



# PG&E's Short-Term Disability and Paid Family Leave Benefits

Utility Management, Administrative & Technical and ESC-represented employees

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

Eligible California Pacific Gas and Electric (Utility) employees are automatically covered under the Voluntary Plan unless they opt out/reject coverage and are covered under the State Disability and Paid Family Leave Plan. **If you're a California Utility employee and you opt out of the Voluntary Plan, you are not eligible to receive PG&E STD and PFL wage continuation benefits. See page 3 for California State benefits for which you may be eligible.**

Voluntary Plan benefits are wage replacement benefits only and are not a type of leave of absence. Information about your eligibility for [Voluntary Plan](#) benefits and types of leaves of absence you may be eligible for can be found on [mypgebenefits.com](#).

Note: The receipt of any paid time runs concurrently with FMLA/CFRA/PDL and does not extend the 12-week FMLA/CFRA entitlement or 4-month PDL entitlement. Voluntary Plan and Wage Continuation benefits also run concurrently with company leaves and do not extend the maximum length of leave.

## Short-Term Disability: Capped Sick time and PG&E Wage Continuation benefits

The Pacific Gas and Electric Company (PG&E) Short-Term Disability (STD) policy is for eligible employees who have a non-work related illness or injury that makes them unable to perform regular and customary work for at least eight (8) consecutive calendar days. The PG&E STD policy is comprised of two elements: capped sick time and STD Wage Continuation (supplemental) Benefits (WCBs). PG&E STD Wage Continuation benefits supplement the Voluntary Plan Disability Insurance (VPDI) benefits or other state disability insurance programs. Capped sick time provides 100% wage replacement.

### Capped Sick time

If, at the onset of absence, your leave of absence is eligible for FMLA/CFRA/PDL **and** VPDI benefits, you can choose not to use all or a portion of your capped sick time for the portion of your leave that is after the VPDI waiting period. You are required to use and exhaust capped sick time in order to receive WCBs. For additional information, please see the Capped Sick Time Standard.

- During the 7 consecutive calendar day waiting period (waivable), capped sick time will be used, unless you request to use your Incidental Sick time. If you do not have any capped or incidental sick time, you may elect to use vacation pay, floating holidays, or in-lieu of days or you may be unpaid during the waiting period.
- Your capped sick time will be used and exhausted first during your STD/medical leave of absence, unless you affirmatively elect not to use it. If you elect **not** to use your capped sick time:
  - you will start collecting VPDI benefits after the waiting period has been satisfied (you will not receive WCBs). If the waiting period is waived, benefits will be payable beginning day one.
  - your election must be made through Sedgwick no later than 7 calendar days from the date of first absence or date the absence was reported, whichever is later.
  - all elections will be on a moving forward basis. Exceptions to retroactive changes will only apply to employees who were not medically able to make the elections at the onset of absence themselves (i.e. employee was in a coma).
  - if you are covered under PG&E's Long-Term Disability (LTD) Plan and your leave for a non-work-related injury or illness extends beyond the applicable LTD waiting period, there will be a delay in receipt of LTD benefit payments.
- In addition, while receiving wages, including sick pay, which provide 100% of wages, you are not suffering a wage loss. If you begin suffering a wage loss, you may be able to receive STD WCBs or VPDI, if otherwise eligible.



### STD Wage Continuation benefits (WCBs) and Voluntary Plan Disability benefits (VPDI)

PG&E's STD WCB provides supplemental income replacement (70% after-tax) of the weekly basic wage rate that you were receiving one day prior to disability in combination with VPDI benefits or similar state disability program (if you work outside of California). Electing not to use ALL available capped sick time will make you ineligible to receive WCBs for the duration of your leave.

- There is no cap to the 60% VPDI<sup>1</sup> or 70% STD wage continuation benefit.
- VPDI benefits are not taxable; wage continuation benefits are taxable at the same rate as regular pay.



<sup>1</sup> Interns, Hiring Hall, Temporary Additional and non-regular status intermittent: 55% VPDI/VPFL benefit; not eligible for wage continuation benefits. If the weekly Voluntary Plan benefit amount is lower than the weekly benefit amount using the calculation method under the State Plan, you will receive Voluntary Plan benefits equal to the State Plan rate. State benefits are 60% for individuals who earned 1/3 or more of the state's average quarterly wage during the base period or 70% for those who earned 1/3 or less than the state's average quarterly wage, divided by 13 for a weekly maximum amount.

This document provides a summary of certain benefits available to you. In the event of any conflict between the terms of this document and any formal plan or policy document governing the benefits, the terms of the formal plan or policy document will control.

## PFL benefits, *continued*

- You cannot use vacation pay in conjunction with your VPDI and PG&E's STD benefits.
- You will receive two separate transactions (VPDI benefits and STD wage continuation benefits) on the same payday through your normal pay cycle from PG&E (via direct deposit or live paychecks).
- VPDI and STD wage continuation benefits are calculated as a weekly rate. Your monthly pay will be converted to a weekly amount in order to calculate your benefits (monthly pay x 12 / 52 = weekly base pay amount).
- For you to receive the pre-disability, after-tax equivalent of 70%, the wage continuation will be "grossed up".
- If you return to work and are working part-time or intermittently and still suffering a wage loss during an eligible disability benefit period, you may be eligible for VDI and STD wage continuation benefits.
  - Amount of STD wage continuation is reduced by VDI benefits and together with VDI will not exceed 70% net of pre-disability wage rate. There is a wage loss calculation to determine both VDI and wage continuation benefits, which means partial-day absences are generally counted as full-day absences.
- Absences 7 consecutive calendar days or less and do not fall under the STD policy:* Must use incidental sick time for absences, including intermittent leaves. You can use capped sick time if available. After exhausting all incidental sick time, you may elect to use any available paid time off (vacation, floating holiday), if approved by supervisor in advance.

## Short-Term Disability: Example of Benefit Calculation

### Example:

You have been certified and approved for VPDI and STD wage continuation benefits for 6 weeks (after the one week waiting period was fulfilled and you are suffering a wage loss). Your pre-disability basic wage rate is \$8,333.00 per month (or \$1,923.00 per week). Under the STD policy, you are eligible for 70% after-tax (net) of your pre-disability weekly basic wage rate of \$1,923.00, or \$1,346.10 per week, in combination with VPDI and wage continuation benefits. Since you are eligible to receive \$1,153.80 per week in VPDI benefits (60% of your weekly basic wage rate), your weekly wage continuation benefit amount will be calculated as follows:

70% of Basic Weekly Wage Rate	VPDI per week	STD wage continuation per week
70% of \$1,923.00 = \$1,346.10	\$1,153.80	\$1,346.10 – \$1,153.80 = <b>\$192.30</b>

6 weeks of STD wage continuation benefits of \$192.30 is \$1,153.80. In this example, your tax rate is 30% and you pay this 30% on your 6 weeks of wage continuation benefit, which is approximately \$494.50 in taxes. The \$1,153.80 will be grossed up to

\$1,648.30 so that after taxes, you will receive the estimated \$1,153.80, less any applicable deductions (e.g. benefit premiums, union dues, etc.).

STD wage continuation payments	
6 weeks of wage continuation grossed-up =	Gross \$1,648.30
30% tax =	– \$ 494.50
<b>\$192.30 x 6 weeks =</b>	<b>After-tax/Net \$1,153.80</b>

Below represents your total of 6 weeks of VPDI and STD wage continuation benefits.

STD estimated benefit		
VPDI payments (60% no tax weekly benefit) of \$1,153.80	x 6 weeks =	\$6,922.80
STD Wage Continuation (70% after tax weekly benefit) of \$192.30	x 6 weeks =	+ \$1,153.80
Total <i>estimated</i> after-tax STD benefits for 6 weeks		<b>\$8,076.60</b>

## Paid Family Leave (PFL): Leave to Bond with a New Child, Family Care, or Military Event

**If you're a California Utility employee and you opt out of the Voluntary Plan, you are not eligible to receive PG&E PFL wage continuation benefits.** PG&E's Paid Family Leave (PFL) Wage Continuation benefits supplement Voluntary Paid Family Leave benefits (VPFL) benefits for eligible employees who take approved time away from work to bond with a new child, to care for a family member with a serious health condition or to participate in a military event (qualifying exigency).

- There is no waiting period.
- VPFL provides approximately 60%<sup>1</sup> of your pre-leave basic wage rate.
- PFL wage continuation supplements VPFL benefits up to an equivalent of 100%<sup>1</sup> of your basic wage rate on the day prior to your first day of family care leave, bonding leave, or leave to participate in a military event.

<sup>1</sup> Interns, Hiring Hall, Temporary Additional and non-regular status intermittent: 55% VPDI/VPFL benefit; not eligible for wage continuation benefits. If the weekly Voluntary Plan benefit amount is lower than the weekly benefit amount using the calculation method under the State Plan, you will receive Voluntary Plan benefits equal to the State Plan rate. State benefits are 60% for individuals who earned 1/3 or more of the state's average quarterly wage during the base period or 70% for those who earned 1/3 or less than the state's average quarterly wage, divided by 13 for a weekly maximum amount.

## PFL benefits, *continued*



- There is no cap to the 60% VPFL or 100% PFL wage continuation benefits.
- VPFL benefits are federally taxable; PFL wage continuation benefits are taxable at the same rate as regular pay.
- Apply with Sedgwick for VPFL and PFL wage continuations benefits and your leave of absence.
- You cannot use vacation pay in conjunction with your VPFL and PFL wage continuation benefits.
- If you are eligible for PFL benefits when your leave starts, you must receive these first. You're required to take leave under the FMLA, CFRA and the Company Bonding leave (CBL) at the same time you are receiving VPFL and PG&E PFL wage continuation benefits.
- You will receive two separate transactions (VPFL benefits and PFL wage continuation benefits) on the same payday through your normal pay cycle from PG&E (via direct deposit or live paychecks).
- VPFL and PFL wage continuation benefits are calculated based a weekly rate. Your monthly pay will be converted to a weekly amount in order to calculate your benefits (monthly pay x 12 / 52 = weekly base pay amount).
- There is a wage loss calculation to determine both VPFL and wage continuation benefits, which means when taking intermittent leave, partial-day absences are generally counted as full-day absences.
- If you take subsequent leave periods for the same reason, your benefit amount will not change; it's based on your basic wage rate on the date prior to your first date of leave during your PFL benefit period. For example, if you take four (4) separate leave periods of two (2) weeks each, your benefit amount will be based on your basic wage on your first date of leave.
- If you are a birth parent taking both pregnancy leave and bonding leave, your pregnancy disability leave and PFL for bonding are considered one benefit period. Therefore, your PFL benefits will be based on your basic wage rate prior to your pregnancy/disability leave and your VPFL benefits and VDI benefits will be the same weekly amount.

### If PFL benefits exhaust and you remain out under a FMLA/CFRA leave:

- *Bonding and Military Event Leave*: You may request to use available vacation/floating holidays at the end of your leave or you can choose to be unpaid. If you are using vacation/floating holidays after FMLA/CFRA exhausts, you will no longer be on a leave.
- *Family Care Leave*: you may request to use family sick leave or vacation/floating holidays at the end of your leave or you can choose to be unpaid. If you are using vacation/floating holidays after FMLA/CFRA exhausts, you will no longer be on a leave.
- You must return immediately following the use of paid time.

## California State Disability and Paid Family Leave Insurance Plan (State Plan)

### Employees who opted out of the Voluntary Plan and are covered under the State Plan

- Apply with Sedgwick for your leave of absence.
- Apply with the [California Employment Development Department \(EDD\)](#) for CA SDI/PFL benefits; CA SDI/PFL benefit payments are issued through a debit card.
- CA SDI/PFL uses a base period (prior 12-18 months of quarterly pay) to determine your eligible earnings.

## Medical Leave and California State Disability Insurance (CA SDI) benefits

If, at the onset of absence, your leave of absence is eligible for FMLA/CFRA/PDL and CA SDI benefits, you can choose not to use your capped sick time, for the portion of your leave that is after the waiting period.

- Your capped sick time will be used and exhausted first during your medical leave of absence, unless you affirmatively elect not to use it. If you elect **not** to use your capped sick time:



- you will start collecting SDI benefits after the waiting period has been satisfied.
- your election must be made with Sedgwick no later than 7 calendar days from the date of first absence or date the absence was reported, whichever is later.
- all elections will be on a moving forward basis. Exceptions to retroactive changes will only apply to employees who were not medically able to make the elections at the onset of absence themselves (i.e. employee was in a coma).
- if you are covered under PG&E's Long-Term Disability (LTD) Plan and your leave for a non-work-related injury or illness extends beyond the applicable LTD waiting period, there will be a delay in receipt of LTD benefit payments.
- *Absences more than 7 consecutive calendar days*: Must apply with Sedgwick for leave, otherwise you cannot continue to use available capped sick time after 7 days.

## CA SDI benefits, *continued*

- Apply directly with the EDD for CA SDI benefits, if you don't have enough or elect not to use your capped sick time to cover the entire absences.
- There is a 7 consecutive calendar day unpaid waiting period (not waivable).
  - During the 7-day unpaid waiting period for SDI, capped sick time must be used first, unless you've requested to use incidental sick time. After sick time exhausts, you can request to use vacation pay, floating holidays, or in-lieu of days, or you may be unpaid during the waiting period.
- CA SDI benefits cannot be received until the waiting period is satisfied. In addition, while receiving wages, including sick pay, which provide 100% of wages, you are not suffering a wage loss. If you begin suffering a wage loss, you may be able to receive VDI, if otherwise eligible.
- CA SDI provides approximately 60%<sup>1</sup> of eligible earnings up to 52 weeks.
  - CA SDI benefits are non-taxable.
- *Absences 7 consecutive calendar days or less:* Must use incidental sick time for absences, including intermittent leaves. You can use capped sick time if available. After exhausting all incidental sick time, you may elect to use any available paid time off (vacation, floating holiday), if approved by supervisor in advance.

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## Family Care, Bonding or Military Event Leave and California Paid Family Leave Insurance (CA PFL) benefits

- There is no waiting period for CA PFL benefits.
- CA PFL provides approximately 60%<sup>1</sup> of eligible earnings up to 8 weeks within a 12-month period.
  - CA PFL benefits are federally taxable.
- *Bonding and Military Event Leave*: You may request to use available vacation/floating holidays at the end of your leave or you can choose to be unpaid. If you are using vacation/floating holidays after FMLA/CFRA exhausts, you will no longer be on a leave.
- *Family Care Leave*: See the Family Care Pay Designation form on [myggebenefits.com](http://myggebenefits.com) for more information.



<sup>1</sup> State benefits are 60% for individuals who earned 1/3 or more of the state's average quarterly wage during the base period or 70% for individuals who earned 1/3 or less than the state's average quarterly wage, divided by 13 for a weekly amount, up to a maximum of \$1,300/week, whichever is less. Amounts are for periods of disability commencing on or after January 1, 2018, but before January 1, 2022.