2.1.4 HIRING EMPLOYEES FROM STANFORD HEALTH CARE OR ITS PREDECESSOR COMPANIES

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This policy sets out the applicability of University employment policies and eligibility for University benefits in situations where an SHC employee becomes a University employee.

Authority:
Approved by the Vice President of Human Resources.

Applicability:
Applies to Stanford Health Care (SHC) employees who become University employees.

1. Overview

a. Background and Purpose
The University is separate and independent of Stanford Health Care (SHC). Each entity maintains its own Human Resources department, employment policies and employee benefits.

This Guide Memo explains when the hire date from Stanford Health Services (SHS), Lucile Packard Children's Hospital (LPCH), UCSF Stanford Health Care (USHC), or SHC will be used instead of the new University hire date for certain University benefits for eligible employees.

b. Definitions
For purposes of this Guide Memo, the following definitions apply:

- Employed—earning wages or on an approved leave of absence from a regular position eligible for health and welfare benefits with the applicable employer.
- SHS Hire Date—the actual date of hire at SHS.
- LPCH Hire Date—the later of January 17, 1997, or the actual date of hire at LPCH.
- USHC Hire Date—the actual date of hire at USHC.
- SHC Hire Date—the actual date of hire at SHC.

2. Eligibility Requirements

a. Eligible Employee
An eligible employee must have been employed by SHS, LPCH or the Stanford University School of Medicine
on or before October 31, 1997, or must have been employed on or after April 1, 2000, by SHC (including employment by LPCH). The Tuition Grant Program benefits described in section 8 uses its own definition of Eligible Employee.

b. Direct Change
An eligible employee must "change directly" to employment with the University. For purposes of this policy, a direct change occurs when the employee ceases employment with SHC on one business day and commences employment with the University on the next University business day.

3. Pay Rate
An eligible employee who becomes a University employee receives a rate of pay consistent with the guidelines that apply to internal University transfers and promotions.

4. Voluntary Change
An eligible employee who at his/her own discretion applies for and accepts University employment is considered to have made a voluntary change of employers. In such situations, the following criteria apply for benefits eligibility:

a. The most recent University hire date will be used to determine the period of continuous University employment for:
   - Layoff and severance
   - Tuition Grant Program eligibility, except as provided in section 8
   - Staff Development Program — Guide Memo 2.1.12 [1]: Staff Development Program

b. The SHS, LPCH, USHC or SHC hire date as defined in 1.b will be used to determine:
   - Vacation accrual rate
   - Eligibility for participation and vesting in any University retirement plans
   - Eligibility for and participation in any University-sponsored retiree medical plans

c. Verification Required
Where the SHS, LPCH, USHC or SHC hire date is to be used for purposes specified in section 4.b., the hiring supervisor must verify that hire date with Human Resources Management at SHC.

d. Previous University Employment
Where the SHS, LPCH, or SHC hire date occurred upon a direct change of employment from the University, the preceding University hire date plus service while employed at SHC or its predecessors will be used for purposes specified in section 4.b.

5. Involuntary Change
Occasionally management of SHC may determine that a function performed by a staff member will no longer be provided. If the University offers such an employee the option of continuing his/her position as a University employee, it is considered an involuntary change of employer and the following policies will apply if the employee is eligible:

a. The most recent University hire date will be used to determine the period of continuous University employment for:

- Tuition Grant Program eligibility, except as provided in section 8, below
- Staff Development Program — Guide Memo 2.1.12 [1]: Staff Development Program

b. The SHS, LPCH, USHC or SHC hire date as defined above in 1.b will be used to determine the period of continuous University employment for:

- Layoff and severance
- Vacation accrual rate
- Eligibility for participation and vesting in any University retirement plans
- Eligibility for and participation in any University-sponsored retiree medical plans

c. Verification Required
Where the SHS, LPCH, USHC or SHC hire date is to be used for purposes specified in section 5.b., the hiring supervisor must verify that hire date with Human Resources Management at SHC.

d. Previous University Employment
Where the SHS, LPCH, or SHC hire date occurred upon a direct change of employment from the University, the preceding University hire date plus service while employed at SHC or its predecessors will be used for purposes specified in section 5.b.

6. Layoff from USHC OR SHC

An employee who accepts layoff and severance from USHC or SHC and subsequently hired by the University will be considered a new employee and the SHS, LPCH, USHC or SHC hire date shall not be used for any purpose.

7. Trial Period

All employees who become University employees will serve a new trial period with the University, even if they have completed a trial period at SHS, LPCH, USHC or SHC or in previous positions at the University.

8. Tuition Grant Program (TGP)
a. Eligible Employee
For purposes of this section, an eligible employee is a person whose job transferred from the University to SHC, USHC, or SHS because of one of the business transactions specified below, and who was actively employed by the University on the Applicable Date related to the specific transaction, as shown in the chart below. To be eligible, an employee must have had living dependent children on the Applicable Date.

**Tuition Grant Program (TGP) Eligibility**

<table>
<thead>
<tr>
<th>Applicable Date</th>
<th>Business Transaction Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 31, 1994</td>
<td>SHS created</td>
</tr>
<tr>
<td>August 31, 1996</td>
<td>Cowell clinical employees transferred from SU to SHS</td>
</tr>
<tr>
<td>October 31, 1997</td>
<td>USHC created</td>
</tr>
</tbody>
</table>

The Vice President of Human Resources may determine that other business transactions involving the involuntary transfer of positions and persons in those positions to SHC from the University may result in eligibility of those persons for reinstatement of TGP benefits upon their return to the University.

**b. TGP Eligibility**

When an eligible employee is re-hired by the University, he/she will have:

- Prior years of service reinstated and counted towards TGP eligibility under the TGP Guidelines, and
- Years of service with SHC, USHC, or SHS counted towards TGP eligibility in accordance with the TGP Guidelines.

If, at the time of reinstatement, prior years of service with the University plus years of service with SHC, USHC, or SHS equal 5 or more years of benefits-eligible service, then the employee will be immediately eligible for TGP benefits, assuming all other TGP criteria as stated in the TGP Guidelines, are met.

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