



PLAN I

# FACTS ABOUT YOUR BENEFITS WHILE ON LONG-TERM DISABILITY

IBEW-REPRESENTED, ESC-REPRESENTED AND SEIU-REPRESENTED AND MANAGEMENT ADMINISTRATIVE AND TECHNICAL EMPLOYEES WHO ARE ELIGIBLE FOR LTD PRIOR TO JANUARY 1, 2000



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# Facts about Your Benefits While on Long-Term Disability—Plan I



## INTRODUCTION

This booklet is designed to provide you with important information on the benefits, administration, policies and procedures of Plan I of the Long-Term Disability (LTD) Plan. However, it is only a general overview of Plan I and does not supersede the language as it is written in the Long-Term Disability Plan Document. We recommend that you take the time to read this booklet and keep it in a convenient location for future reference. Additional information on LTD can be found in your Summary of Benefits handbook or by contacting Sedgwick Claims Management Services, Inc. (Sedgwick), the third-party LTD administrator, at **1-855-732-8217**.

## APPLICATION

The information in this booklet applies to all Pacific Gas and Electric Company (PG&E) employees or any participating affiliate companies' employees.

Falsification or misrepresentation of, or an attempt to falsify or misrepresent, any information submitted to support an LTD application, or to continue to qualify for LTD benefits, is a violation of the **Employee Code of Conduct** (Code) and may result in disciplinary action or termination as stated in the **Discipline** section of the Code.

## ELIGIBILITY

You must be a member of the Group Life Insurance Plan (GLIP) to be eligible to apply for benefits under the LTD Plan. If you became eligible for LTD benefits prior to January 1, 2000, your LTD benefits will be provided according to the provisions of Plan I.

## QUALIFYING FOR BENEFITS

In general, you will be considered disabled if, by reason of injury or illness, you are off work for a cumulative total of six months and:

1. Are not able to perform the duties of your regular (base) classification; and
2. The company is unable to place you in a position that meets your reduced work capabilities.

To be considered for LTD benefits, you must contact the LTD administrator by calling **1-855-732-8217** or you can apply online. Your application and medical certification of your disability will be reviewed by the LTD administrator, and a claim decision made within 45 days of receipt of your LTD application and medical evidence. If a determination cannot be made within 45 days due to insufficient information, the LTD administrator may request up to two 30-day extensions.

You may be asked to undergo a physical examination by a panel doctor in order to verify your disability. While on LTD, you will be required to undergo an examination once every six months during the first two years of your disability and not more than once annually thereafter.

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## AMOUNT OF BENEFIT PAYMENTS

The LTD Plan will pay up to a monthly income equal to 50% of your basic monthly rate of pay, unless you are receiving LTD benefits beyond age 65. See the section Staying on LTD Past the Age of 65 on page 3 for more details.

Your basic monthly rate of pay is the monthly wage rate of your regular classification, including critical classifications, on the date you became disabled. It does not include overtime, premium pay, bonuses, or other pay, except for rubber gloving<sup>1</sup>.

LTD benefits for employees who attain part-time or intermittent status on or after January 1, 1991, will be prorated based on the ratio of actual straight-time hours worked in the previous calendar year to the full-time hourly equivalent (2,080 hours per calendar year), rounded to the nearest month. For those employees who attained part-time status before January 1, 1991, their LTD benefit will be based on the average of their previous six months' straight-time rate of basic pay.

Your LTD benefit payments take into account income you receive from other sources including, but not limited to:

- The PSEBA Voluntary Wage Benefit Plan (for illnesses or injuries occurring on or before December 31, 2000) or the California State Disability Insurance (SDI) Plan (for illnesses or injuries occurring on or after January 1, 2001);
- PG&E's Supplemental Benefits for Industrial Injury Plan and any other Workers' Compensation benefits (e.g., Temporary Disability (TD));
- Any other benefits payable by an employer, including those payable under government laws that are financially supported by an employer;
- 50 percent of your estimated or actual primary Social Security disability payments (including back-pay awards);
- 100% of any payments received from PG&E's pension plan; including a value of a cash balance benefit paid in a lump sum, rollover, or annuity;
- Life pensions paid under the Workers' Compensation Act for injuries occurring on or after July 1, 1977, (you are entitled to a life pension, if you have received a disability rating of 70% or greater); and
- 30 percent or 40 percent of your Social Security Retirement benefit (depending on your credited service at the time your disability began) and are qualified to continue on LTD.

In other words, income from any of these sources will be deducted from the 50% of your basic monthly rate of pay on the date you became disabled. The remaining amount, if any, represents the balance of your LTD benefit payment. If income from these other sources is more than 50% of your basic monthly rate of pay on the date you became disabled, you will not receive any benefit payments from the LTD Plan.

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<sup>1</sup> Rubber gloving premium refers to an additional 3% or 6% of pay to be included in the base pay of eligible classifications. The rubber glove premium will be included in Pension and LTD benefits calculations. The rubber glove premium was increased to 9% (around 2005/2006) and is included in the base rate of eligible classifications.



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For purposes of calculating your LTD benefit, it is assumed that you qualify for Social Security disability benefits unless your claim is rejected twice by the Social Security Administration. (You must apply for Social Security disability benefits a second time if your claim is denied the first time.)

You are obligated to promptly refund to the company any overpayment made to you as determined by the LTD administrator for any reason, including, but not limited to, any changes made to any estimated or actual offsets used in determining the LTD benefit. Failure to comply within the specified time limits will result in your overpayment balance being immediately referred to a collection agency.

### MAXIMUM BENEFIT PERIOD

The period of time you can receive LTD benefits depends on your length of credited service under the company's Retirement Plan (see below):

- **15 or more years of credited service:** Employees with 15 or more years of credited service at the beginning of their disability can receive LTD benefits until they retire at age 65;
- **At least five, but less than 15 Years of credited service:** Employees with at least five years, but less than 15 years of credited service at the beginning of their disability, can receive LTD benefits for a period equal to their years of credited service or until age 65, whichever comes first;
- **Less than five years of credited service:** Union-represented employees who have reached regular status, but have less than five years of credited service at the beginning of their disability, can receive LTD benefits for a period of five years.

Non-union-represented employees who have less than five years of credited service at the beginning of their disability can receive benefits for a period of five years.

- **Becoming eligible for LTD at the age of 61 or older:** You have the option of staying on LTD for five years as long as you continue to qualify, even though this may take you past the normal retirement age (65).
  - *Staying on LTD past the age of 65 and you had 20 or more years of credited service at the time your disability began:* Starting with the first month following your 65th birthday, your LTD benefit payments will be reduced to 40 percent of your monthly rate of pay at the time of your disability. Your LTD benefit will be further reduced by 40 percent of your age-65 Social Security benefit and 100 percent of any payments received from the company's pension plan, if applicable.
  - *Staying on LTD past the age of 65 and you had less than 20 years of credited service at the time your disability began:* Starting with the first month following your 65th birthday, your LTD benefit payments will be reduced to 30 percent of your monthly rate of pay at the time of your disability. Your LTD benefit will be further reduced by 30 percent of your age-65 Social Security benefit and 100 percent of any payments received from the company's pension plan, if applicable.

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## DURATION OF BENEFITS

Provided you follow the treatment(s) recommended by your physician(s), LTD benefits will be available until the earliest of the following:

- You do not comply with the provisions of PG&E's Return to Work Program or the LTD Plan provisions.
- You refuse a position in another job classification at the company which has duties equal to your reduced work capabilities.
- You recover from your disability and are medically released to return to work.
- Five years, if you become eligible for LTD benefits, at age 61 or older, or if you had less than five years of credited service with one or more Employers (as each term is defined in the company's Retirement Plan) at the date of disability.
- If you had five, but less than 15 years of credited service with one or more Employers at the date of disability, a period equal to your length of credited service with an employer or until age 65.
- If you had 15 or more years of credited service with one or more Employers at the date of your disability, the date of your retirement under the provisions of the company's Retirement Plan.
- The date on which it is determined that you are employed by anyone (including self-employment) and such employment provides you with more than 50% of the basic monthly rate of your regular classification in effect on the last day you worked before becoming disabled, plus any adjustments made to your benefit while on LTD. The determination for employment will be made by measuring your income over a period of 12 continuous months for self-employment. The term "income" includes gross wages and commissions and net profit before taxes from employment.
- You reach normal retirement age under the company's Retirement Plan (unless LTD eligibility begins at 61 or older). One-hundred percent of your retirement benefit would be offset from your LTD benefit.
- Your employment is terminated or you leave PG&E.
- You return to work at PG&E as a hiring hall employee.
- The date of your death.

## REQUIREMENTS TO CONTINUE TO RECEIVE LTD BENEFITS

Failure to comply with this section's obligations within the specified time limits will result in the termination of your LTD benefits and employment.

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## Return to Work Program

If you have been approved for LTD benefits, you must comply with all of the requirements of this section. You are exempted from this requirement only if you have been approved for Social Security Disability Insurance benefits.

1. Within 30 days after the date of your approval letter for LTD benefits, you will:
  - a) Consult with the Return to Work Team to identify classifications or positions to which you may return; and
  - b) If needed, provide your physician with the job requirements description for each classification or position identified through your consultation with the Return to Work Team; and
  - c) If needed, obtain (at PG&E's expense if you are billed) from your physician his or her written assessment of your ability, including any specified limitations, to perform the job requirements of each identified classification or position; and
  - d) If needed, provide to the Return to Work Team, either directly or indirectly through your physician's office, the physician's written assessment of your ability and limitation(s) in performing each identified classification's or position's job requirements.
2. Within 30 days after the date of your physician's written assessment:

### ***Union-represented employees***

- a) Must submit transfers and/or prebids to all classifications, that are consistent with your physician's written assessment, and that are in headquarters: (1) your last regular headquarters; (2) within 45 road miles or 60 minutes automotive travel time from your current residence or the residence at the time you became disabled; and (3) that exceed 45 miles/60 minutes to equal your last regular commute if your last regular commute exceeded these limits; and
- b) Schedule and take all qualifying tests required for the classification(s) to which transfers and prebids have been submitted.

### ***Management and administrative and technical employees***

- a) Must apply for management and/or administrative and technical positions through the Talent Connect tool in *PG&E@Work For Me* that are consistent with your physician's written assessment, and that are (1) your last regular headquarters (work location); (2) in headquarters (work location) within 45 road miles or 60 minutes automotive travel time from your current residence or the residence at the time you became disabled; and (3) work locations that exceed 45 miles or 60 minutes to equal your last regular commute if your last regular commute exceeded these limits; and
  - b) Schedule and take all qualifying tests required for the position(s) to which applications have been submitted.
3. If you fail any qualifying test(s), you will schedule and take all tests within 30 days after becoming eligible to take a retest.

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4. Union-represented employees will actively maintain, at all times, transfers/prebids for classifications that are consistent with your physician's written assessment, absent other relevant medical information.

Management and administrative and technical employees will actively apply for all positions that are consistent with your physician's written assessment, absent other relevant medical information.

5. You will accept an offer to any classification or position for which you are qualified (test and medical) that produces a take-home income, after taxes, that is at least equal to your LTD benefit and that is at your last regular headquarters or in a headquarters within 45 road miles or 60 minutes automotive travel time from your current residence or the residence at the time you became disabled, *or* to a headquarters that exceeds 45 miles or 60 minutes to equal your last regular commute if your last regular commute exceeded these limits. You will return to the active payroll on the report date designated by PG&E.
6. After you provide PG&E with your physician's written assessment, PG&E may require you, at the company's expense, to obtain a further review by another physician designated by PG&E and/or to undergo an Independent Medical Examination. Within 45 days after receiving information obtained from any further medical review(s), you must comply with 2, 3, 4, and 5 above.

### Earnings Record

Verification of earnings is required so that a determination can be made regarding your continued eligibility for LTD benefits. In order to continue to be eligible for LTD benefits you must provide the LTD administrator with:

- A copy of your Federal Income Tax Return (Form 1040); and
- If your spouse is employed and a joint return is filed, you must also provide copies of all W-2's to determine the individual earnings; or
- You may submit an income statement prepared by a certified public accountant on your earnings only if you are married. The LTD administrator will provide an income statement form.

This is an annual process. You will be notified each year when the above information is required. If you do not provide the above information within 90 days of the request, a determination on your continued eligibility for benefits cannot be made and thus your LTD benefits and employment will be terminated.

### Medical Updates

Once you have qualified for LTD benefits, you will be required to have a medical examination, at your own expense, by a qualified medical provider<sup>2</sup> who was or is treating you for the disabling health condition every six months for the first two years. The LTD administrator will notify you by sending you a medical form which must be completed and returned by your qualified medical

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<sup>2</sup> Qualified medical provider under the LTD Plan is considered to be a licensed doctor of medicine ("MD") or doctor of osteopathic medicine ("DO").



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provider. After two years, medical reports are usually requested once a year. If the completed medical form and any accompanying medical reports deemed necessary are not received by the requested date, your LTD benefits may be delayed and/or stopped which will affect your PG&E employment status.

In order to verify your disability at any time before or during your LTD benefit period, you may be required to undergo a physical examination performed by an Independent Medical Examination (IME) selected by PG&E. Failure to participate in the IME process will result in a denial of future LTD benefits which will affect your PG&E employment status.

### SOCIAL SECURITY DISABILITY INSURANCE

Your monthly LTD benefit payment will be reduced by one-half of what you receive, or the company estimates you will receive, in Social Security Disability Insurance (SSDI) benefits, unless you have received two denials from the Social Security Administration (SSA) for these benefits. Therefore, it is important that you contact the Social Security Administration (SSA) as soon as possible to apply for SSDI.

#### How to Apply

To apply for SSDI, contact your local SSA office. Applications for SSDI generally take longer to process than other applications for Social Security benefits. Therefore, you should apply for SSDI as soon as you become disabled. Applications may be made by telephone or mail, as well as in person. You should contact the Social Security office to see what arrangements can be made.

You are responsible for immediately notifying the LTD administrator of such an award by submitting a copy to the LTD administrator. Furthermore, you are responsible for repaying PG&E the full amount of the LTD overpayment at the time you receive the benefit amount for Social Security.

#### Annual Social Security Verification

You may be required to complete a Social Security Authorization form on an annual basis. This will ensure your Social Security Disability benefit award and status information in conjunction with your claim status is kept current.

#### Attorney's Fees

If you decide to retain an attorney to assist you in obtaining SSDI benefits, please note that neither the LTD administrator nor PG&E will be responsible for any legal expenses incurred by you for pursuing SSDI benefits.

#### Allsup, Inc – Social Security Disability Insurance Advocate

You may be referred to the company's third-party Social Security Disability Insurance advocate, Allsup, to represent you for Social Security Disability benefits at no cost to you. Allsup will handle all of your paperwork.

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### Requesting Appeal

If you are denied SSDI, you must appeal the decision within sixty (60) days based on current medical facts. If you are denied Social Security a second time, your monthly LTD benefit payment will not include any reduction for SSDI.

### Status of SSDI Application When Placed on LTD

If you have not applied, have not received a decision, or have received one denial at the time you are placed on LTD, it will be assumed that you will qualify for these benefits.

Your monthly LTD benefit payments will be reduced by an estimated SSDI amount until you furnish the LTD Administrator with either:

- (a) one denial, a copy of the appeal of your SSDI claim, and an “Authorization for the Release of Disability Benefits Information”; or
- (b) two denials.

This reduction will remain in effect until you furnish the LTD Administrator with the appropriate documents. At the time you provide the appropriate documentation regarding denials or denial and pending appeal of SSDI benefits, a retroactive adjustment will be made to your monthly LTD benefit. The company will reimburse you for any resulting underpayment in LTD benefits.

If you have two denials for SSDI at the time you are placed on LTD, you must provide the LTD Administrator with copies of both denials so that no amount for SSDI is included in computing your monthly LTD benefit payment.

If you have an award for SSDI at the time you are placed on LTD, you must provide the LTD Administrator with a copy of the award so that one-half of your actual primary SSDI monthly benefit can be included in computing your monthly LTD benefit payment.

### Future Changes in SSDI Benefits

While on LTD, adjustments to your monthly LTD benefit payment will be made any time SSDI benefits cease or begin, regardless of any previous awards or denials you have received. Therefore, you must provide the LTD Administrator with a copy of denials or award notifications from SSA, as it will affect your LTD benefit payments. These adjustments are made on a retroactive basis. For example, if you were denied SSDI and later received a retroactive award for these benefits, your LTD benefit would be adjusted retroactively. You must reimburse the company for any Social Security adjustments made which result in an overpayment in LTD benefits. If you had an estimated SSDI offset and later received two denials, the company will reimburse you for any Social Security adjustments made which result in an underpayment in LTD benefits.

## BENEFITS FOR NON-WORK RELATED DISABILITIES

If your disability is not work related and you qualify for LTD, LTD benefit payments will begin when you have been off work for a cumulative total of six months as a result of your disability and you have exhausted all paid sick leave.

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## BENEFITS FOR WORK-RELATED DISABILITIES

If your disability is work related and you qualify for LTD, LTD benefit payments will begin when you have been off work for a cumulative total of six months as a result of your disability and your Workers' Compensation benefits have ended.

## BENEFITS FOR RECURRENT DISABILITIES

If you go back to work and become disabled again because of the same condition, and your return to work is within 180 calendar days, your second disability will be counted as part of the first. This means that you won't have to wait six cumulative months for benefits to begin, and the amount of your benefit will be based on your basic monthly rate of pay when you first became disabled.

If you go back to work and become disabled again because of the same condition, and your return to work is more than 180 calendar days, your second disability will not be counted as part of the first. This means that you will have to wait six cumulative months for benefits to begin, and the amount of your benefit will be based on your basic monthly rate of pay when the second disability began.

## HOW DISABILITIES APPLY TO SICK LEAVE, GROUP LIFE INSURANCE COVERAGE AND LENGTH OF TIME ON LTD

### Sick Leave

#### ***Non-industrial Disability***

If you have a non-industrial (non-work related) disability, you must use all of your sick leave (including bonus sick leave, if applicable) before LTD benefits can begin, even if use of sick leave will take you past the date you become eligible for LTD.

#### ***Industrial Disability***

For all industrial injuries, effective September 14, 2012: if your Workers' Compensation paid benefits end (even if you have been off work for more than six cumulative months by the time paid benefits end), you have the option of using accumulated sick leave until a decision on your LTD claim has been made. At that time, if approved, your LTD benefits will commence. Any unused sick leave will remain on the company records in the event you return to work, retire, or terminate.

If you return to work, your unused current and accumulated sick leave will be restored. If your industrial injury forces you to end your employment with the company or you have received the maximum LTD benefit and your employment is terminated, you will receive a payment equal to all of the unused current and accumulated sick leave credits you have earned at the rate of pay on the date you last worked.

### **Group Life Insurance Plan Coverage (GLIP) and Accidental Death and Dismemberment Insurance (AD&D)**

If you are placed on the Workers' Compensation payroll, your payroll deductions for GLIP and AD&D contributions will continue as your paycheck funds allow, and your coverage will remain active. This can change when you go onto LTD or as your Workers' Compensation payroll status changes. (You become eligible for LTD benefits when you have been off work for six cumulative months as a result

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of your disability). If you do not make arrangements to continue your GLIP premiums, you will no longer be a member of GLIP and therefore will not be eligible for LTD benefits.

If you have been approved for LTD, the GLIP Plan provides that Basic and Supplemental GLIP coverage will continue at no cost to you as long as you remain eligible for LTD benefits. You will remain responsible for payment of GLIP coverage for your dependents and for AD&D coverage other than Basic AD&D.

### Time Spent on Workers' Compensation Beyond Six Months

If you are receiving Workers' Compensation benefits at the time you have been off work for a cumulative total of six months, LTD benefit payments may not begin if you have not been precluded from your base classification and the amount you are receiving on Workers' Compensation is greater than the amount you are entitled to under the LTD Plan. In other words, if approved, your LTD benefits entitlement begins when you have been off work for a cumulative total of six months, even if you are on Workers' Compensation and are not receiving actual LTD payments.

For example, an employee with six years of credited service at the time of disability could receive LTD benefits for a maximum of six years. If the employee never returned to work and received Workers' Compensation benefits for three years, he or she could receive LTD benefits for a maximum of three and a half more years because LTD benefits began six months after the date of disability.

### VACATION PAYOUT

When approved for LTD, you will be paid for all unused floating holidays and vacation earned but not taken up to the date you go on LTD.

### MONTHLY LTD PAYMENTS, VACATION BUY, TAX WITHHOLDING AND PAY CHECKS

LTD payments are issued monthly from PG&E on or about the 23rd of each month, or the second pay day of the month.

State and Federal income taxes will be withheld from your LTD payments based on the filing status you indicated on your Employee's Withholding Allowance forms (Form W-4 for Federal and Form DE-4 for State).

Your LTD pay will continue to be provided in the same method you elected to receive your regular pay. This means either by direct deposit or a paper check.

If you do not receive your monthly LTD payment, would like to make changes to your Tax withholding or wish to change to PG&E's Direct Deposit Plan, please visit <https://myportal.pge.com> or contact the Payroll Help Line at 415-973-3767.

**Please note:** Deductions for Social Security (FICA taxes) are not withheld from LTD payments, except in the case of life insurance coverage exceeding \$50,000.

Questions relating to taxes on LTD benefits should be referred to your tax advisor or the IRS.

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## OTHER EMPLOYMENT

While on LTD, you may seek other employment to supplement your LTD benefit payments. This information is required to be shared with the LTD administrator. Please note if your employment (including self-employment) provides you with income exceeding 50% of your LTD monthly pay, including any adjustment made to your benefit, all LTD benefits will be discontinued and your employment will end. Please refer to “Duration of Benefits” previously covered on page 4 of this booklet for a more detailed explanation.

## RETURNING TO WORK

Once LTD benefits have been approved, you are not guaranteed your former or an equivalent job classification or work location even if your disability ends or changes sufficiently and thus supports your return to work.

PG&E will contact you when they have been notified by the LTD administrator and/or your treating physician that your medical restrictions no longer preclude you from performing the duties of your last base classification or position. If you have at least 60 day LTD entitlement remaining, you will be granted 60 days in which to return to work after the notification. If you are not qualified for any position at the end of the 60-day period, your employment with PG&E will end.

***If you are a union-represented employee***, you will be granted 30 days from PG&E’s notification to submit prebids and transfer applications to the base (or equivalent) classification held prior to LTD. You are required to submit these to your last regular headquarters and to headquarters within 45 road miles or 60 minutes automotive travel time of your current residence or the residence at the time you became disabled. You will also be required to submit prebids and transfer applications to headquarters that exceed 45 miles or 60 minutes if your last regular commute exceeded these limits. *Failure to submit prebids or transfer applications will result in the termination of your LTD benefits and employment.*

If prebids and transfer applications are submitted within 30 days of notification by PG&E, you will have an additional 30 days to return to work. If at the end of the 60-day period you have not been awarded a job, PG&E will establish a vacancy in your last base classification, or lower in the line of progression, at your last regular headquarters, or a headquarters within 45 miles or 60 minutes of your current residence or residence at the time you became disabled. If your last regular commute exceeded these limits, the company may assign you to a headquarters that exceeds these limits, equal to your last regular commute. If your last base classification and line of progression no longer exist, PG&E will offer you a position for which you are qualified. If you are offered a job lower in the line of progression, you will receive wage protection as specified in Section 112.10 (c) of the IBEW Physical Agreement, Section 7.10 (b) (3) of the IBEW Clerical Agreement, or Section 11.10 (b) (3) of the ESC Agreement, whichever is applicable. Please note that you may apply and accept a position anywhere in PG&E’s service area. PG&E is obligated to pay moving expenses only as provided in the respective collective bargaining unit agreements.

Union-represented employees may also apply for management and administrative and technical positions. If you are not qualified for any position, your employment with PG&E will end at the conclusion of the 60-day period.

***If you are a management or administrative and technical employee***, you will be granted 30 days from the time of PG&E’s notification to you to post for jobs via the Talent Connect tool. Go to



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*PG&E@Work For Me > My Career.* If you are not actively at work at the end of 60 days, your employment with PG&E will end. Management and administrative and technical employees may also apply for bargaining unit positions.

### HOW LTD AFFECTS YOUR PG&E BENEFITS

#### Health Care Plans

##### *Duration and Cost of Coverage*

###### *Medical*

You will be required to pay 7.5% of the actual cost of your medical monthly plan premium in order for your PG&E-sponsored medical coverage to continue. As an employee on LTD status, you will no longer be eligible for the Health Account Plan (HAP), administered by either Anthem Blue Cross or Kaiser Permanente. Effective the first of the month following your LTD approval date, your PG&E-sponsored medical coverage will be automatically changed as follows:

- If you are enrolled in the Anthem Blue Cross HAP, medical coverage for yourself and any enrolled dependents will automatically be switched to the appropriate Anthem Blue Cross plan for which you are eligible (NAP or CAP).
- If you are enrolled in the Kaiser HAP, medical coverage for yourself and any enrolled dependents will automatically be switched to the appropriate Kaiser plan for which you are eligible (Kaiser EPO or Senior Advantage).

The plan for which you will be eligible is determined by (1) your home ZIP code, and (2) the Medicare-eligibility status of each family member. Therefore, **upon being approved for LTD, you must contact the PG&E Benefits Service Center at 1-866-271-8144 to confirm for PG&E the Medicare status for each covered family member.** If you or a covered dependent is or becomes eligible for Medicare but you don't promptly report this to the Benefits Service Center, medical claims for the Medicare-eligible family member(s) may need to be retroactively adjusted – for up to the prior 12 months – to pay on a secondary basis after Medicare. This can result in significant expense to you. See “**Medicare**” on page 12 for more information on your obligation to comply with LTD Medicare rules.

If you would like to switch to from Anthem to Kaiser or from Kaiser to Anthem, you must notify PG&E's Benefits Service Center within 10 business days of receiving the LTD Benefits Election Letter, which will be sent from the Benefits Service Center once your LTD status has been approved.

###### *Dental and Vision*

PG&E will continue your current dental and vision plan coverage for you and your dependents, at no cost to you, for as long as you are receiving LTD benefits.

###### *Flexible Spending Accounts (FSAs)*

Eligibility for participation in the Flexible Spending Accounts ends when you go on LTD. If applicable, your Health Care Flexible Spending Account (HCFSA) and/or Dependent Care Flexible Spending Account (DCFSA) contributions, will end on the first of the month following receipt of notification by PG&E's HR Service Center of your approved LTD status. Health care and/or dependent care claims incurred while you are not participating in the FSAs will not be eligible for reimbursement.

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### *Health Account*

Although you will no longer be eligible for HAP medical coverage, you can keep your unused Health Account balance. However, you will not be eligible for the annual Health Account credit at the beginning of the plan year nor can you earn extra credits by taking the annual health screening and testing tobacco-free or participating in the tobacco-free program.

### *Dependent Enrollment*

While on LTD, you are eligible to enroll newly-acquired dependents in PG&E's health care plans subject to the same terms, conditions, and time limitations that apply to active employees. Please consult with the PG&E Benefits Service Center at **1-866-271-8144** or visit [www.mypgebenefits.com](http://www.mypgebenefits.com).

### *Open Enrollment*

All employees on LTD are eligible to make benefit changes, with the exception of HCFSA and DCFSA elections, during the annual Open Enrollment period. In addition, if you were eligible for Planned Unpaid Vacation Days (PUV Days) as an Active Employee, you will no longer be available for this benefit while on LTD.

### *Medicare*

PG&E-sponsored medical and LTD plan rules require that LTD employees and their dependents enroll in Medicare, if eligible, and maintain Medicare Part B coverage. As an employee on LTD, if you or any of your covered dependents are eligible for Medicare (now or in the future), Medicare will be the primary payer of your medical claims, and your PG&E-sponsored medical plan will only pay eligible medical benefits on a secondary basis after Medicare's payment. This means that, if you or any of your dependents fail to obtain Medicare Part B when first eligible and/or fail to report Medicare-eligibility to PG&E, you will be responsible for paying the portion of your medical claims that Medicare should have paid, which is normally 80%. PG&E's plans will not pay any amounts that should have been covered by Medicare, and will reprocess medical claims to pay on a secondary basis after Medicare, for up to a 12-month retroactive period. To assist you, the company will reimburse LTD employees monthly for the standard Medicare Part B premium you pay to the Social Security Administration for Part B. The maximum number of reimbursements a family can receive is three. See your ***Summary of Benefits Handbook*** for more information.

### **401(k) Plan**

Eligible employees may participate in the PG&E Corporation Retirement Savings Plan (RSP) while on LTD.

You may contribute up to 20% of your LTD pay and receive the matching company contributions for which you are eligible. You can contribute to either your 401(k), non-401(k), or both accounts and receive matching contributions.

Your 401(k) deduction will continue. If you have questions or would like to make changes, please contact Fidelity Investments at [www.401k.com](http://www.401k.com) or **1-877-743-4015**.

### **Life Insurance**

For all employees, the amount of your Basic and Supplemental Group Life Insurance Plan (GLIP) coverage and Basic Accidental Death and Dismemberment Insurance (AD&D) you had at the time

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your LTD began will remain in effect at no cost to you for as long as you are receiving LTD benefits, and do not return to work. Life insurance coverage cannot be increased unless you return to work, and may otherwise be decreased at any time. Under Federal law, you may pay imputed income tax on the amount of life insurance coverage exceeding \$50,000.

While on LTD, GLIP coverage for dependents and AD&D coverage beyond Basic AD&D are paid by employee payroll deduction; direct premium payment by the employee may be required in specific cases.

Terminally ill employees are eligible to apply for an Accelerated Benefit Option (ABO) or viatical assignment where a cash payment will be made to the employee on LTD. For more information regarding an ABO or viatical assignment, please call the PG&E Benefits Service Center at **1-866-271-8144** or visit [www.mypgebenefits.com](http://www.mypgebenefits.com).

### Retirement Plan

You will continue earning Retirement Plan benefits during any periods when you are receiving LTD benefits. If you terminate employment with PG&E after age 55 or after you vest in the Retirement Plan (five years of credited service for the final pay pension; three years of credited service for the cash balance pension), you will be eligible to receive a Retirement Plan benefit when your employment ends.

Credited service for employees who attained part-time or intermittent status on or after January 1, 1991, will be accrued based upon the number of hours worked in the calendar year prior to going onto LTD. For those employees who attained part-time or intermittent status prior to January 1, 1991, their credited service towards Retirement Plan benefits while on LTD will not be prorated.

Whether calculating your monthly final pay pension benefit or your annual cash balance pay credits, your benefit will be calculated by using:

#### ***For union-represented employees:***

Either your basic rate of pay at the time of your disability or your current LTD benefit, whichever is higher.

#### ***For management and administrative and technical employees:***

The larger of (i) the average basic monthly salary for the final consecutive 36 months of active service or (ii) the participant's LTD benefit for the month immediately preceding actual retirement date.

See the *Summary of Benefits Handbook* for pension benefit formulas and other important information. Please consult with the PG&E Pension Center at **1-800-700-0057** for questions about your Retirement Plan benefits.

### Post-Retirement Life Insurance

If you retire from PG&E, you may be eligible for post-retirement life insurance.

- Union-represented employees: You will receive basic coverage of \$8,000.
- Management employees with less than 15 years of credited service: You will receive basic coverage of \$8,000.
- Management employees with 15 or more years of credited service who were hired or

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promoted into a management position on or after January 1, 1986: You will receive basic coverage of up to a maximum of \$50,000 (based on your 12 months' base pay before LTD began).

- Management employees with 15 years of credited service and who were hired or promoted into a management position prior to January 1, 1986: Your benefit will be based on your 12 months' base pay before LTD began. If your life insurance benefits exceed \$50,000, you may choose to elect \$50,000 coverage to avoid imputed income tax.
- Administrative and Technical (A&T) employees who retire before January 1, 2012: You will receive basic coverage of \$8,000, provided you qualify for benefits from the Retirement Plan.
- Administrative and Technical (A&T) employees who retire on or after January 1, 2012 with 15 or more years of credited service will receive coverage of up to a maximum of \$50,000 (based on your 12 months' base pay before LTD began).

### OTHER EMPLOYEE SERVICES AND PROGRAMS

#### Address Changes

If you have a home address change, contact the HR Solutions Center at **1-800-788-2363** and the LTD administrator at **1-855-732-8217** as soon as possible to change your mailing address. This should be done to prevent misdirection of mail to you, including your LTD payments.

#### Beneficiaries

You should keep your beneficiary designations updated at all times. You may request the Designation of Beneficiary form from the PG&E Benefits Service Center at **1-866-271-8144** or through the [www.mypgebenefits.com](http://www.mypgebenefits.com).

#### Campaign for the Community

Contact the Campaign Customer Service Line at **1-888-973-4438** 5 a.m. to 5 p.m. Pacific time with questions relating to participation while on LTD.

#### Employee Assistance Program (EAP)

Going through the LTD process can be difficult to manage. If you need support during this transition, the EAP provides you with free and confidential counseling services for you and your dependents—including counseling for personal, work, drug/alcohol problems, referrals for dependent care and legal assistance. For more information, call Beacon Health Options at **1-888-445-4436** or visit [www.achievesolutions.net/pge](http://www.achievesolutions.net/pge).

#### Employee Rates

Employee rates for PG&E service will continue as long as you live in PG&E's service area. If you move within the company's service area, you'll need complete a new Employee Rates Application, which is available by calling Customer Service at **1-800-743-5000**.

#### Pacific Service Employees Association (PSEA) Member Disability Plan

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If you believe that your disability will be temporary, you may want to continue monthly deductions for the PSEA Member Disability Plan. If you discontinue the plan and return to work at a later date, you may be asked to sign a waiver preventing you from filing a claim on that particular disability. For more information about the PSEA Member Disability Plan and its regulations, please contact the PSEA Benefits Department at **925-246-6289**.

### Pacific Service Credit Union (PSCU)

While on LTD, you can continue to deposit money into your PSCU savings account. If you have elected, and are set up for an additional direct deposit to the PSCU, then this will automatically continue. In addition, if you have authorized an additional direct deposit for any PSCU loans, then these will also automatically continue. If your LTD payment is not large enough to cover your additional direct deposit(s), you should contact PSCU. You may also apply for new loans.

### Political Action Committee (PAC)

PG&E's Energy PAC supports Federal candidates only. It is not used to support candidates for local or statewide office, nor is it used to support local or statewide initiatives. Call **415-973-2177** with questions relating to deductions for political contributions.

### Union Dues

If you want to stop<sup>3</sup> or reduce your union membership dues deduction, please send a written request to: PG&E–LTD Payroll, Mail Code B6B, P.O. Box 770000, San Francisco, CA 94177.

Please contact your union regarding the consequences of completely stopping your union membership dues deduction (i.e., you will not be allowed to vote on union contracts).

## FURTHER INFORMATION

### Adjustments to LTD Pay

The company reviews its LTD benefits on a regular basis to ensure that they remain competitive. However, the LTD Plan Document or Summary of Benefits handbook makes no provisions for automatic adjustments to LTD pay.

### Questions

If you have further questions on LTD benefits, please call **Sedgwick**, the LTD administrator, at **1-855-732-8217**. You may also review the other resources mentioned at the beginning of this booklet.

<sup>3</sup> Please note ESC union membership dues cannot be stopped.