



PLAN III

FACTS ABOUT YOUR BENEFITS WHILE ON LONG-TERM DISABILITY

ESC-REPRESENTED, MANAGEMENT AND ADMINISTRATIVE AND TECHNICAL EMPLOYEES
WHOSE ONSET OF DISABILITY IS ON OR AFTER JUNE 1, 2003 AND PRIOR TO JANUARY 1, 2017

IBEW CLERICAL-REPRESENTED AND SEIU-REPRESENTED
WHOSE ONSET OF DISABILITY IS ON OR AFTER JUNE 1, 2003 AND PRIOR TO JANUARY 1, 2018

IBEW PHYSICAL-REPRESENTED EMPLOYEES
WHOSE ONSET OF DISABILITY IS ON OR AFTER OCTOBER 1, 2003 AND PRIOR TO JANUARY 1, 2018



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INTRODUCTION

This booklet is designed to provide you with important information on the benefits, administration, policies and procedures of Plan III of the Long-Term Disability (LTD) Plan. However, it is only a general overview of Plan III 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 regular employee to be eligible to apply for benefits under the LTD Plan.

If you are an ESC-, -represented employee, or a management or administrative and technical employee and your onset of disability occurred on or after June 1, 2003 and prior to January 1, 2017, your LTD benefits will be provided according to the provisions of Plan III.

If you are an IBEW Clerical-, or SEIU-represented employee and your onset of disability occurred on or after June 1, 2003 and prior to January 1, 2018, your LTD benefits will be provided according to the provisions of Plan III.

If you are an IBEW physical-represented employee and the onset of disability occurred on or after October 1, 2003 and prior to January 1, 2018, your LTD benefits will also be provided according to the provisions of Plan III.

QUALIFYING FOR BENEFITS

In general, you will be considered disabled if, by reason of injury or illness, you are off work for five consecutive months or more 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 by a qualified medical provider once every six months during the first two years of your disability and annually thereafter.

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AMOUNT OF BENEFIT PAYMENTS

The LTD Plan will pay up to a monthly income equal to $66\frac{2}{3}\%$ of your basic monthly rate of pay.

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 gloving¹.

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 California State Disability Insurance (SDI) Plan or the Company's Voluntary Disability and Paid Family Leave Benefit Plan (Voluntary Plan), whichever is applicable;
- 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;
- 100% of your primary and family base Social Security disability benefit (if applicable), including any 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);
- 100% of your Social Security Retirement benefit and you are qualified to continue on LTD; and
- Any amount payable under the Railroad Retirement Act, and you are qualified to continue on LTD.

In other words, income from any of these sources will be deducted from the $66\frac{2}{3}\%$ 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 $66\frac{2}{3}\%$ of

¹ 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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your basic monthly rate of pay on the date you became disabled, you will not receive any benefit payments from the LTD Plan.

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.

If an overpayment in LTD benefits occurs due to a Social Security Disability benefit award, we will notify you that you have 30 days to repay the overpaid amount. If you do not repay the company within 30 days, your LTD benefit will stop until the full overpayment is paid back.

MAXIMUM BENEFIT PERIOD

The period of time you can receive LTD benefits depends on your disability:

- Two years, if you are not receiving Social Security Disability Insurance (SSDI) benefits at the end of two years of LTD eligibility.

LTD benefits may be extended on a month-to-month basis if at the end of the two-year LTD period, you are not Social Security-qualified and are working with Allsup, PG&E's third-party Social Security Disability advocate, for a continuing disability (see Duration of Benefits). This extension is up to an additional 36 months if you have not reached normal retirement age of 65. If you have not been awarded Social Security Disability benefits at the end of the extension, your LTD benefits and employment will be terminated.

If Allsup ends representation for any reason during the month-to-month extension period, your LTD benefits and employment will be terminated. In addition, if you, at the end of the two-year LTD period, regardless of whether or not you were referred to Allsup, have been terminated from LTD and employment and later are awarded Social Security Disability benefits retroactive to the period in which you were receiving LTD benefits, your LTD benefits and employment will be reinstated retroactive to the original date LTD disability benefits ended.

- To age 65, if you are receiving Social Security Disability Insurance benefits at the end of two years LTD eligibility.
- Two years, if you become eligible for LTD at age 63 or older.

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.

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- You do not follow treatment recommended by your physician.
- You recover from your disability and are medically released to return to work.
- Two years, if not qualified for Social Security Disability Insurance benefits.
- You turn age 65, if qualified for Social Security Disability Insurance benefits.
- Two years of LTD benefits, if you become eligible for LTD at age 63 or older.
- The date on which it is determined that you are employed by anyone (including self-employment) and such employment provides you with more than 33¹/₃% 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 PG&E’s Retirement Plan.
- 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.

Return to Work Program

If you have been approved for LTD benefits, you must comply with all of the requirements of this section. If you are terminated for noncompliance or violation of any of the provisions of the Plan, you will not be eligible for the Return to Work Program.

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, 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
- c) 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.

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1. Within 30 days after the date of your physician's written assessment:

Union-represented employees

- a) Must submit transfers and/or pre-bids 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 pre-bids 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.
2. If you fail any qualifying test(s), you will schedule and take all tests within 30 days after becoming eligible to take a retest.
 3. You will actively maintain, at all times, transfers/pre-bids, and/or job applications for all classifications and positions that are consistent with your reduced work capabilities, skills and qualifications, absent other relevant medical information.
 4. 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.
 5. If you decline the position identified for which you are skilled and qualified to perform within your reduced capabilities, you will no longer be eligible for LTD benefit payments and are subject to termination.
 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.

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7. *IBEW-represented and SEIU-represented employees only (effective January 1, 2018)*: If you return to a different position which is lower in salary than your pre-disability rate of pay, you will have the option to receive a work incentive benefit for up to 5 years.
- If you elect this benefit it will remain in effect for up to 5 years unless you have a break in service or the pay rate exceeds 100% of your pre-disability pay rate.
 - You are eligible for General Wage Increase (GWI) and/or merit increases during the 5-year work incentive benefit, but your rate of pay will not increase beyond 100% of your pre-disability pay rate.
 - If you qualify for a wage provision under the union contract which would offer you a better benefit, you will not be eligible for the work incentive benefit and will be paid in accordance with the applicable collective bargaining agreement.
 - As a condition of receiving this benefit, you must be approved for and qualified to receive LTD benefit payments under LTD Plan III.

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 provider² 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 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

² 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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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 100% of what you receive in primary and family Social Security Disability Insurance (SSDI) benefits. If you are not receiving Social Security Disability Insurance (SSDI) benefits, your LTD benefits will end after two years. 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.

PG&E will not offset any primary or family Social Security Disability Insurance benefit until you have received a Notice of Award. You are responsible for immediately notifying the LTD administrator of such an award by submitting a copy to the LTD administrator.

In order to continue your LTD benefits to age 65, the LTD administrator must be notified of the award prior to the end of your two-year LTD entitlement. Furthermore, you are responsible for notifying the LTD Administrator of your award, once received, and for repaying PG&E the full amount of the LTD overpayment at the time you receive the benefit amount for Social Security. If you do not repay PG&E within 30 days of receiving the Social Security Disability Insurance benefit payment, your monthly LTD benefit will be suspended until the entire LTD overpayment amount is repaid. If you resign or retire from the company prior to repaying the LTD overpayment, the company will seek restitution through the legal process.

Annual Social Security Verification

You will 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.

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 in the application for Social Security Disability and Medicare benefits at no cost to you. Allsup will handle all of your paperwork.

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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.

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 five consecutive months as a result of your disability and you have exhausted all sick pay (which includes regular sick pay, bonus sick leave or capped sick time, as applicable).

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 five consecutive 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 five consecutive 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 five consecutive 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 PAY, GROUP LIFE INSURANCE COVERAGE AND LENGTH OF TIME ON LTD

Sick Pay

Non-industrial Disability

If you have a non-industrial (non-work related) disability, you must use all of your available sick pay (which includes capped sick time, if applicable) before LTD benefits can begin, even if use of sick pay will take you past the date you become eligible for LTD. Any sick pay used beyond your LTD benefit eligibility date runs concurrently with and does not extend the duration of LTD benefits you may be eligible to receive.

ESC-represented, management, administrative or technical employees: You are not required to use and exhaust your incidental sick time before for LTD benefits can begin. Additionally, incidental sick time cannot be used once you become eligible for LTD and will remain on the company records in the event you return to work. If you were given a one-time award of incidental sick time on January 1, 2017 and you did not return to work from leave after your date of disability, this time will remain on the company records in the event you return to work. If you return to work from LTD, your unused incidental sick time will be restored. If you retire or terminate from LTD, incidental sick time is not payable.

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Industrial Disability

For all industrial injuries, if your Workers' Compensation paid benefits end (even if you have been off work for more than five consecutive months by the time paid benefits end), and if you have applied for LTD and are awaiting a decision on your LTD application, you have the option of using accumulated sick pay (including capped and incidental sick time, if applicable), until a decision on your LTD claim has been made. At that time, if approved, your LTD benefits will commence. Any unused sick pay 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, your remaining sick time will be handled as follows:

IBEW- or SEIU-represented employees

You will receive a payment equal to all of the unused current and accumulated sick pay credits you have remaining at the rate of pay on the date you last worked.

ESC-represented, management, administrative, or technical employees

- Sick pay or Incidental Sick Time: You will receive a payment equal to the unused current and accumulated Incidental Sick Time you have remaining at the rate of pay on the date you last worked.
- Capped Sick Time: If you are eligible for retiree medical coverage, as defined under the Company's Health Care Plan for Retirees and Surviving Dependents, a credit equaling twenty-five percent of the value of your remaining Capped Sick Time hours at the time of your retirement will be deposited into a Retiree Health Account.

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 Worker's Compensation 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 five consecutive months as a result of your disability).

If you have been approved for LTD, the GLIP Plan provides that Basic and Supplemental GLIP coverage and Basic AD&D coverage will continue at no cost to you as long as you remain eligible for LTD benefits. You will remain responsible for the premiums associated with any GLIP coverage that you elect to continue for your dependents and/or for any Voluntary AD&D coverage you elect to continue.

Time Spent on Workers' Compensation Beyond Five Months

If you are receiving Workers' Compensation benefits at the time you have been off work for five consecutive months or more, 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

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LTD benefits entitlement begins when you have been off work for five consecutive months, even if you are on Workers' Compensation and are not receiving actual LTD payments.

If your Workers' Compensation ends after you become eligible for LTD, and you have not qualified for Social Security Disability Insurance benefits, the time spent on Workers' Compensation after five months counts against your two-year limit. For example, an employee who is not Social Security qualified is eligible to receive two years of LTD benefits. If the employee never returned to work and received Workers' Compensation benefits for three years, he or she would have exhausted LTD benefits after being on Workers' Compensation for two years and five months (because LTD benefits began five months after the date of disability). If an employee were on Workers' Compensation for 10 months and Workers' Compensation ended, the employee would be eligible for one year and seven months of LTD benefits.

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, TAX WITHHOLDING AND PAY CHECKS

LTD payments are issued monthly from PG&E on or about the 23rd of each 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.

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 33¹/₃% 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.

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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 days of 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 pre-bids 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 pre-bids and transfer applications to headquarters that exceed 45 miles or 60 minutes if your last regular commute exceeded these limits. *Failure to submit pre-bids or transfer applications will result in the termination of your LTD benefits and employment.*

If pre-bids 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 the appropriate union contract. 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, 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, administrative or technical employee, you will be granted 30 days from the time of PG&E's notification to you to post for jobs. Go to *PG&E@Work For Me > My Career*. If you have not returned to work at the end of 60 days, your employment with PG&E will end. Management, administrative and technical employees may also apply for union-represented positions. Please contact the Stay at Work/Return to Work Team at 925-459-7270 or Accommodations-Req@pge.com regarding vacancies.

HOW LTD AFFECTS YOUR PG&E BENEFITS

Health Care Plans

Duration and Cost of Coverage

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Medical

You will be required to pay 7.5% of the actual cost of your monthly medical 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 LTD plan for which you are eligible: the Network Access Plan (NAP) or the Comprehensive Access Plan (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 LTD plan for which you are eligible (the Kaiser Exclusive Provider Organization (EPO) plan or Senior Advantage).

The LTD 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 yourself and each family member that you cover on your PG&E-sponsored medical plan.** If you or a covered dependent is now or later becomes eligible for Medicare but you don't promptly report such Medicare-eligibility to the PG&E Benefits Service Center, medical claims that were mistakenly paid on a primary basis for the Medicare-eligible family member(s) may need to be retroactively adjusted to pay on a secondary basis after Medicare, going back 12 months. This can result in significant expense to you. See "**Medicare**" on page 12 for more information on your obligation to comply with PG&E's 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 and recorded.

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 (FSAs) stops at the end of the month in which you are approved for LTD. If applicable, your Health Care Flexible Spending Account (HCFSA) and/or Dependent Care Flexible Spending Account (DCFSA) contributions will end the month after PG&E's Benefits Service Center receives notification of your LTD approval. Health care and/or dependent care claims incurred while you are on LTD and not participating in the FSAs will not be eligible for reimbursement.

Health Account

Although you will no longer be eligible for HAP medical coverage, you can keep your unused Health Account balance while you are on LTD, provided you remain enrolled in a PG&E-sponsored medical plan. However, you will not be eligible for the annual Health Account credits 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.

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



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.

Open Enrollment

All employees on LTD are eligible to make benefit changes, with the exception of HCFSAs and DCFSAs 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 – IMPORTANT! PLEASE READ!!!

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% of each claim. PG&E's plans do 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 with the expense of carrying Medicare Part B, the Company will reimburse LTD employees for the monthly standard Medicare Part B premium assessed by 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 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) that you had at the time your LTD began will remain in effect at no cost to you for as long as you are receiving LTD benefits, until you return to work or retire. Life insurance coverage cannot be increased unless you return to work, but may otherwise be decreased at any time. Under Federal law, you may pay imputed income tax on any amount of life insurance coverage exceeding \$50,000.

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



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 a 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.

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 & 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 the 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 and A&T employees with less than 15 years of credited service: You will receive basic coverage of \$8,000.
- Management and A&T employees with 15 or more years of credited service who were *hired or promoted into a management or A&T position on or after January 1, 1986*: You will receive coverage equal to your last 12 months' base pay before LTD began, up to a maximum of \$50,000.

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



- Management and A&T employees with 15 years of credited service who were *hired or promoted into a **management** position prior to January 1, 1986*: Your benefit will be based on your last 12 months' base pay before LTD began. If your life insurance benefits exceed \$50,000, you may choose to limit your coverage to \$50,000 to avoid imputed income tax.

Voluntary Disability and Paid Family Leave Benefit Plan (Voluntary Plan)

If you were covered under the PG&E Voluntary Plan when your medical leave started, coverage under the Voluntary Plan will end once you go on LTD. You will not be able to make any changes to coverage while on LTD. If you return to work from a LTD status, you will be automatically covered again under the Voluntary Plan, unless you opt out (reject) coverage within 31 days.

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 Designation of Beneficiary forms from the PG&E Benefits Service Center at **1-866-271-8144** or forms may be downloaded from the www.mypgebenefits.com website.

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 ValueOptions at **1-888-445-4436** or visit 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**.

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



Pacific Service Employees Association (PSEA) Member Disability Plan

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 stop³ 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.

³ Please note ESC union membership dues cannot be stopped.