

# 2026 TERMINATING EMPLOYEE BENEFIT COVERAGE CALENDAR

## Key items to know regarding terminations:

- **Coverage will terminate on the last day of the month in which the Employee is employed unless there is a grandfathered month (refer to Table 1 and Table 2).**
  - Example: A non-grandfathered employee that terminated on January 27 will lose coverage on January 31 (February 28 for a grandfathered employee).
- Refer to the Termination of Coverage section of the Wrap Plan Document for information on the “grandfathered” month. The grandfathered month applies to:
  - A Participant who has been continuously covered under the Plan since August 1, 1998 (whose Active Service ceases) is entitled to an additional month of the Employer contribution and Participant and Dependent coverage, provided the required Employee contributions are paid.
  - The grandfathered month applies to Medical, Dental, Vision Hardware, Basic Life, Optional Life and LTD. The grandfathered month does not apply to Medical FSA or Dependent Care FSA.
- The Health Care & Benefits Division (HCBBD) will automatically collect the employer contribution (State Share) from each agency upon an employee's termination.
- Refer to the State of Montana Payroll Insurance Deduction Calendar for assistance in determining what contributions will need to be collected from the employee's final paycheck. Any contributions owed will be collected from the employee's final paycheck. If there is not enough money in the employee's final paycheck, HCBBD will bill the employee directly.
  - **Note – If an employee's termination has not been entered into SABHRS by the close of business on the pay period ending Friday, the termination will not be reflected on the paycheck, and the employee will be billed directly from HCBBD for any contributions due.**
- COBRA – Employees will be offered COBRA coverage effective the 1<sup>st</sup> of the month following the coverage end date.
- Medical FSA - COBRA applies to Medical FSAs, contributions should only be collected through the month in which regular benefits apply, do not collect during the grandfathered period.
  - **Note: Retirees and Reduction in Force individuals may elect to prepay their full Medical FSA contribution through the end of the Plan Year in which they retire/terminate employment from their last paycheck. If a Retiree/RIF individual elects to prepay to the end of the Plan Year, they would not need to elect COBRA for Medical FSA.**
- Dependent Care FSA - COBRA does not apply to Dependent Care FSAs, contributions should only be collected through the month in which regular benefits apply, do not collect during the grandfathered period.
- **This calendar does not apply to employee deaths. Contact HCBBD for termination information.**

Table 1: Non-Grandfathered Month

Employment Termination Date Between	All Benefit Coverage Ends (including FSAs)
1/1/2026 and 1/31/2026	1/31/2026
2/1/2026 and 2/28/2026	2/28/2026
3/1/2026 and 3/31/2026	3/31/2026
4/1/2026 and 4/30/2026	4/30/2026
5/1/2026 and 5/31/2026	5/31/2026



6/1/2026 and 6/30/2026	6/30/2026
7/1/2026 and 7/31/2026	7/31/2026
8/1/2026 and 8/31/2026	8/31/2026
9/1/2026 and 9/30/2026	9/30/2026
10/1/2026 and 10/31/2026	10/31/2026
11/1/2026 and 11/30/2026	11/30/2026
12/1/2026 and 12/31/2026	12/31/2026

**Table 2: Grandfathered Month**

Employment Termination Date Between	All Benefit Coverage Ends (except FSAs) <sup>1</sup>	FSA Benefit Coverage Ends <sup>2</sup>
1/1/2026 and 1/31/2026	2/28/2026	1/31/2026
2/1/2026 and 2/28/2026	3/31/2026	2/28/2026
3/1/2026 and 3/31/2026	4/30/2026	3/31/2026
4/1/2026 and 4/30/2026	5/31/2026	4/30/2026
5/1/2026 and 5/31/2026	6/30/2026	5/31/2026
6/1/2026 and 6/30/2026	7/31/2026	6/30/2026
7/1/2026 and 7/31/2026	8/31/2026	7/31/2026
8/1/2026 and 8/31/2026	9/30/2026	8/31/2026
9/1/2026 and 9/30/2026	10/31/2026	9/30/2026
10/1/2026 and 10/31/2026	11/30/2026	10/31/2026
11/1/2026 and 11/30/2026	12/31/2026	11/30/2026
12/1/2026 and 12/31/2026	1/31/2027	12/31/2026

*If you have any questions, please contact HCBd at (800) 287-8266, (406) 444-7462, TTY (406) 444-1421, or via email at [benefitsquestions@mt.gov](mailto:benefitsquestions@mt.gov).*

<sup>1</sup> All Benefits (except Medical and Dependent Care Flexible Spending Accounts (FSAs)) – Medical, Dental, Vision Hardware, Basic Life, Optional Life Insurance, and LTD Coverage

<sup>2</sup> Flexible Spending Accounts (FSAs) – Medical and Dependent Care FSA

