

Staff Retirement

- Authority** This Guide Memo was approved by the Vice President of Human Resources.
- Applicability** This policy applies to all faculty, academic staff, and regular staff as defined in Administrative Guide Memo 23.1, Definitions, http://adminguide.stanford.edu/23_1.pdf. (For policies applicable to employees covered by collective bargaining agreements, refer to the applicable agreement: The Agreement between Stanford University and United Stanford Workers, Local 680, SEIU, AFL-CIO or the Agreement between Stanford University and the Stanford Deputy Sheriffs' Association.)
- Summary** This Guide Memo describes the retirement income plans, health care coverage, and other perquisites available to employees who retire from the University. Section headings are:
1. RETIREMENT PLANS
 2. OFFICIAL UNIVERSITY RETIREES
 3. GUIDE TO SUPERVISORS

1. RETIREMENT PLANS

- a. University Retirement Plans** – Income from University retirement plans is available to all participants who are vested in these plans, whether or not they are Official University Retirees. For detailed information about eligibility, contributions, vesting, and benefits please see each plan's Summary Plan Description, available from BenefitSU (<http://benefitsu.stanford.edu/>). The Summary Plan Description is the official University communication on these plans and contains a description of how each plan operates and participants' rights under the plan and federal law.
- (1) Staff Retirement Annuity Plan (SRAP)** – This retirement plan is for certain employees covered by collective bargaining unit agreements. Additionally, due to certain historical Plan provision changes and participant elections, some exempt and nonexempt staff may either:
- (a)** Be a current participant in SRAP, or
 - (b)** Have an accrued SRAP benefit from previous participation while in an active SRAP status.
- (2) Stanford Contributory Retirement Plan (SCRIP)** – This retirement plan is for faculty, academic staff and exempt and non-exempt staff. However, due to certain plan provision changes and participant elections, some staff elected to continue participation in SRAP rather than participate in SCRIP. The Summary Plan Description is provided to eligible faculty and staff members during the 1-Year After meeting.
- b. Voluntary Tax-Deferred Annuity Plan (TDA)** – This retirement plan is available to all eligible employees immediately upon hire and is intended to supplement the retirement benefits from Social Security and either the SRAP or SCRIP plans. For purposes of this plan, "employee" includes faculty and staff; postdoctoral scholars; and temporary, casual and contingent employees. Employees make tax-deferred contributions to this supplemental plan and direct where their contributions are to be invested.
- c. Social Security Retirement Benefits** – The Social Security program provides retirement benefits to individuals who have worked long enough in covered employment to become fully insured. Reduced benefits are payable to retirees starting at age 62 and before Social Security normal retirement age based on year of birth. Increased benefits result from deferring retirement beyond normal retirement age. After the start of benefits, amounts earned from gainful employment in excess of limits set by law may reduce Social Security payments. Employees and employers pay the costs of the Social Security program. Local offices of the Social Security Administration will provide additional information and assistance with applications for benefits.

2. OFFICIAL UNIVERSITY RETIREES

- a. **Eligibility** – Only current employees and those former employees who have not been terminated for misconduct and informed in writing that they are ineligible for rehire by the University may qualify to become Official University Retirees, provided certain age and service requirements are met while they are employed by the University:

- (1) **Employees Hired Before January 1, 1992** – Employees with an original health-and-welfare-benefits-eligible date of hire before January 1, 1992 are eligible to become an Official University Retiree if they have completed at least 10 years of health-and-welfare-benefits-eligible service and are at least age 55 at the time of retirement.
- (2) **Employees Hired On or After January 1, 1992** – Effective January 1, 1992, Stanford announced new eligibility requirement for Official University Retiree status. These new requirements apply to employees with an original health-and-welfare-benefits-eligible date of hire on or after January 1, 1992. To be eligible, all the following requirements must be met:
 - Age 55 or older, and
 - At least 10 years of health-and-welfare-benefits-eligible service, and
 - Age and years of service must total 75 or more.

This rule is called “The Rule of 75”.

- (3) **Employees Retiring Between September 1, 1994 and beyond** – There is a special set of eligibility requirement for Official Retiree status that became effective September 1, 1994 and has been extended for an indefinite period of time. When a closing date for this set of requirements is determined, employees will be notified in advance.

This rule allows some employees under age 55 to qualify for Official Retiree status. During the expansion period (9/1/94 till closed), the following are alternative requirements.

- At least 10 years of health-and-welfare-benefits-eligible service, and
- **Any** age, and
- Age and years of service must total 75 or more.

This rule is called “The Expanded Rule of 75”.

- (4) **Gradual Retirement** – A full-time staff member who qualifies for Official Retiree status but wishes to retire gradually by continuing to work part-time may make such arrangements when mutually acceptable to his/her department (including a department to which an employee is redeployed). Retirement benefits will continue to accrue on part-time employment when provided for in the applicable retirement plan.

Employees who terminate regular employment receive a lump-sum payment at their current rate of pay for their accumulated vacation under the terms described in Guide Memo 22.5, section 2.f., http://adminguide.stanford.edu/22_5.pdf.

- (5) **Reemployment of Retirees** – If a retiree returns to Stanford employment, he or she should call BenefitSU at 650/736-2985 to discuss the effect, if any, on retiree health benefits.

b. Official University Retiree Benefit Program

- (1) **Medical Benefits** – Official Retirees may participate in a University-provided retiree medical plan. See the Retiree Health & Welfare Summary Plan Description, available from BenefitSU, <http://benefitsu.stanford.edu/>, for detailed information about eligibility, coverage, University contributions, costs and benefits. At age 65, retirees and spouses must apply for and maintain Medicare Parts A and B.

- (2) **Dental Plans** – Official Retirees may participate in the University-provided retiree dental plan. See the Retiree Health and Welfare Summary Plan Description for detailed information.
- (3) **Perquisites** – Official University Retirees may use University libraries and recreation/athletic facilities and receive staff discounts for certain athletic events, as provided by the rules and policies of the department which provides the services or facilities. Official University Retirees remain eligible to participate in the Tuition Grant Program. Interested Official University Retirees may receive the “Stanford Today” publication through the U.S. mail.

3. GUIDE TO SUPERVISORS

a. Arrangements for retirement –

- (1) An employee is encouraged to attend a retirement meeting at least 2-3 months prior to his/her potential retirement date.
- (2) Retirement is a form of voluntary termination of employment. See Administrative Guide Memos 22.8, Separation from Employment, http://adminguide.stanford.edu/22_8.pdf, and 35, University Payroll, <http://adminguide.stanford.edu/35.pdf>.

b. Retirement Gifts – Departments may use University funds to purchase a retirement gift for the retiree. However, a gift of more than nominal value may be taxable to the recipient as additional income. For more information see Guide Memo 23.8, Gifts and Awards for University Employees, http://adminguide.stanford.edu/23_8.pdf.

c. Reemployment of Retirees – When individuals who have retired from the University are reemployed, the provisions of Guide Memos 22.1, Employment of Regular Staff, http://adminguide.stanford.edu/22_1.pdf and 35, University Payroll, <http://adminguide.stanford.edu/35.pdf>, are applicable.

Health Care: Retirees who are recalled to a benefits-eligible position working between 20-40 hours per week become eligible for the same benefits as an active employee and will need to enroll as such. If a recalled retiree fits these requirements, he/she should call BenefitSU at (650) 736-2985 to enroll.

When the recalled retiree terminates employment again, call BenefitSU at (650) 736-2985 to re-enroll in retiree medical benefits.

d. Recalled Retiree – If a retiree is receiving payments from SRAP, SCRP or TDA, those benefit payments continue if the retiree is recalled to a benefits-eligible position. In addition, the recalled retiree starts accruing additional retirement benefits based on salary.