When Employment Ends: Termination

The information in this document applies when you lose eligibility for Stanford-provided benefits. This can happen if you reduce your hours, are no longer in a benefits-eligible position or you terminate employment. This document does not apply if you are laid off or retire.

Certain provisions discussed in this brochure such as sick leave, vacation and PTO do not apply to faculty. Faculty members should contact their Faculty Affairs Officer with any questions.

This document is not a Summary Plan Description or official plan document. Benefits discussed here are governed by the plan contracts and policies, Stanford policies and applicable state and federal laws.

If there is a conflict between the wording of this information and any policy, contract or law, the contracts, the policies and applicable laws govern.

Stanford reserves the right to alter, amend or terminate any of the benefits described in this booklet at any time. If this happens, Stanford will notify affected employees and other plan participants.

Other documents you may find helpful are available at: cardinalatwork.stanford.edu/benefits-rewards in Resources:

• When Employment Ends – Layoff
• When Employment Ends – Retirement
Health, Life and Disability Benefits

When do benefits stop?
Your medical, dental, vision and life insurance coverage stops at the end of the month in which employment ends. For example, if your last day of employment is March 15, benefits continue until March 31, and then stop.

Short- and long-term disability coverage stops on the date your employment ends unless you have filed a claim and are collecting benefits from Stanford’s Voluntary Disability Insurance (VDI) or Long-Term Disability Plan (LTD) plans. In this case, your claim remains open.

How do I lose eligibility for benefits?
You lose eligibility when you terminate employment or no longer work in a benefits-eligible position. Positions that are not considered benefits-eligible include:

- Part-time jobs under 20 hours per week (50% FTE); and
- Casual and temporary positions.

Am I eligible to continue medical, dental and vision coverage?
The Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) allows you and your covered dependents to continue coverage for up to 18 months in the medical, dental and vision plans if you are enrolled in these plans at the time your employment ends.

How will I find out about COBRA?
Once your employment ends, Vita Administration Company (Vita), Stanford’s COBRA Administrator, will send you a package of information on COBRA, including an enrollment form. The package contains details on how COBRA works and what you need to do. For more information, call Vita toll-free at 800-424-3052.

Note: To ensure you receive your COBRA packet in a timely manner, be sure your current mailing address is correct in Stanford’s administration system. To check or update your address, go online to stanfordyou.stanford.edu, or talk to your department’s Human Resources administrator.

Will Stanford contribute toward the cost of COBRA?
No. If you want to continue your medical, dental and vision benefits, you pay 100 percent of the full cost of COBRA coverage plus a 2 percent administration fee. Visit cardinalatwork.stanford.edu/cobra to view information and current rates.

Can I continue Life and Accidental Death & Dismemberment (AD&D) Insurance?
Yes. If you decide to convert or port coverage, you must complete and submit an enrollment form to Prudential Life Insurance Company within 31 days after the end of the month in which coverage ends. (See below for information on how to get the form.)

If you are interested in porting or converting your life insurance or Accidental Death and Dismemberment, Prudential will send you information within two weeks from the date your active coverage ends.
Prudential will complete a portion of the form before mailing it to you. You must complete the rest of the form and Prudential must receive your completed enrollment form within 31 days after the end of the month in which you terminate. You do not need to provide proof of good health.

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<thead>
<tr>
<th>Plan Name</th>
<th>Offer Conversion?</th>
<th>Offer Portability?</th>
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<tbody>
<tr>
<td>Basic Life Insurance</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>Supplemental Life Insurance</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Spouse/Child Life Insurance</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Accidental Death &amp; Dismemberment (AD&amp;D)</td>
<td>No</td>
<td>Yes, only if you also port your own Supplemental Life Insurance</td>
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For more information on conversion/portability call Prudential Life Insurance at 888-257-0412.

**Can I continue my health care Flexible Spending Account (FSA)?**

If you have funds remaining in your health care FSA when employment ends, you can decide whether or not to continue participation in the plan for the rest of the plan year through COBRA.

**If you do not continue coverage:** Any eligible expenses you incur up to the last day of the month in which employment ends can be submitted for reimbursement. You have until April 30 of the following year to submit claims.

*For example:* Your last day of employment is July 15. Your health care FSA continues to July 31. Any eligible expenses you incur through July 31 may be submitted for reimbursement until April 30 of the following year.

**To continue coverage:** You may be able to enroll in COBRA and continue to pay your remaining health care FSA contributions (plus a 2 percent administration fee) on an after-tax basis. Vita Administration Company, Stanford’s COBRA administrator, will send you the paperwork. Note: If you do not pay Vita, your benefits stop at the end of the last month for which Vita received full payment.

*For example:* Your last day of employment is July 15. Your health care FSA continues to December 31 as long as you elect and pay Vita the required COBRA premium through December 31. Any eligible expenses you incur through December 31 may be submitted for reimbursement until April 30 of the following year.

**Note:** Although you may choose to continue coverage in the health care FSA, your spending account debit card becomes inactive on the last day of the month in which your employment ends.

For information on how to continue to view FSA information online, change your email and/or mailing address, and set up direct deposit, go to the TASC website partners.tasconline.com/Stanford or call TASC customer care at 855-842-4913.

**Can I continue my dependent day care Flexible Spending Account (FSA)?**
Your contributions to the dependent day care FSA stop the date your employment ends. You may not continue contributions beyond that date.

You can file a claim for reimbursement of eligible expenses you incur up to the end of the year in which employment ends. You will be reimbursed only up to the amount remaining in your dependent day care FSA on the date employment ends.

For example: Your last day of employment and last contribution is July 15. You have until April 30 of the next year to submit any eligible expenses you incur through December 31.

You can find additional information on your health care or dependent day care FSA by going to: cardinalatwork.stanford.edu/fsa

Can I continue Long-Term Care?

• If you are enrolled in Long-Term Care (LTC) through CNA when you leave Stanford, you and all enrolled family members can continue participating in this program. Your cost will remain the same. Call CNA at 800-528-4582 if you have any questions.

• If you are enrolled in Long-Term Care (LTC) through Genworth when you leave Stanford, you and all enrolled family members can continue participating in this program. Your cost will remain the same. Call Genworth at 800-416-3624 if you have questions.

Can I continue Short- or Long-Term Disability?

Coverage under the Stanford Voluntary Disability Insurance (VDI) and Long-Term Disability (LTD) plans end on your last day of employment. There is no conversion available for disability benefits.

Note: If you have filed a claim and are collecting benefits from the LTD or VDI plans, your claim remains open as long as you continue to meet plan guidelines. If you have any questions, be sure to contact the UHR Service Team.

If You Are On Long-Term Disability

If you are receiving Stanford Long-Term Disability (LTD) benefits at the time of your employment ends, you may be eligible to continue some medical and life insurance benefits. For details, visit cardinalatwork.stanford.edu/ltd.

Retirement Savings

Note: The information in this section is only for those who terminate employment. Other rules apply if you reduce your hours or work in a casual or temporary position. If you are still employed by Stanford and have questions about your retirement savings, contact the UHR Service Team at 650-736-2985.

What happens to my retirement savings?

Your options depend on a number of factors: the plan(s) you are in, your age, your marital status and if you have a “Qualified Domestic Relations Order” on file. Here is a summary of the options available to you if you decide to request a distribution from the SCRP and/or SRAP.
### When Employment Ends - Termination

**Plan**  
**Options**  
**What to Do**

| Stanford Contributory Retirement Plan (SCRP) | 1. Leave money in plan - (Minimum distribution must start at age 70 1/2)  
2. Roll over to an IRA or other eligible retirement plan Request a distribution (payments from the plan) | 1. Do nothing  
2. Request a rollover form from your investment company*  
Request a distribution form from your investment company*  
Fidelity 888-793-8733  
TIAA 800-842-2776 |
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<td>Staff Retirement Annuity Plan (SRAP)</td>
<td>1. The normal form of distribution is an annuity, but you may choose to receive the present value of your benefit in a lump sum</td>
<td>1. Contact the Stanford University Pension Center at 877-249-6648 to request a distribution form.</td>
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*My Retirement Savings (administered by Fidelity) for Fidelity and Vanguard funds and/or TIAA

### Is there a waiting period before I can receive a distribution?

You may request a distribution from the SCRP if you leave Stanford *with no expectation you will be rehired to active employment.*

Before any payments can begin from the Plan, you need to apply for benefits (also called a distribution) in advance and complete the application review and waiting period.

It may take up to 45 days from your date of termination. To begin the process, contact your investment provider(s) directly for a distribution form. **All distributions are subject to a minimum 30-day waiting period after your termination date.** In addition to the 30-day waiting period, allow at least 15 business days for the administrative review and approval process of your distribution request. Distributions may be subject to an administrative processing fee.

**Note:** Your account will be valued as of the date your distribution request has been fully reviewed, approved and processed. You bear the gain or loss as a result of market fluctuations that occur between the date you apply for a distribution and the date the distribution is made.

Neither Stanford nor any Plan fiduciary or investment provider will be liable if an administrative plan process (i.e., enrollment, distribution) is delayed due to circumstances beyond their reasonable control. These include, but are not limited to, war, earthquake, fire, flood, hurricane, tornado, pandemic, acts of terrorism and acts of God which could not be avoided by the exercise of due diligence.

**Important:** If you become employed by Stanford Hospitals and Clinics, Lucile Packard Children’s Hospital or SAA Sierra Programs LLC (Alpine Chalet), the IRS considers you to be employed by Stanford. For purposes of your retirement plans, this means you cannot take a distribution from SCRP or SRAP while employed by any of these groups. For more information, visit: cardinalatwork.stanford.edu/retirement

### Can I rollover my retirement savings?

Yes. There are two ways you can rollover your account balance from your retirement plan:

- You can request a direct rollover to a traditional Individual Retirement Account (IRA), a qualified retirement plan, another employer’s 403(b) plan, or an eligible governmental deferred compensation plan that will accept your rollover. When you roll over your account balance, you pay no taxes and tax deferral continues until you withdraw the money.
• You can have the account balance paid directly to you in a lump sum. In this case, you must deposit the money in an IRA or other eligible retirement plan within 60 days or you will have to pay taxes on the entire amount. In any event, the lump sum distribution is subject to mandatory withholding.

**Important:**
• If you are age 59½ or over, receive a lump sum payment, and then wait longer than 60 days to deposit your payment, your distribution will be taxed as ordinary income. In most cases, if you are under age 59½, you pay a 10 percent early withdrawal penalty tax in addition to ordinary income tax.
• If you become employed by Stanford Hospitals and Clinics, Lucile Packard Children’s Hospital or SAA Sierra Programs LLC (Alpine Chalet), the IRS considers you to be employed by Stanford. For purposes of your retirement plans, this means you cannot take a distribution from SCRP or SRAP while employed by any of these groups. For more information, visit: cardinalatwork.stanford.edu/retirement

**Special Information for Surviving Spouse or Alternate Payee**
If the Stanford employee dies before requesting a distribution from the SCRP, the surviving spouse, alternate payee or other beneficiary may request a distribution.

If the Stanford employee dies before requesting a distribution from SRAP, the surviving spouse, alternate payee or other beneficiary may request a distribution, as long as the Stanford employee had already met the appropriate age and service requirements.

Distributions to a surviving spouse, alternate payee or other beneficiary are not generally subject to a penalty tax. For additional information, contact the University HR Service Team.

**Other Benefits**

**What happens to my child’s tuition grant?**
After employment ends, your child’s Tuition Grant Program (TGP) benefits stop at the end of current term. You must meet the five-year eligibility requirement again if you return to work after a termination.

**What happens to my Child Care Subsidy Grant?**
Stanford’s contributions to your Child Care Subsidy Grant benefit ends when your Stanford employment ends. However, you may continue to file claims for reimbursement of eligible expenses you incur up to the end of the year in which employment ends.

**What happens to my Medical Contribution Assistance Program (MCAP) subsidy?**
The subsidy stops if you no longer work at least 75 percent full-time, no longer cover dependents, or your employment with Stanford ends.

**What happens to my accrued vacation and PTO?**
Any earned and unused PTO and vacation time is paid to you when you leave. For additional information, refer to Administrative Guide Memo: adminguide.stanford.edu/chapter-2/subchapter-1/policy-2-1-6 (Vacation) or adminguide.stanford.edu/chapter-2/subchapter-1/policy-2-1-8 (Miscellaneous Authorized Absences).

**What happens to my sick leave?**
Unused sick leave has no cash value and is not paid out when you leave.
If You Are Rehired

Anticipating an Immediate Rehire?
Some employees end employment from Stanford one day and immediately return to work (in a benefits-eligible position) for the university the next day. Each status change in the payroll system (termination or rehire) automatically triggers certain paperwork to be sent to you. Be aware that you may receive information on COBRA at the same time you receive information on enrolling for active benefits.

Your health care benefits become effective on your rehire date. To make sure all appropriate paperwork is complete:
- Talk to your Human Resources administrator to ensure termination and rehire dates are put in the payroll/personnel system in a timely manner.
- Go online or call the University HR Service Team to re-enroll in your plans and find out if any additional paperwork is needed. **Note:** If you are rehired within the same calendar year as your termination, you will continue in the health and life plans you had before your termination.

Do I get the same health care benefits when I return?
If you return to Stanford in a benefits-eligible position, you immediately become eligible for the same health care benefits as other active employees, as long as your appointment is for at least six months (four months for bargaining unit employees); and you work at least 50 percent time.

What happens if I already requested a retirement distribution?
For anyone returning to work at Stanford, there are special IRS rules around receiving a retirement savings plan distribution and then returning to work for the same organization.

**Contributory Retirement Account (CRA)** – If you elect to start a distribution when your employment ends, and are later rehired by Stanford, the distribution may continue only if:
- You are at least age 59½ on your rehire date; or
- The separation from service was at least 12 months.

**Example 1**
- You are age 58 when employment ends.
- You are rehired by Stanford six months later.
- Your distribution payments will stop until you terminate employment again.

**Example 2**
- You are age 58 when employment ends.
- You are rehired by Stanford 24 months later.
- Your distribution payments will continue because you are over 59½ on your rehire date.

*This information is only if your terminate employment. If you continue in a part-time, casual or temporary position, call the UHR Service Team at 650-736-2985 for how this may affect you.

**Example 3**
- You are age 58 when employment ends.
- You are rehired by Stanford 12 months later.
• Your distribution payments will continue because your separation from service was at least 12 months.

**Tax-Deferred Account (TDA)** – If you elect to start a distribution when your employment ends, and are later rehired by Stanford, distribution payments will continue.

**Where can I get information about the retiree health care program?**
For details regarding the retiree health care program, review the Retiree Health Care Plan Summary on the Cardinal at Work website in Resources.

**I do not qualify as an official retiree at the time of termination. How will my return affect future eligibility as an official retiree from Stanford?**
There is a difference between qualifying as an official retiree (eligibility for Stanford’s retiree medical coverage) and the type of contribution you receive from Stanford for your retiree medical coverage. Keep reading for additional information.

**Becoming an Official Retiree**
If you return to Stanford in a benefits-eligible position, you will receive credit for all prior years of service toward becoming an official retiree.

**University Contribution Toward Retiree Health Care Benefits**
If your employment in a benefits-eligible position with the university ends, and then return to a benefits-eligible position, special contribution rules may apply. Your prior benefit-eligible service may be credited towards the university’s contribution for retiree health care if you meet certain requirements described below.

- If you become eligible for retiree health care on or after January 1, 2008 and want to receive credit for prior university service, you must have at least 10 consecutive years of benefits-eligible service immediately before retirement.
- If you do not complete the required 10 consecutive years of benefits-eligible service immediately before retirement, you will not have prior years of service used to determine the university’s contribution. Instead, only the benefits-eligible years of service in the most recent period of employment will be used for this purpose.

For additional information:
- Refer to the Retiree Health Care Plan Summary (see Break In Service); or
- Call the University HR Service Team at 650-736-2985 or 877-905-2985.

**Additional Resources**
If you think you qualify as an official retiree or want more information on retirement from Stanford:

- Attend a “Your Health Care Benefits in Retirement” workshop held once a month on campus. Register at: [cardinalatwork.stanford.edu/retirement-health-workshop](cardinalatwork.stanford.edu/retirement-health-workshop)
- View the recorded version of the “Your Health Care Benefits in Retirement” presentation online at: [cardinalatwork.stanford.edu/retiree-benefits-overview](cardinalatwork.stanford.edu/retiree-benefits-overview)
• Review the Retiree Health Care information and Plan Summary on Cardinal at Work by visiting: cardinalatwork.stanford.edu/retiree-options
• Talk to the University HR Service Team at 650-736-2985, or 877-905-2985