

STANFORD benefits

Beginning January 1, 2009 any faculty or staff who leaves employment at Stanford for a position at the Hospital will find it harder to get a distribution from any of their Stanford retirement savings plans. This is due to a new IRS regulation that requires the university to treat its retirement plans and plans maintained by other Stanford-related employers as belonging to what is being called a “controlled group.” The new regulation requires Stanford to treat all employees who work for any organization within the controlled group as if they worked for the same employer for certain administrative purposes.

The Stanford organizations included in the controlled group are Stanford University, Stanford Hospitals and Clinics (Stanford Hospital), Lucile Packard Children’s Hospital, and SAA Sierra Programs LLC (including Alpine Chalet).

What Happens Today

Currently, if you terminate employment with Stanford University and begin employment with any other employer in the controlled group, it is treated as a **new** employment relationship. This means that since you terminated employment you can request a distribution from your TDA or SCRP accounts, or begin receiving benefits from SRAP.

For example, if you terminate employment with Stanford University, then become employed by Stanford Hospital the following week, you are eligible to request a distribution from your TDA and SCRP accounts because you no longer work for the university.

What This Means After January 1

Beginning January 1, 2009, if you move from one employer to another within the controlled group, it will be treated as if you **have not** terminated your employment. This means you stay an active employee within the controlled group and you **will not** be eligible to request a distribution from your TDA or SCRP accounts, or start to receive benefits from SRAP, until you terminate employment from all the employers within the controlled group.

For example, if you terminate employment with Stanford University, then become employed by Stanford Hospital the following week, you **will not** be able to request a distribution from your TDA or SCRP accounts because you continue to work for an employer within the controlled group. You may not request a distribution until you terminate employment from all employers within the **controlled group**.

Important Decisions Before January 1

If you terminate your employment with Stanford University, plan to work for another entity within the controlled group, and want to request a distribution from your TDA and/or SCRP accounts or start receiving a distribution from SRAP, you must request and receive the distribution from your accounts **before** January 1, 2009.

We recommend that you discuss your personal situation with a financial planner to determine appropriate actions to take before December 31, 2008.

Questions

Additional information and frequently asked questions are available on the Stanford Human Resources Web site at <http://hrweb.stanford.edu/> in the *Retirement* section.

If you have any questions about your TDA or SCRP accounts, please contact the Stanford Retirement Manager at (888) 793-8733.

For questions on SRAP, call (650) 736-2985 or (877) 905-2985 and press option 3.