notice can be given to the insurance company.

When the plan receives a notice of a qualifying event, it must give the qualified beneficiaries an election notice which describes their rights to continuation coverage and how to make an election. This notice must be provided within 14 days after the plan receives notice of the qualifying event.

### **Q8: How long do I have to elect COBRA coverage?**

If you are entitled to elect COBRA coverage, you must be given an election period of at least 60 days (starting on the later of the date you are furnished the election notice or the date you would lose coverage) to choose whether or not to elect continuation coverage.

Each of the qualified beneficiaries for a qualifying event may independently elect COBRA coverage. This means that if both you and your spouse are entitled to elect continuation coverage, you each may decide separately whether to do so. The covered employee or spouse must be allowed to elect on behalf of any dependent children or on behalf of all of the qualified beneficiaries. A parent or legal guardian may elect on behalf of a minor child.

### **Q9: If I waive COBRA coverage during the election period, can I still get coverage at a later date?**

If you waive COBRA coverage during the election period, you must be permitted later to revoke your waiver of coverage and to elect continuation coverage as long as you do so during the election period. Then, the plan need only provide continuation coverage beginning on the date you revoke the waiver.

In addition, certain Trade Adjustment Assistance (TAA) Program participants have a second opportunity to elect COBRA continuation coverage. Individuals who are eligible and receive Trade Readjustment Allowances (TRA), individuals who would be eligible to receive TRA, but have not yet exhausted their unemployment insurance (UI) benefits, and individuals receiving benefits under Alternative Trade Adjustment Assistance (ATAA) or Reemployment Trade Adjustment Assistance (RTAA), and who did not elect COBRA during the general election period, may get a second election period. This additional, second election period is measured 60 days from the first day of the month in which an individual is determined eligible for the TAA benefits listed above and receives such benefit. For example, if an individual's general election period runs out and he or she is determined eligible for TRA (or would be eligible for TRA but have not exhausted UI benefits) or begin to receive ATAA or RTAA benefits 61 days after separating from employment, at the beginning of the month, he or she would have approximately 60 more days to elect COBRA. However, if this same individual does not meet the eligibility criteria until the end of the month, the 60 days are still measured from the first of the month, in effect giving the individual about 30 days. Additionally, a COBRA election must be made not later than 6 months after the date of the TAA-related loss of coverage. COBRA coverage chosen during the second election period typically begins on the first day of that period. More information about the Trade Act is available at [doleta.gov/tradeact/](http://doleta.gov/tradeact/).

### **Q10: Under COBRA, what benefits must be covered?**

If you elect continuation coverage, the coverage you are given must be identical to the coverage currently available under the plan to similarly situated active employees and their families (generally, this is the same coverage that you had immediately before the qualifying event). You will also be entitled, while receiving continuation coverage, to the same benefits, choices, and services that a similarly situated participant or

beneficiary is currently receiving under the plan, such as the right during open enrollment season to choose among available coverage options. You will also be subject to the same rules and limits that would apply to a similarly situated participant or beneficiary, such as co-payment requirements, deductibles, and coverage limits. The plan's rules for filing benefit claims and appealing any claims denials also apply.

Any change made to the plan's terms that apply to similarly situated active employees and their families will also apply to qualified beneficiaries receiving COBRA continuation coverage. If a child is born to or adopted by a covered employee during a period of continuation coverage, the child is automatically considered to be a qualified beneficiary receiving continuation coverage. You should consult your plan for the rules that apply for adding your child to continuation coverage under those circumstances.

### **Q11: How long does COBRA coverage last?**

COBRA requires that continuation coverage extend from the date of the qualifying event for a limited period of 18 or 36 months. The length of time depends on the type of qualifying event that gave rise to the COBRA rights. A plan, however, may provide longer periods of coverage beyond the maximum period required by law.

When the qualifying event is the covered employee's termination of employment or reduction in hours of employment, qualified beneficiaries are entitled to 18 months of continuation coverage.

When the qualifying event is the end of employment or reduction of the employee's hours, and the employee became entitled to Medicare less than 18 months before the qualifying event, COBRA coverage for the employee's spouse and dependents can last until 36 months after the date the employee becomes entitled to Medicare. For example, if a covered employee becomes entitled to Medicare 8 months before the date his/her employment ends (termination of employment is the COBRA qualifying event), COBRA coverage for his/her spouse and children would last 28 months (36 months minus 8 months). For more information on how entitlement to Medicare impacts the length of COBRA coverage, contact the Department of Labor's Employee Benefits Security Administration at [askebsa.dol.gov](http://askebsa.dol.gov) or by calling 1-866-444-3272.

For other qualifying events, qualified beneficiaries must be provided 36 months of continuation coverage.

### **Q12: Can continuation coverage be terminated early for any reason?**

A group health plan may terminate coverage earlier than the end of the maximum period for any of the following reasons:

- Premiums are not paid in full on a timely basis;
- The employer ceases to maintain any group health plan;
- A qualified beneficiary begins coverage under another group health plan after electing continuation coverage;
- A qualified beneficiary becomes entitled to Medicare benefits after electing continuation coverage; or
- A qualified beneficiary engages in conduct that would justify the plan in terminating coverage of a similarly situated participant or beneficiary not receiving continuation coverage (such as fraud).

If continuation coverage is terminated early, the plan must provide the qualified beneficiary with an early termination notice. The notice must be given as soon as practicable after the decision is made, and it must describe the date coverage will terminate, the reason for termination, and any rights the qualified beneficiary may have under the plan or applicable law to elect alternative group or individual coverage.

If you decide to terminate your COBRA coverage early, you generally won't be able to get a Marketplace plan outside of the open enrollment period. For more information on alternatives to COBRA coverage, see question 4 above.

### **Q13: Can I extend my COBRA continuation coverage?**

If you are entitled to an 18 month maximum period of continuation coverage, you may become eligible for an extension of the maximum time period in two circumstances. The first is when a qualified beneficiary is disabled; the second is when a second qualifying event occurs.

**Disability** - If any one of the qualified beneficiaries in your family is disabled and meets certain requirements, all of the qualified beneficiaries receiving continuation coverage due to a single qualifying event are entitled to an 11-month extension of the maximum period of continuation coverage (for a total maximum period of **29 months** of continuation coverage). The plan can charge qualified beneficiaries an increased premium, up to 150 percent of the cost of coverage, during the 11-month disability extension.

The requirements are:

1. that the Social Security Administration (SSA) determines that the disabled qualified beneficiary is disabled before the 60th day of continuation coverage; and
2. that the disability continues during the rest of the 18-month period of continuation coverage.

The disabled qualified beneficiary or another person on his or her behalf also must notify the plan of the SSA determination. The plan can set a time limit for providing this notice of disability, but the time limit cannot be shorter than 60 days, starting from the latest of: (1) the date on which SSA issues the disability determination; (2) the date on which the qualifying event occurs; (3) the date on which the qualified beneficiary loses (or would lose) coverage under the plan as a result of the qualifying event; or (4) the date on which the qualified beneficiary is informed, through the furnishing of the SPD or the COBRA general notice, of the responsibility to notify the plan and the procedures for doing so.

The right to the disability extension may be terminated if the SSA determines that the disabled qualified beneficiary is no longer disabled. The plan can require qualified beneficiaries receiving the disability extension to notify it if the SSA makes such a determination, although the plan must give the qualified beneficiaries at least 30 days after the SSA determination to do so.

The rules for how to give a disability notice and a notice of no longer being disabled should be described in the plan's SPD (and in the election notice if you are offered an 18-month maximum period of continuation coverage).

**Second Qualifying Event** - If you are receiving an 18-month maximum period of continuation coverage, you may become entitled to an 18-month extension (giving a total maximum period of **36 months** of continuation coverage) if you experience a second qualifying event that is the death of a covered employee, the divorce or legal separation of a covered employee and spouse, a covered employee's becoming entitled to Medicare (in certain circumstances), or a loss of dependent child status under the plan. The second event can be a second qualifying event only if it would have caused you to lose coverage under the plan in the absence of the first qualifying event. If a second qualifying event occurs, you will need to notify the plan.

The rules for how to give notice of a second qualifying event should be described in the plan's SPD (and in the election notice if you are offered an 18-month maximum period of continuation coverage). The plan can set a time limit for providing this notice, but the time limit cannot be shorter than 60 days from the latest of: (1) the date on which the qualifying event occurs; (2) the date on which you lose (or would lose) coverage under the plan as a result of the qualifying event; or (3) the date on which you are informed, through the furnishing of either the SPD or the COBRA general notice, of the responsibility to notify the plan and the procedures for doing so.

### **Q14: Is a divorced spouse entitled to COBRA coverage from their former spouses' group health plan?**

Under COBRA, participants, covered spouses and dependent children may continue their plan coverage for a limited time when they would otherwise lose coverage due to a particular event, such as divorce (or legal separation). A covered employee's spouse who would lose coverage due to a divorce may elect continuation coverage under the plan for a maximum of 36 months. A qualified beneficiary must notify the plan administrator of a qualifying event within 60 days after divorce or legal separation. After being notified of a divorce, the plan administrator must give notice, generally within 14 days, to the qualified beneficiary of the right to elect COBRA continuation coverage.

### **Q15: Who pays for COBRA coverage?**

Your group health plan can require you to pay for COBRA continuation coverage. The amount charged to qualified beneficiaries cannot exceed 102 percent of the cost to the plan for similarly situated individuals covered under the plan who have not incurred a qualifying event. In determining COBRA premiums, the plan can include the costs paid by employees and the employer, plus an additional 2 percent for administrative costs.

For qualified beneficiaries receiving the 11-month disability extension, the COBRA premium for those additional months may be increased to 150 percent of the plan's total cost of coverage for similarly situated individuals.

COBRA charges to qualified beneficiaries may be increased if the cost to the plan increases but generally must be fixed in advance of each 12-month premium cycle. The plan must allow you to pay the required premiums on a monthly basis if you ask to do so, and the plan may allow you to make payments at other intervals (for example, weekly or quarterly). The election notice should contain all of the information you need to understand the COBRA premiums you will have to pay, when they are due, and the consequences of late payment or nonpayment.

When you elect continuation coverage, you cannot be required to send any payment with your election form. You can be required, however, to make an initial premium payment within 45 days after the date of your COBRA election (that is the date you mail in your election form, if you use first-class mail). Failure to make any payment within that period of time could cause you to lose all COBRA rights. The plan can set premium due dates for successive periods of coverage (after your initial payment), but it must give you the option to make monthly payments, and it must give you a 30-day grace period for payment of any premium.

You should be aware that if you do not pay a premium by the first day of a period of coverage, but pay the premium within the grace period for that period of coverage, the plan has the option to cancel your coverage until payment is received and then reinstate the coverage retroactively back to the beginning of the period of coverage. Failure to make payment in full before the end of a grace period could cause you to lose all COBRA rights.

If the amount of a payment made to the plan is incorrect but is not significantly less than the amount due, the plan is required to notify you of the deficiency and grant a reasonable period (for this purpose, 30 days is considered reasonable) to pay the difference. The plan is not obligated to send monthly premium notices.

Some employers may subsidize or pay the entire cost of health coverage, including COBRA coverage, for terminating employees and their families as part of a severance agreement. If you are receiving this type of severance benefit, talk to your plan administrator about how this impacts your COBRA coverage or your special enrollment rights.

### **Q16: What is the Health Coverage Tax Credit and can it help me pay for COBRA?**

Certain individuals may be eligible for a Federal income tax credit that can help with qualified monthly premium payments. The Health Coverage Tax Credit (HCTC), while available, is a refundable tax credit to pay for specified types of health insurance coverage (including COBRA continuation coverage).

Those potentially eligible for the HCTC include workers who lose their jobs due to the negative effects of global trade and who are eligible to receive certain benefits under the Trade Adjustment Assistance (TAA) Program, as well as certain individuals who are receiving pension payments from the Pension Benefit Guaranty Corporation (PBGC). The HCTC pays 72.5 percent of qualified health insurance premiums, with individuals paying 27.5 percent. For more information on TAA, visit [doleta.gov/tradeact/](http://doleta.gov/tradeact/).

Individuals who are eligible for the HCTC may claim the tax credit on their income tax returns at the end of the year. Qualified family members of eligible TAA recipients or PBGC payees who enroll in Medicare, pass away, or finalize a divorce, are eligible to receive the HCTC for up to 24 months from the month of the event. Individuals with questions about the Health Coverage Tax Credit should visit [IRS.gov/HCTC](http://IRS.gov/HCTC).

### **Q17: If I did not make the premium payment on time and my coverage was canceled what can I do?**

You may want to contact your plan and ask if they will reinstate your coverage; however, if your coverage was terminated for not making the payment within the grace period, the plan is not required to reinstate your coverage. If you believe your coverage was canceled inappropriately, you can contact an EBSA benefits advisor electronically at [askebsa.dol.gov](mailto:askebsa.dol.gov) or call 1-866-444-3272 for assistance.

### **Q18: How do I file a COBRA claim for benefits?**

Health plan rules must explain how to obtain benefits and must include written procedures for processing claims. You should submit a claim for benefits in accordance with these rules. Claims procedures must be described in the Summary Plan Description. Contact the plan administrator for more information on filing a claim for benefits.

### **Q19: Can I receive COBRA benefits while on FMLA leave?**

The Family and Medical Leave Act (FMLA) requires an employer to maintain coverage under any group health plan for an employee on FMLA leave under the same conditions coverage would have been provided if the employee had continued working. Coverage provided under the FMLA is not COBRA coverage, and taking FMLA leave is not a qualifying event under COBRA. A COBRA qualifying event may occur, however, when an employer's obligation to maintain health benefits under FMLA ceases, such as when an employee taking FMLA leave decides not to return to work and notifies an employer of his or her intent not to return to work. Further information on the FMLA is available on the Website of the U.S. Department of Labor's Wage and Hour Division at [dol.gov/whd](http://dol.gov/whd) or by calling toll-free 1-866-487-9243.

### **Q20: I have both Medicare and COBRA coverage, how do I know which will pay my benefits?**

Medicare is the Federal health insurance program for people who are 65 or older and certain younger people with disabilities or End-Stage Renal Disease. If you are enrolled in Medicare as well as COBRA continuation coverage, there may be special coordination of benefits rules that determine which coverage is the primary payer of benefits. Check your Summary Plan Description to see if special rules apply or ask your plan administrator. For more information on Medicare, visit [Medicare.gov](http://Medicare.gov) or call 1-800-MEDICARE.

### **Q21: Am I eligible for COBRA if my company closed or went bankrupt and there is no health plan?**

If there is no longer a health plan, there is no COBRA coverage available. If, however, there is another plan offered by the company, you may be covered under that plan. Union members who are covered by a collective bargaining agreement that provides for a medical plan also may be entitled to continued coverage.

### **Q22: I am a federal employee. Can I receive benefits under COBRA?**

Federal employees are covered by a law similar to COBRA. Those employees should contact the personnel office serving their agency for more information on temporary extensions of health benefits.

**Q23: Where can I go if I have questions or want more information on COBRA?**

COBRA continuation coverage laws are administered by several agencies. The Departments of Labor and Treasury have jurisdiction over private-sector group health plans. The Department of Health and Human Services administers the continuation coverage law as it applies to state and local governmental health plans.

The Labor Department's interpretive responsibility for COBRA is limited to the disclosure and notification requirements of COBRA. If you need further information on your rights under a private-sector plan, or about ERISA generally, contact the Employee Benefits Security Administration (EBSA) electronically at [askebsa.dol.gov](mailto:askebsa.dol.gov) or call toll free 1-866-444-3272.

The Internal Revenue Service, Department of the Treasury, has issued regulations on COBRA provisions relating to eligibility, coverage and payment. Both the Departments of Labor and Treasury share jurisdiction for enforcement of these provisions.

The Centers for Medicare and Medicaid Services offer information about COBRA provisions for public-sector employees. You can write them at this address:

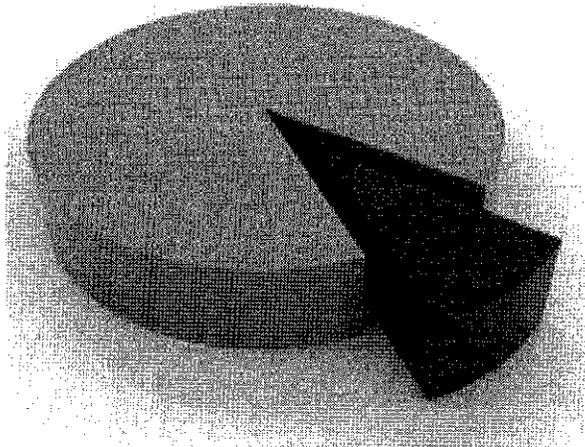
Centers for Medicare and Medicaid Services  
7500 Security Boulevard  
Mail Stop C1-22-06  
Baltimore, MD 21244-1850.

# Ninety Percent of Employers are Out of Compliance with COBRA

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In a recent report, the IRS estimated that 90% of all employers are out of compliance with COBRA regulations.

The federal government has charged the Department of Labor with responsibility for COBRA compliance, but the Department of Labor (DOL) and the Internal Revenue Service (IRS) each have authorization to independently assess penalties for COBRA noncompliance. As an employer, you must properly implement federally-mandated procedures for COBRA administration.



An active enforcement effort is underway as the government continues to shift health care costs out of the federal budget. Each agency has its own rules for setting the amounts assessed for COBRA noncompliance, which depend on the type, duration and willfulness of each violation.

## COBRA Non-Compliance Penalties

There are two different types of COBRA non-compliance penalties: the DOL assesses "*ERISA statutory penalties*," and IRS levels "*excise taxes*." COBRA non-compliance can also result in costly civil lawsuits and employers can be sued and held responsible for legal fees and medical claims.

The Department of Labor can penalize an employer up to \$110 per day per beneficiary for non-compliance.

The IRS is authorized by TAMRA (Technical and Miscellaneous Revenue Act of 1988) to assess **COBRA** excise taxes for failure to follow COBRA rules. The minimum tax levied by the IRS for non-compliance discovered after a notice of examination is generally \$2,500. Penalties can be up to \$2,500 for each beneficiary affected by non compliance, or the total amount based on the number or days of

noncompliance, whichever is less. If the IRS finds a violation that it considers to be more than minimal, employers may be subject to a penalty up to \$15,000. The maximum any employer could be taxed in a given year is ten percent of the health plan costs in the previous year or \$500,000, whichever is less. The IRS will not assess a tax only if the COBRA violation proves to be inadvertent or negligent and the employer corrects the violation within a 30 day grace period of discovering the violation. There is no 30-day grace period if the IRS concludes that the violation was willful. IRS agents can reduce or waive excise taxes based on their perception of inadvertent or willful noncompliance.

### **IRS COBRA/Health Plan Audits**

According to the IRS, an examination of COBRA procedures may be included as part of a general business audit by the IRS. The IRS can also initiate a COBRA audit often triggered by a Complaint or lawsuit filed by a former employee who claims to have been wrongfully denied benefits.

### **How to Avoid COBRA audits and fines**

The best way to avoid COBRA audits and fines is to make sure that your program is in full compliance with current COBRA regulations covering documentation, processes and procedures, communications, and recordkeeping. A COBRA third-party administrator (TPA) can provide the systems, knowledge and expertise to keep your program completely in compliance, but contracting with a TPA does not insulate employers from liability for COBRA violations and, even if you hire an agent to administer **COBRA**, your company is still responsible COBRA compliance.