IAFF MERP
MEDICAL EXPENSE
REIMBURSEMENT PLAN

Administered by Benefit Programs Administration
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NOTICE E
OPTION 2A

IAFF MEDICAL EXPENSE REIMBURSEMENT PLAN (IAFF MERP)
NOTICE OF RIGHT TO ELECT COBRA SELF-PAYMENT OF CONTRIBUTIONS

September 15, 2026

BRIAN BROWN
7734 OSTRANDER CT SE
OLYMPIA, WA 98501-9691

Dear BRIAN BROWN,

This Notice contains important information about your right to secure reimbursement towards health insurance premiums and/or medical expenses **after retirement** under the IAFF Medical Expense Reimbursement Plan of the Washington State Council of Fire Fighters Employee Benefit Trust (the "IAFF MERP" or "Plan") and as amended thereafter. **Please read the information contained in this notice very carefully.**

Under a federal law commonly known as "COBRA,"[1] you have certain rights that could affect your retiree benefits. Please see the enclosed "COBRA General Notice," generally describing your rights and responsibilities under COBRA.[2]

1. Qualifying Event

We have received notice of the following Qualifying Event. When a Qualifying Event occurs, your rights to future retiree health reimbursement benefits from the Plan may be jeopardized because your employer ceases to forward contributions to the IAFF MERP on your behalf. Under COBRA, upon the occurrence of a Qualifying Event, the Plan must offer each person who is a Qualified Beneficiary the COBRA right to self-pay contributions. If you do not elect the COBRA right to self-pay contributions, your contributions to the IAFF MERP end(ed) on **August 1, 2026** due to:

☒ Termination of Employment

Reduction of Hours of Employment:
- ☐ Termination of Employee Contributions
- ☐ Termination of Employer Contributions

[1] Consolidated Omnibus Budget Reconciliation Act of 1985, Public Law 99-272, Title X

[2] Section 2 of the COBRA General Notice (Notice G), explains the application of COBRA to a retiree medical reimbursement plan. In short, the application of COBRA to this Plan differs from a typical health plan because benefits under this Plan begin *after* retirement. Under a typical health plan, coverage would begin immediately following active employment.

2. Qualified Beneficiary(ies)

The following persons are "Qualified Beneficiaries" entitled to elect to self-pay contributions to the Plan under COBRA (thus qualifying for and/or increasing the future benefit amount) for up to 18 months:

- Former employee
- Spouse
- Child

If there are multiple Qualified Beneficiaries, for example a former employee and a spouse, you should confer together and decide whether electing to make COBRA self-pay contributions makes sense in your case. It is important to note that due to the nature of this type of Plan, you each do not have independent rights to elect self-payment. This means that only one Qualified Beneficiary can self-pay.[3]

If you elect to make COBRA self-pay contributions, and if you properly make all COBRA self-pay contributions, Plan benefits will begin when the employee satisfies all other eligibility requirements as set forth in Plan Section 2.1. The duration of benefits will depend on Plan provisions.

3. Payment Requirements

A. Amount of payment and number of months required

The Plan requires five years of "Active Service" for you to become eligible for future monthly benefits. You have accrued more than 5 years of Active Service. Therefore, you ***are currently eligible*** to receive reimbursement of future retiree medical expenses, even if you do not elect to self-pay any additional contributions. However, due to your termination of employment through separation or retirement, you are currently not earning Active Service credit in the Plan because contributions to the Plan on your behalf have ceased.

You have the option to self-pay contributions in order to earn additional Active Service Units and increase your Monthly Benefit Level. Since this Plan provides for a gradually increasing level of benefits based on the amount of contributions, you will be eligible to increase your Monthly Benefit Level with each monthly self-pay contribution made pursuant to COBRA. If you wish to earn additional Active Service Units through COBRA rights, you must make contributions to the Trust Office on your own accord.

For each month of self-pay contributions at $**75.00** per month, you will earn an additional **3.00** Active Service Units in the Plan (each $25 increment of Contribution equals one Active Service Unit). Eighteen months of self-pay contributions **($1,350.00)** will earn an additional **54** Active Service Units.

Please determine whether making these self-payment contributions makes sense in your case. If you elect to make COBRA self-pay contributions, you must make all of the required monthly payments in a timely manner.

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[3] Under a typical health plan, each Qualified Beneficiary has an independent right to elect COBRA because coverage is granted on an individual basis. However, under this type of Plan, a single monthly benefit amount is available for reimbursement of qualified expenses for all of the Qualified Beneficiaries.

See Subsections C and D below for payment deadlines. If you fail to timely make a payment, your right to continue self-payment of monthly contributions under COBRA will terminate. In other words, you cannot skip months in the payment schedule and continue to make COBRA self-pay contributions toward Active Service in future months. **You will not receive monthly reminders.** Your monthly benefits will not commence until your COBRA contributions have ceased. **However, on the enclosed COBRA Election Form, you may elect to make all 18 months of self-pay contributions in a single payment.**

B. Election of COBRA right and first payment for continuation coverage

You have 60 days after the date on page 1 of this Notice to decide whether you want to elect to continue contributions to the IAFF MERP by self-payment under COBRA. To elect to continue contributions to the IAFF MERP by self-payment under COBRA, you must complete the enclosed Election Form and return it to the Trust Office at the address below.

If you elect to take advantage of the COBRA right to self-payment by returning the Election Form to the Trust Office, you do not have to send any self-payment contribution with the Election Form. However, you must make your first self-payment contributions within 45 days after the date of your election (based on the date the Election Form is postmarked, if mailed). If you do not make your first contribution self-payment within that 45 days, you will forfeit all rights under the Plan to continue making contributions by self-payment.

The amount of your first payment must cover the amount of contributions to the IAFF MERP that would have been made to the IAFF MERP on your behalf from the time contributions to the IAFF MERP would have otherwise terminated up to the time you make the first payment. You are responsible for making sure that the amount of your first payment is enough to cover this entire period. You may contact the Trust Office to confirm the correct amount of your first payment

Your first self-paid contribution under COBRA should be sent to:

IAFF Medical Expense Reimbursement Plan
c/o Benefit Programs Administration
1200 Wilshire Blvd, 5th Floor
Los Angeles, CA 90017

If you received an accrued leave transfer or other lump sum transfer to the IAFF MERP, you also have the option to use the funds from that lump sum transfer to pay your monthly self-payment contributions for COBRA. If you want the Trust Office to deduct your self-payment contributions from your lump sum transfer, you should select the appropriate option for payment on the Election Form.

C. Monthly Self-Payment Contributions

After you make your first self-payment contribution, you will be required to pay the appropriate self-payment contribution for each subsequent month. Under the Plan, these periodic contribution self-payments are due on the first day of the month for which payment is made. If you make a periodic self-payment on or before its due date, you will continue to accrue Active Service in the Plan for that period. **The Plan will not send periodic notices of self-payments due for these periods.** Monthly self-payments should be sent to the same address listed above.

D. Grace periods for Self-payment Contributions

Although periodic contribution payments are due on the dates described above, you will be given a grace period of 30 days to make each periodic contribution payment. You will continue to accrue Active Service for each period as long as self-payment for that period is made before the end of the grace period for that payment. If you fail to make a periodic self-payment before the end of the grace period for that payment, you will lose all rights to continue contributions by self-payment under the Plan.

E. Refund of Self-payment Contributions Erroneously Paid

Any self-payment contributions to the Plan made and accepted in error, shall be refunded to you by the Trust Office and shall not confer upon you any rights under the Plan if it is determined that you are ineligible to make self-payment contributions. Any Active Service granted based on an erroneous contribution will be rescinded.

4. Procedure for Election

To elect to self-pay under COBRA, complete the enclosed "COBRA Self-payment Contributions Election Form" and submit it to the Trust Office at:

IAFF Medical Expense Reimbursement Plan Trust Office
c/o Benefit Programs Administration
1200 Wilshire Blvd, 5th Floor
Los Angeles, CA 90017
Phone: (844) 353-7839
Fax: (562) 463-5894
Email: IAFFMERP@bpabenefits.com

If you do not submit the enclosed COBRA Self-Payment Right Election Form within 60 days after the date of this Notice (see top of page 1), you will lose your right to make COBRA continuation payments and may lose the right to receive benefits or limit the level of benefits that you may receive under the Plan. **You will not receive any further notices concerning the right to elect to make COBRA continuation self-payments.**

You do not have to send any payment with the Election Form. Important additional information about the COBRA right to self-pay contributions is included in the following pages of this Notice. If you have any questions about this notice or your rights and responsibilities under COBRA, you should contact the Trust Office shown above.

5. Important Information about your COBRA Right to Self-pay Contributions

A. What is the COBRA right to self-pay contributions?

Federal law requires that most group health plans (including this Plan) give employees and their families the opportunity to continue their health care coverage when there is a "Qualifying Event" that would result in a loss of coverage under an employer's plan. Depending on the type of Qualifying Event, "Qualified Beneficiaries" can include the employee covered under the group health plan, a covered employee's spouse, and children of the covered employee.

Continuation coverage is the same coverage that the Plan gives to other participants or beneficiaries under the Plan who are not receiving continuation coverage. Under this Plan, the right to continuation coverage under COBRA means the right to continue self-payment of contributions to the Plan (see paragraph below for details). The persons listed on page one of this notice have been identified by the Plan as Qualified Beneficiaries entitled to elect to continue to make contributions by self-payment. Specific information describing the right to continue contributions by self-payment can be found in the General COBRA Notice (which may appear in your Summary Plan Description or as a separate notice) that can be obtained from the Trust Office listed on the preceding page.

The type of continuation coverage available for this Plan is unusual. As with normal COBRA coverage, this Plan gives the Employee (or other Qualified Beneficiary) the right to self-pay contributions into the IAFF MERP, which were formerly being paid by the employer pursuant to the collective bargaining agreement. **However, under this Plan, these COBRA self-pay contributions (if sufficient, as explained below) would entitle you to reimbursement of health premiums and/or medical expenses after retirement,[4] rather than health benefits immediately after active employment. That is, this Plan is for retiree health benefits, not current health benefits.**

B. How long will I be able to make self-pay contributions?

In the case of a reduction in an employee's hours of employment or termination of employment, self-payment contributions may be made for up to eighteen (18) months. In the case that contributions to the IAFF MERP cease due to an employee's death, COBRA self-pay contributions may be continued for up to thirty-six (36) months. Page one of this notice shows the maximum period of self-payment contributions available to the listed Qualified Beneficiaries.

COBRA self-payment contributions will be terminated before the end of the maximum period if any required contribution is not paid on time or if the employer ceases to contribute to the Plan. COBRA self-payment contributions may also be terminated for any reason the Plan would terminate the benefits of a regular participant or beneficiary not making contributions by self-payment (such as fraud).

C. How can you extend the length of self-payment contributions?

If you elect to continue contributions by self-payment, an extension of the maximum period of 18 months self-pay contributions may be made if a Qualified Beneficiary is disabled or a second Qualifying Event occurs. You must notify the Trust Office of a disability or a second Qualifying Event in order to extend the period of self-payment contributions. Failure to provide notice of a disability or second Qualifying Event may affect the right to extend the period of self-payment contributions.

i) Disability

An eleven (11) month extension of self-payment contributions may be available if any of the Qualified Beneficiaries is determined by the Social Security Administration to be

[4] In a typical health plan, the COBRA right entitles the employee to self-pay contributions to continue to receive current health coverage. In contrast, this Plan does not provide coverage to active employees, but instead accepts contributions during active employment, which are being held by the IAFF MERP to purchase health coverage after the employee retires.

disabled. The Social Security Administration (SSA) must determine that the Qualified Beneficiary was disabled at some time during the first sixty (60) days of self-payment, and you must notify the Trust Office of that fact within sixty (60) days of the SSA's determination and the disability must last at least until the end of the first eighteen (18) month period of self-pay contributions. If the Qualified Beneficiary is determined by SSA to no longer be disabled, you must notify the Trust Office of that fact within 30 days of SSA's determination.

ii) Second Qualifying Event

An eighteen (18) month extension of your right to self-pay contributions will be available to spouses and children who elect to contribute by self-payment if a second Qualifying Event occurs during the first eighteen (18) month period of self-pay contributions. The maximum period of contributions by self-payment available when a second Qualifying Event occurs is thirty-six (36) months. Such second Qualifying Events include the death of a covered employee, but not termination of employment. You must notify the Trust Office within sixty (60) days after a second Qualifying Event occurs.

iii) How can I elect to self-pay contributions?

The employee or the employee's spouse can elect to self-pay contributions on behalf of all of the qualified beneficiaries.[5] A parent or legal guardian may elect to continue to self-pay contributions on behalf of their children.

To elect to continue contributions by self-payment, you must complete the Election Form according to the directions on the form and postmark the complete form by the date shown on the form. A Qualified Beneficiary must elect to take advantage of his/her COBRA right to self-pay by the date specified on the Election Form. Failure to do so will result in loss of the right to elect to self-pay contributions under the Plan.

D. What is the cost of self-pay contributions?

Generally, a Qualified Beneficiary may be required to pay the entire cost of contribution amount. The amount a Qualified Beneficiary may be required to pay may not exceed 102 percent (102%) of the amount being contributed to the Plan by the employer pursuant to the collective bargaining agreement (or, in the case of an extension of self-payment contributions due to a disability, 150 percent (150%)). The required self-payment contribution for a Qualified Beneficiary is disclosed on page one of this notice.

[5] See footnote 3 above, which explains the reason each qualified beneficiary does *not* have an independent right to elect.

6. For more information

This notice does not fully describe your right to continue contributions by self-payment or other rights under the Plan. More information about your right to continue contributions by self-payment and other rights under the Plan is available in your COBRA General Notice. You may obtain a copy of the COBRA General Notice from the Trust Office.

For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA web site at www.dol.gov/ebsa.

7. Keep Your Plan Informed of Address Changes

In order to protect your family's rights, you should keep the Trust Office informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Trust Office.

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