

# When Do My Employees' Health Benefits End?

## Stretch Pay, Retirements, Resignations, & Contracts

### EPC Coverage End Date

EPC Health Plan benefits always end on the last day of the month. Regardless of the date or reason for termination, benefits are not prorated and will continue through the end of the month.

### Stretch Pay & Premium Withholdings

Stretch pay does not determine employment status or eligibility for benefits. Stretch pay is a board-approved practice that allows wages to be distributed year-round rather than only during the months worked. This practice does not impact the length or terms of an employee's contract. If an employee resigns prior to the end of their contract, they are no longer considered an employee and are no longer eligible for benefits, regardless of whether premiums have already been withheld. Any premiums withheld in error must be refunded as taxable income.

### Retirements

If an employee is retiring, they must confirm their official retirement date with STRS or SERS. Benefits cannot extend beyond the retirement date; however, coverage will continue through the end of that month (benefits are not prorated). For example, if an employee's last working day is May 26 and their official retirement date is June 1, benefits will end on May 31. A COBRA offer will be provided for coverage beginning June 1.

### Resignations

If an employee resigns at the end of the school year (May 26 for simplicity), and the resignation letter states May 26 or "the end of the school year," benefits will end on May 31. A COBRA offer will be provided for coverage beginning June 1. If the resignation states the employee is terminating at the end of their contract, benefits will continue through the end of the contract. A COBRA offer will be provided for coverage beginning the day after current coverage ends.

### Non-Renewed Contracts

If the employee has a contract, benefits will end at the conclusion of the contract, following the same guidelines as a voluntary termination at the end of a contract. If the employee does not have a contract, coverage will end at the end of the month in which the school year ends or at the end of the month in which their school-year responsibilities conclude, as applicable.

## When Does a Contract End?

If an employee retires or resigns at the end of their contract, the district must determine the contract end date, as not all contracts specify an exact date.

- 12-Month Contract
  - If a contract begins on 8/1 and is for 12 months, it ends on 7/31, and coverage ends on 7/31.
- Contract Defines the End Date (Not a Specific Date)
  - If the contract describes how to determine the end date, follow that definition.
    - Example: If the contract states it ends the day before the new school year begins and classes start on 8/14/2025, then the contract ends on 8/13/2025. Benefits will continue through the end of that month (8/31).
- Other Governing Documents
  - Contract end dates may also be defined in negotiated agreements, collective bargaining agreements, or board policy.
    - Please review these documents to determine the applicable contract end date.

## Gaps in Health Coverage

Each district operates under contracts with varying start and end dates, which can create gaps in benefit coverage when those dates do not align. For example, if coverage with the current district ends on July 31 due to the contract end date, coverage cannot be extended beyond that point. In this situation, the employee may elect COBRA to maintain coverage during the gap and can enroll in benefits with their new district once their new contract begins.

## Employee Resources

[STRS - Retirement](#)

[SERS - Retirement](#)

[RetireMed](#)

[Get Started with Medicare](#)

[Health Insurance Marketplace](#)

[COBRA - Continuation of Health Coverage](#)