

End of Contract and Start of New Contract Processing

The **SPS End of Contract process** runs on the last day of every month and looks for employees whose contract ended in the previous month (and have not received an extension); this ends their benefits coverage effective the last day of their Contract End Date month.

If the employee had COBRA eligible coverage (Medical, Prescription, Dental), ended by the SPS End of Contract process, they (along with any covered dependents) will be flagged as COBRA eligible in SPS. Every Wednesday SPS sends the COBRA eligible employees to an external printer for COBRA packet mailing.

- **Example 1:**
 - An employee has a Contract End Date = 6/15/20
 - The SPS End of Contract process that runs on 7/31/20 will end the benefit elections with a Coverage End Date = 6/30/20
 - COBRA packet eligibility will be sent to the external printer on 8/5/20
 - COBRA eligibility start date = 7/1/20
 - **Example 2:**
 - An employee has a Contract End Date = 6/15/20
 - The employee has a new contract with a Contract Start Date = 7/1/20
 - The SPS End of Contract process that runs on 7/31/20 WILL NOT end the benefits elections for this employee
 - The employee has no break in coverage
 - **Example 3:**
 - An employee has a Contract End Date = 6/15/20
 - The employee has a new contract with a Contract Start Date = 8/15/20
 - The SPS End of Contract process that runs on 7/31/20 will end the benefits elections with a Coverage End Date = 6/30/20
 - COBRA packet eligibility will be sent to the external printer on 8/5/20
 - COBRA eligibility start date = 7/1/20
- **See the next section on Start of New Contract Processing****

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The **SPS Start of New Contract process** runs daily and looks for employees who did not have an active contract on the previous day and have a Contract Start Date = the day the process is running and generates a **Benefit Change – Start of New Contract** event for the employee.

- **Example 3:**

- An employee has a Contract End Date = 6/15/20
- The employee has a new contract with a Contract Start Date = 8/15/20
- The SPS End of Contract process that runs on 7/31/20 will end the benefits elections with a Coverage End Date = 6/30/20
- The SPS Start of New Contract process that runs on 8/15/20 will generate a Benefit Change – Start of New Contract event for the employee to make benefit elections (if desired)

Note that **contract extensions entered/received after the Contract Start Date are not automatically picked up by the SPS Start of New Contract process and EBD must manually generate a *Benefit Change – Start of New Contract* event for the employee.

If you need assistance completing this process in the system, please review and follow the **JobAid: Updating Contracts: Closing and Renewing Contracts**, found on the SPS Help Center here:

https://dbm.maryland.gov/sps/Documents/Updating_Contracts_Closing_and_Renewing_Contracts_Job_Aid.pdf