

Benefits Memorandum

When your employment with Morgan Stanley ends, your employee benefits – both optional and Firm-provided – generally also end. **For benefits purposes, you are treated as an active employee through your official last day of employment (as entered into the Firm's Workday system).**

This memorandum explains important information about your benefits, including when they will end and if they can be continued after your employment ends. For more information, call a HR Services Representative or review the applicable Summary Plan Descriptions (SPDs) available on the Benefit Center website (contact information is on the last page of this memo). Special rules may apply if your employment ends due to Release, as defined in the Health Benefits and Insurance SPD.

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HEALTH AND INSURANCE

Medical, Dental and Vision Benefits

Morgan Stanley medical, dental and vision coverage for you and your covered dependents ends on the last day of the month in which your employment ends. You can continue some or all of these benefits through COBRA, as described below, and you may be eligible for retiree medical coverage.

COBRA: If you are enrolled in Morgan Stanley medical, dental or vision coverage on your last day of employment, you may continue your current coverage through COBRA.

- About two weeks after your last day of employment, you will receive information from HR Services explaining your right to continue coverage through COBRA at your own expense, for a period of time (generally, 18 months).
- COBRA coverage applies retroactively to the date your coverage ends, provided you timely pay COBRA premiums.
- If you live in California and are covered under a Kaiser HMO, you may be able to continue your active medical coverage beyond the typical 18-month COBRA period through Cal-COBRA (contact Kaiser for details).
- **IF YOU OR ANY OF YOUR COVERED DEPENDENTS ARE ELIGIBLE FOR MEDICARE:** You need to enroll in Medicare Parts A and B. Your COBRA coverage pays only for what Medicare does not, *whether or not* you are enrolled in Medicare.
 - To enroll in Medicare, contact Social Security at 1-800-772-1213 or online at www.socialsecurity.gov.
 - Call HR Services to report your or your dependents' enrollment in Medicare.

- COBRA costs are the same regardless of Medicare eligibility; however, COBRA pays secondary to Medicare and may be of limited utility. COBRA coverage can be cancelled if you do not want secondary coverage.

Retiree Medical: Morgan Stanley offers access to pre-65 and post-65 retiree medical coverage to eligible employees.

- **Eligible individuals under age 65** have access to retiree medical coverage under Morgan Stanley's Medical Plan.
- **Eligible individuals over 65** have access to retiree medical coverage through the UnitedHealthcare Connector. This coverage requires enrollment in both Medicare Parts A and B.
- **Eligibility for retiree medical coverage:** If you are enrolled in Morgan Stanley medical coverage on your last day of employment, have at least five years of service, and are either (1) age 55 or (2) your age plus years of service total 70 or more at that time.
- **Special eligibility rules upon Release:** If your employment ends due to Release, as defined in the *Health Benefits and Insurance SPD*, you are eligible for retiree medical coverage if on your last day of employment, you have at least five years of service, and are either (1) age 54 or (2) your age plus years of service total 68 or more. You do not have to be enrolled in Morgan Stanley medical coverage on your last day of employment to be eligible for coverage for yourself only. If you do not have coverage on your last day of employment, you must actively elect coverage by the applicable deadline or you will be defaulted into no coverage. You may not add any dependents to coverage unless you later experience a qualified life event (for example, marriage, birth or adoption).
- **Eligibility for subsidy:** If you were hired before January 1, 2008 and met certain eligibility requirements as of December 31, 2010, Morgan Stanley may pay a portion of the cost of retiree medical coverage. Call HR Services for more information.
- If you or any of your dependents are **eligible for pre-65 coverage**, you will be enrolled automatically at the coverage level effective on your last day of employment, unless you change your elections within 31 days.
- If you **want to waive pre-65 coverage**, you must call HR Services within 31 days after your last day of employment.
- If you or any of your dependents are **eligible for post-65 coverage**, you must elect a UnitedHealthcare Connector option within the prescribed enrollment window.
- **If you are over 65**, you must elect a UnitedHealthcare Connector option for yourself; otherwise, your dependents will not have access to any Morgan Stanley retiree medical coverage, and if your dependents are currently enrolled, they will be dropped from coverage.
- To preserve your access to retiree medical benefits, your Morgan Stanley medical coverage must be continuous. **If you waive or cancel retiree medical coverage at any time, you cannot elect it later.**

Retiree Medical and COBRA: If you or your dependents are eligible for both Morgan Stanley pre-65 retiree medical coverage and COBRA and COBRA coverage has a lower cost to you, you may choose COBRA coverage first and will be automatically defaulted into retiree medical coverage at the end of your COBRA period, if eligible.

Retiree Dental: Access to dental benefits in retirement is available to eligible employees through the MetLife Retiree Dental Benefits Program. If eligible, you will receive notification from MetLife. If you elect dental coverage through COBRA at retirement, you will have another opportunity to enroll in MetLife Retiree Dental coverage