

STANFORD

UNIVERSITY HUMAN RESOURCES



## Long-Term Disability – Terminated

---

This information is exclusively for Stanford employees moving from active to terminated status while on Long-Term Disability (LTD). Your status change is referred to as “LTD Term” in Stanford’s payroll and benefits records. While you continue to receive benefit payments from the Stanford LTD plan and maintain some of your other benefits, you will no longer be considered a Stanford employee.

This brochure explains:

- What benefits remain available to you and your eligible dependents
- How to continue benefits even if Stanford will no longer provide them
- What happens when LTD ends

*This is a highlights brochure and 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, policies and applicable laws govern. Stanford reserves the right to alter, amend or terminate any of the benefits described in this brochure at any time.*

# Health, Life & Disability Benefits

When your status becomes Long-Term Disability Terminated (LTD Term), you automatically remain eligible for certain medical benefits, employee life insurance and of course your LTD income benefits—as long as you qualify for the Stanford Long-Term Disability Plan. All other benefits end unless you choose to continue coverage as allowed by the plan.

## **MEDICAL**

You are eligible for continued medical benefits as described below. Medical coverage includes prescription drugs and access to mental health and substance abuse services. You pay your share of the cost to Vita Administration Company (Vita), Stanford's leave of absence billing administrator. Failure to make payment as required will result in permanent loss of your medical and life insurance plan coverage as an LTD Term.

You can change to another plan or add/delete dependents:

- Each year during Open Enrollment;
- Mid-year if you have a qualifying life event change; or
- If you move outside the Kaiser or SHCA health plan's service area.

You will be sent Open Enrollment materials each fall that include costs, plan comparisons and information on how to make changes.

## **If You Became an LTD Term Before May 1, 2010**

If you were in LTD Term status before May 1, 2010, you may continue to enroll in a Stanford medical plan as long as you qualify for the Stanford LTD Plan. However, you must move to a Stanford Medicare plan starting January 1, 2011 or as soon thereafter as you are eligible. Stanford Benefits will send you information about making this change.

Stanford may request annual proof of your Medicare eligibility. Failure to respond to the request for proof will lead to permanent loss of eligibility for all LTD Term medical and life insurance benefits.

From January 1, 2011 through December 31, 2015, you may:

- Enroll in a Stanford medical plan as described above
- Cover your eligible dependents
- Receive the university contribution according to these rules:
  - Until you are Medicare-eligible, you will continue to receive the university contribution you were receiving at termination
  - Once Medicare-eligible, you will receive a contribution equivalent to the Stanford retiree grandfathered (GFC) level. Information explaining the GFC contribution level can be found in the *Retiree Health Care Plan Summary*.

Starting January 1, 2016, you may:

- Continue to enroll in a Stanford medical plan as described above but must pay the full premium cost plus an administrative fee set by Stanford
- Choose only single coverage (no dependent coverage)

**Note:** If you should return to work and later go back out on disability, you will be eligible for medical benefits as though you became an LTD Term on or after May 1, 2010.

### **If You Become an LTD Term on or After May 1, 2010**

From January 1, 2011 through December 31, 2015 you may:

Continue to enroll in a Stanford active medical plan until you are Medicare-eligible or for a maximum of 60 months from your termination date, whichever comes first. During this period:

- You will continue to receive the same university contribution level you were receiving at termination.
- You may cover your eligible dependents.
- Stanford may require annual proof of your Medicare eligibility. Failure to respond to the request for proof will lead to your permanent loss of eligibility for all LTD Term medical and life insurance benefits.

Starting January 1, 2016, you may:

- Continue to enroll in a Stanford medical plan as described above but must pay the full premium cost plus an administrative fee set by Stanford
- Choose only single coverage (no dependent coverage)

Once you are eligible for Medicare or if the 60-month maximum has been reached, you are no longer eligible to enroll in a Stanford medical plan as an LTD Term. It is your responsibility to notify Stanford immediately of your Medicare eligibility.

---

**Note:** It will be critical for you to enroll in Medicare Parts A and B as soon as you are eligible. Otherwise you may be subject to lifelong Medicare premium penalties.

If your *spouse, registered domestic partner or child* becomes Medicare eligible *at any time* while you are still eligible for LTD Term medical benefits, he or she should contact Social Security immediately to enroll in Medicare Parts A and B. His or her Stanford coverage will end the day before becoming Medicare eligible. Failure to enroll in Medicare when eligible can result in lifelong Medicare premium penalties.

## **VISION AND DENTAL**

Vision and dental coverage stop on the last day of the month your employment ends. To continue coverage you can enroll in COBRA, keeping you in the same plans by paying the full premium plus a 2 percent administration fee. You will receive a package of information including an enrollment form and instructions from Vita.

## **FLEXIBLE SPENDING ACCOUNT – HEALTH CARE**

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

**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 up to July 31 may be submitted for reimbursement until April 30 of the following year.

**To continue coverage:** You can 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 up to 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 more information on how to continue to view FSA information online, change your email and/or mailing address, and how to set up direct deposit, see “When Employment Ends: What Happens to Flexible Spending Accounts?” in the Resource Library on the Benefits website at [benefits.stanford.edu](http://benefits.stanford.edu).

---

## **FLEXIBLE SPENDING ACCOUNT – DEPENDENT DAY CARE**

Your contributions to the dependent day care Flexible Spending Account (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, if 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.

*Note:* Additional information on health care or dependent day care FSAs can be found on the Benefits website. Look for FSA in the Resource Library.

### **YOUR BASIC LIFE INSURANCE**

Stanford continues to pay the full cost of your coverage for basic life insurance as long as you qualify for LTD Term medical benefits.

### **YOUR EMPLOYEE SUPPLEMENTAL LIFE INSURANCE**

If you were enrolled in employee supplemental life insurance when you became an LTD Term, you may continue coverage at the same level you had at termination. You may drop the coverage but you may not increase coverage at any time.

#### **If you were on Long-Term Disability before May 1, 2010 and chose to continue coverage:**

- Stanford will pay the full cost to continue your coverage.
- If you return to work and then go back out on disability at any time, you will be eligible for benefits as though you went on LTD on or after May 1, 2010. This means you must pay the premium in order to continue your employee supplemental life insurance coverage.

#### **If you go on Long-Term Disability on or after May 1, 2010 and choose to continue coverage:**

- You pay the full cost of coverage and will be billed directly by Vita. Failure to make payment as required will result in permanent loss of your LTD Term medical and life insurance coverage.
- Your basic and employee supplemental life insurance will end once you become Medicare eligible or reach 60 months from your termination date, whichever comes first as described in the Medical section.

### **SPOUSE/REGISTERED DOMESTIC PARTNER SUPPLEMENTAL LIFE INSURANCE**

Coverage ends on the last day of the month your employment ends. To learn how to convert this coverage to an individual policy, call Stanford Benefits at 650-736-2985 or toll-free at 877-905-2985 and press option 9. Forms must be completed and submitted to Prudential, Stanford's life insurance carrier, no more than 31 days after the end of the month in which your status changes from LTD to LTD Term.

### **CHILD LIFE INSURANCE**

Coverage ends on the last day of the month in which your employment ends. No individual policy is available.

### **ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE**

Coverage ends on the last day of the month in which your employment ends. No individual policy is available.

### **LONG-TERM CARE**

If enrolled in Long-Term Care (LTC) when you become an LTD Term, you and enrolled family members can continue participating in this program at the same rate by paying CNA directly. Contact CNA at 800-528-4582 no more than 31 days after your termination date to request continuation of coverage. Your cost will remain the same, but CNA will bill you directly.

## **LTD Term Benefit Summary**

<b>Benefit plan</b>	<b>What happens</b>
Medical benefits, including prescription drugs, mental health and substance abuse benefits	Coverage depends on your termination date. See pages 2-3 for details.
Dental and vision benefits	To continue this benefit, you must enroll in COBRA coverage and pay the full cost plus a 2 percent administration fee.
Flexible Spending Accounts (FSA)	Health care FSA may continue. See pages 3-4 for details. Dependent day care FSA stops on the date your employment ends.
Employee Basic Life Insurance	Stanford pays the full cost to continue coverage as long as you qualify for the Stanford LTD Plan and for LTD Term medical benefits.
Employee Supplemental Life Insurance	Coverage depends on when your LTD started. See page 5 for details.
Spouse/Registered Domestic Partner and Child Life Insurance	Ends on the last day of the month in which employment ends.
Accidental Death & Dismemberment (AD&D) (all coverage)	Ends on the last day of the month in which employment ends.
Long-Term Disability	The LTD provider continues your benefits at no cost to you, as long as you remain qualified for the Stanford Long-Term Disability Plan.
Long-Term Care	To continue this benefit, you pay CNA directly.

## When LTD Ends

LTD benefit payments stop on the date you are no longer disabled or the date you reach the LTD age limit, whichever is earlier. The maximum payment period differs slightly depending on the benefit plan in effect when your disability began.

When LTD ends, you stop receiving benefit payments and:

- Medical coverage stops at the end of the month in which LTD ends (if you are still covered as an LTD Term)
- Basic and employee supplemental life insurance coverage stops at the end of the month in which your LTD ends

If you qualify as an official Stanford retiree, you are eligible for the Retiree Health Care Program. To find out if you qualify, call Stanford Benefits. For additional information, see *Retiree Health Care Benefits*, page 8.

If you do not qualify as an official retiree and are under age 65 when LTD ends, you will receive a COBRA package as long as your original COBRA eligibility period has not ended. Normally this is 18 months from your termination date. If you are still eligible for COBRA, you can choose to continue your medical coverage by paying the full premium cost plus a 2 percent administration fee. Contact Stanford Benefits for further information.

If you have any questions about Social Security retirement benefits, contact Social Security toll-free at 800-772-1213 or visit [www.ssa.gov](http://www.ssa.gov).

# Retirement Savings Benefits

## **STANFORD CONTRIBUTORY RETIREMENT PLAN (SCRP)**

- **Managing your account(s)** – If you are a participant in SCRCP, you may continue to manage your account through the Stanford Retirement Manager.
- **Contributions** – You cannot continue making contributions unless you are issued a Stanford paycheck. Once you are an LTD Term, paychecks from Stanford stop and so do your contributions. Stanford's basic contribution to your Contributory Retirement Account (CRA) stops when you become classified as an LTD Term.
- **Withdrawals** – If your LTD claim started *before January 1, 2005*, you may withdraw funds or request a distribution. **Note:** Any amount you receive from your retirement plan will be an offset to your LTD payment. This means, the amount you receive from SRAP and/or SCRCP will reduce your LTD benefit by a similar amount.

If your LTD claim started *January 1, 2005 or later*, you may withdraw funds or request a distribution from SCRCP at any time with no offset. If you are under age 59½ at the time of your withdrawal, the amount of your withdrawal will be subject to a penalty tax. Be sure to discuss any withdrawals with your accountant or financial advisor. Refer to the SCRCP Summary for details on withdrawals and penalties on the Benefits website at [benefits.stanford.edu](http://benefits.stanford.edu) under the Retirement section.

## **STAFF RETIREMENT ANNUITY PLAN (SRAP)**

If you were a vested participant in SRAP at the time your disability started (after five consecutive years of benefits-eligible employment), you may request your retirement benefit once you are considered an LTD Term. **Be aware:** Any funds you receive from SRAP will reduce your LTD benefit by a similar amount. Be sure to contact Stanford Benefits for a calculation and additional information.

# Retiree Health Care Benefits

## **ELIGIBILITY FOR THE RETIREE HEALTH CARE PROGRAM**

If you qualified to become an official Stanford retiree when your LTD benefits started, you are eligible for the Retiree Health Care Program. If you did not qualify at that time, the program is not available to you. If in doubt, call Stanford Benefits to confirm your eligibility.

*Note:* The time you are on LTD does not count as benefits-eligible employment for purposes of determining eligibility as an official retiree.

## **IF YOU ARE ELIGIBLE FOR RETIREE MEDICAL**

You have two options if you qualify for the Retiree Health Care Program.

**Option 1:** You can stay on LTD which means you will continue to receive:

- Benefit payments as long as you qualify for the Stanford Long-Term Disability Plan; and
- LTD Term medical and life insurance benefits as described on pages 2-5.

**Option 2:** You can retire, which means you will:

- Continue to receive your LTD benefit payments as long as you qualify for the Stanford Long-Term Disability Plan. This income will continue until you are no longer disabled or until you reach the plan age limit.
- Be eligible for retiree health care coverage.
- Lose your basic and employee supplemental life insurance.

## **IF YOU DECIDE TO RETIRE**

Here are the actions to take if you decide to retire while on LTD:

- Contact Stanford Benefits at least two months in advance to confirm your eligibility for the Retiree Health Care Program and to receive a calculation on the amount of university contribution.
- If you qualify as an official retiree, contact Stanford Benefits to discuss your retiree health care options, but remember that if you are age 65 or older, you must be enrolled in Medicare Parts A and B before you can enroll in a Stanford retiree medical plan.
- Contact Social Security at least two months before you want to retire to enroll in Medicare Parts A and B if you are not already enrolled. This process is controlled by Social Security, not by Stanford.
- Make sure Stanford Benefits has your correct home and mailing address at all times so you can receive Open Enrollment and other benefit mailings.

Remember: Your basic and employee supplemental life insurance end when you retire.

# Resource & Contact Information

## **BENEFITS INFORMATION**

- For general questions on your Stanford health and life benefits, or to request a retirement calculation, call Stanford Benefits at 650-736-2985 or toll-free at 877-905-2985 and press option 9.
- For questions about the Stanford Long-Term Care Plan, call CNA toll-free at 800-528-4582.

## **LEAVE BILLING**

For information on your benefits billing, contact Vita at 800-424-3052 or visit [www.vitacompanies.com](http://www.vitacompanies.com).

*\*You will receive information from Vita on how to pay for the benefits you are eligible to continue.*

## **LTD**

- For details on the Stanford LTD Plan visit [benefits.stanford.edu](http://benefits.stanford.edu) and look in the Disability section of the *Resource Library*.
- For questions on your LTD claim and payments, call Liberty Mutual toll-free at 800-320-7585.
- If your LTD claim started between January 1, 2005 and December 31, 2007, call UNUM toll-free at 866-705-7811 for specific questions on your LTD claim.

## **RETIREE HEALTH CARE PROGRAM**

For details on the Stanford retiree health care program visit [benefits.stanford.edu](http://benefits.stanford.edu) and look for the *Retiree Health Care Plan Summary* in the Retirement/Medical section of the *Resource Library*.

## **RETIREMENT PLANS**

- To request a SRAP calculation, call Stanford Benefits at 650-736-2985 or toll-free at 877-905-2985 and press option 3.
- To request a TDA and/or SCRIP distribution, call the Stanford Retirement Manager toll free at 888-793-8733 or visit [benefits.stanford.edu](http://benefits.stanford.edu) and look in the *Retirement* section.

## **OTHER RESOURCES**

- Social Security Administration can be reached toll-free at 800-772-1213 or visit [www.ssa.gov](http://www.ssa.gov).
- Medicare can be reached toll-free at 800-633-4227 or visit [www.medicare.gov](http://www.medicare.gov).

## Appendix

Depending on when your disability started, your maximum payment period may vary. Be sure to look at the chart appropriate for your situation. Remember: Benefits end sooner if you are no longer considered disabled according to the guidelines of the LTD Plan.

If your disability started before January 1, 2005, your benefits continue according to this chart. Benefits end at age 65 or according to this chart.

<b>Age when disability began</b>	<b>Maximum LTD payment period</b>
Age 62 but not yet 63	42 months
Age 63 but not yet 64	36 months
Age 64 but not yet 65	30 months
Age 65 but not yet 66	24 months
Age 66 but not yet 67	21 months
Age 67 but not yet 68	18 months
Age 68 but not yet 69	15 months
Age 69 or older	12 months

If your disability started on or after January 1, 2005, benefits end at age 67, or according to this chart.

<b>Age when disability began</b>	<b>Maximum LTD payment period</b>
Age 62 but not yet 63	60 months
Age 63 but not yet 64	48 months
Age 64 but not yet 65	42 months
Age 65 but not yet 66	36 months
Age 66 but not yet 67	30 months
Age 67 but not yet 68	24 months
Age 68 but not yet 69	18 months
Age 69 or older	12 months