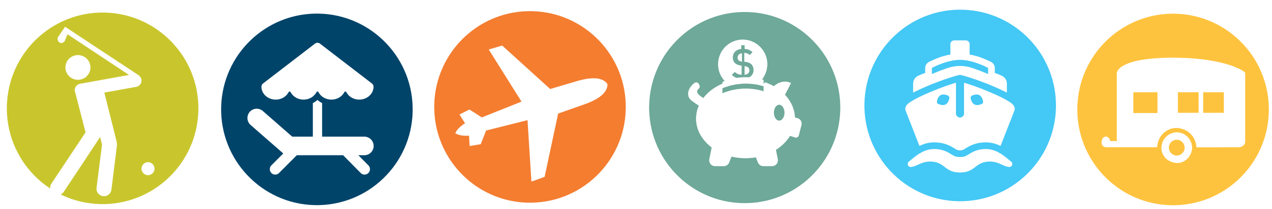
Your Pension Guide



Ready to retire?

Ready to retire?

1 Decide on your retirement elections.

- How do you want your pension to be paid?
- Do you want to delay your pension?
- Do you need medical coverage? If you're eligible for PG&E-sponsored retiree medical coverage, you'll get a separate mailing as early as 90 days before your retirement date.

2 Complete your pension paperwork.

- Have you talked with your spouse or significant other about payment options?
- Are you divorced? You'll have extra paperwork.
- How do you want taxes withheld from your pension?

3 Enroll in Medicare Parts A and B at least three months before you turn 65.

If you or your spouse are 65 or older, you should be enrolled in Medicare A and B by the time you retire. Enroll at **socialsecurity.gov/medicare**.

Your pension packet

The pension packet you received with this booklet should include:

- Personalized pension estimate for the retirement date you requested
- Pension Election and Authorization form and return envelope
- Tax withholding and direct deposit forms
- California Employment Development Department (EDD) pamphlet: *California's Programs for the Unemployed*

If applicable, you'll also receive:

- IRS 402(f) Special Tax Notice
- Refund of Contributions Election Form

If anything is missing, contact the PG&E Pension Call Center immediately.

What's inside?

Get ready

Read this guide so you understand what you need to do to start your pension payments.

Tell your supervisor as soon as possible that you plan to retire.

Look for the flag. It means you need to take action.

When you can retire

You can retire when you're at least age 55. You'll be considered a PG&E retiree from the first of the month after you terminate PG&E employment, even if you haven't submitted your pension paperwork.

Your retirement date and pension start date are usually the same.

Retirement date	Pension start date
First of the month after you terminate PG&E employment if you're 55 or older To qualify for retirement on your last day of employment, you may be: • Actively at work • On vacation • On a leave of absence, including Workers' Compensation and Long-Term Disability leaves	**First of the month when you begin receiving pension payments** Your first pension payment will be made in the **second month following your pension start date**, and will include your first and second month's payment.* **EXAMPLE:** **May 1:** Pension start date **June 1:** First pension payment—including the benefit for May and June combined

*Cash balance participants who elect a lump sum will receive their one-time benefit on the first of the month following their retirement date.

Is the time right?

Retiree medical premiums may be higher than you expect. Before you submit your paperwork, find out how much of your pension is likely to be spent on premiums:

- Estimate your monthly premium for PG&E-sponsored retiree medical coverage with the online **Retiree Medical Estimator** at the PG&E Benefits Service Center.
- Compare your monthly premium estimate with your **personalized pension estimate** included in this packet.

Will your pension pay for your premium? Will you have enough of your pension benefit left over? You may want to work a few more years or shop around for more affordable medical coverage.

Divorced or divorcing?

Are you divorced or in the process of divorcing? Your former spouse(s) may have an interest in a portion of your PG&E retirement benefits.

What's required?

Before you can start your pension—and for each former spouse who may have an interest—you'll need to provide PG&E with the following documentation:

- A copy of the court-filed Judgment of Dissolution or Judgment of Divorce along with any Marital Settlement Agreement (MSA)
- A copy of the court-filed Qualified Domestic Relations Order (QDRO) showing how your benefit is divided if your former spouse was awarded a portion of your PG&E retirement benefits

You'll need to submit this documentation to the PG&E online Pension Center regardless of how old the divorce or how short the marriage.

IMPORTANT: If you don't provide PG&E with the required documentation, **your pension benefit could be delayed or suspended without notice, and you could be subject to legal action** to recover the benefit that was due to your former spouse(s) but paid to you.

Continued on next page

In the process of divorcing?

If your divorce isn't final before your retirement date, you're still considered married. You have two options:

- Retire before your divorce is final and elect a joint pension of at least 50% with your spouse—or get your spouse's signed, notarized consent to a different election. Your retirement paperwork won't be complete without this.
- Delay your retirement until after your divorce is final and you can provide the required divorce documentation—as long as your supervisor agrees.

Have more than one former spouse?

If you have more than one former spouse who may have an interest in a portion of your PG&E retirement benefits, you must provide PG&E with the court-filed orders for each divorce.

Don't have the documents?

Your divorce attorney or the clerk of the court where your divorce was filed can help you locate your records. Many courts also have websites where you can order your records online.

Is your divorce final—but you don't have your final, court-filed documentation?

You should still return all of your other correctly completed retirement paperwork postmarked **no later than 30 days before** your requested retirement date.

- You'll still retire on your requested date.
- Your pension benefit will be based on that date.
- Your first pension payment will be delayed in full months until the PG&E online Pension Center receives your final, court-filed documentation.

Your first pension payment will be made on the first of the month **at least 30 days after** the postmarked date on the envelope containing your final, court-filed documentation. It will include a lump sum without interest for the months missed due to missing divorce documentation. **If you elected PG&E-sponsored retiree medical coverage**, you'll be responsible for paying your monthly retiree medical premium from personal assets other than your pension for the months missed.

How and when to complete your paperwork

Follow the instructions, keep a copy of everything you submit, and get proof of the date you mailed your forms.

Paperwork checklist

Here's what you'll need to do to complete your pension paperwork.

- **Get copies of required documentation** (do not provide originals):
  - Proof of age documentation for you and any joint pensioner. You can use any of the following (only one is required):
    - Birth certificate
    - Government-issued passport
    - Valid state-issued driver's license or identification card
  - Marriage certificate if you're currently married
  - If you're divorced—a copy of the court-filed Judgment of Dissolution or Judgment of Divorce along with any MSA, or the court-filed QDRO (**note**—you'll need to provide your final, court-filed documentation for each former spouse who may have an interest in your PG&E retirement benefits)
  - Proof of your name change if your name is not the same as it appears on your proof of age documentation
- **Complete, sign and notarize** the Pension Election and Authorization form and the Refund of Contributions Election Form, if applicable
- **Complete and sign:**
  - W4-P form for federal tax withholding
  - DE 4P form for state tax withholding if you're a resident of California
  - Pension Direct Deposit Authorization to have your pension payments deposited automatically into your bank account
- **Use the enclosed envelope** to return your completed forms and required documents to the PG&E online Pension Center.

  The envelope must be postmarked at least 30 days before your requested pension start date. If the postmark is less than 30 days, it may delay your pension payment.

IMPORTANT!

Scratch-outs, whiteouts or other alterations can't be accepted—even if you initial the change.

1

Pension election and authorization

Choose your pension payment option.

Elect only one payment option for each pension benefit.
If you have both the final pay formula and the cash balance formula, you must elect one payment option for the final pay formula and one payment option for the cash balance formula. See page 19 for details.

If you elect a joint pension, you need to provide your joint pensioner's name, birth date and Social Security number.

Check one

Final pay pension monthly payments					
	Form of payment	To you	To your joint pensioner	Re
☐	Single life pension	$7,339.14	N/A	
☐	25% regular joint pension	$7,074.93	$1,768.73	Ap the val
☐	50% regular joint pension	$6,840.08	$3,420.04	Ap the val
☐	75% regular joint pension	$6,407.07	$4,805.30	Ap the

Do you need a revised estimate?

Contact the PG&E online Pension Center for a revised estimate if:

- Your personalized pension benefit estimate doesn't include calculations for the joint pension options and you want to elect a joint pensioner
- Your personalized pension benefit estimate includes calculations for your spouse and you want to designate someone other than your spouse
- You decide to retire at a later date
- The personal information for you or your joint pensioner is incorrect

Required identification

2

Provide proof of birth dates, marriages and divorces.

You must provide proof of your own birth date regardless of the payment option you choose. If you elect a joint pension, you must provide proof of your joint pensioner's birth date, too. Send a copy of one of the following documents—**don't send originals:**

- Valid state-issued driver's license or identification card
- Government-issued passport
- Birth certificate

Married?

You must also provide a copy of your marriage certificate, regardless of the payment option you choose.

Need a copy? You can get it from the clerk of the county where you were married. If you were married outside the U.S., contact the PG&E Pension Call Center to find out what you need to provide.

Divorced?

If you're divorced, you must provide the following documentation for each former spouse who may have an interest in your PG&E retirement benefits:

- A copy of the court-filed Judgment of Dissolution or Judgment of Divorce along with any MSA
- A copy of the court-filed QDRO showing how your benefit is divided if your former spouse was awarded a portion of your PG&E retirement benefits

See page 3 for details.

3 Signatures and notarization

Initial all the lines and get the required notarizations. Signatures and notarizations must be on the same date.

You must initial every line to indicate that you:

- Have read and understand the information in your pension packet, including the **Special Tax Notice,** if applicable; and
- Understand that your elections can't be changed under any circumstances once you receive your first pension payment; and
- Have provided your spouse with at least a 50% joint survivor's benefit required under federal law, or that you have obtained your spouse's notarized consent to an election that provides less or nothing, or that you're unmarried; and
- Understand PG&E reserves the right to correct any errors and recover any erroneous benefit payments.

Signature and authorization

You'll need to initial your acknowledgement next to each statement before you sign and date the form.

Initial

_____ I have read and understand the information in these pension materials.

_____ If I'm married and I have not elected a joint pension with at least 50 percent of my benefit to my spouse after my death, my spouse will need to consent to this election and this consent must be notarized.

_____ I understand when I submit this form, all the elections are **IRREVOCABLE.**

_____ I understand if I die within 30 days of my Retirement Date after submitting completed paperwork but before starting my pension, the joint pensioner designated on this form will receive either the 50% joint pension benefit or the option elected if that is greater.

_____ I understand that PG&E or its administrators reserve the right to correct any errors. If it's determined at any time that the information provided on this statement conflicts with the benefit defined by the Plan, the terms of the Plan will prevail. Under the law, a plan must be operated in accordance with its terms. In addition, I understand that the plan administrator reserves the right to take steps to correct or recover any erroneous payments.

Notarization rules

- Your own signature in the presence of a notary is always required.
- Your spouse's signature in the presence of a notary is required if you're married and you elect an option requiring your spouse's notarized signature. You and your spouse must sign and have the forms notarized at the same time.
- Make sure the date you sign your paperwork and the date the form is notarized are the same. If the signature and notary dates are different, your form will be returned to you, and you'll have to start over—possibly delaying the start of your pension.

If you are:	Provide your notarized signature	Provide your spouse's notarized signature
Single, electing a single life pension	●	○
Married, electing a regular joint pension of 50% or greater with your spouse	●	○
Married, electing a special joint pension of 75% or 100% with your spouse	●	○
Married, electing a single life pension	●	●
Married, electing a regular joint pension of 25% with your spouse	●	●
Married, electing a 25% or 50% special joint pension with your spouse	●	●
Married, electing any joint pension with someone other than your spouse	●	●
Married, electing a lump-sum payment for your contributions or your entire cash balance benefit	●	●

Need a notarized signature?

The notary must:

- Witness your signature and your spouse's signature if spousal consent is required for your elections
- Indicate that you (and your spouse, if applicable) appeared in person, confirmed your identity or identities, and signed the pension elections form in the notary's presence

The notary can use his or her own acknowledgment form, if preferred.

4

When your paperwork is due

Your correctly completed paperwork must be **postmarked at least 30 calendar days** before your requested pension start date.

Keep a dated receipt or other official proof of the date you mailed your return envelope. The PG&E online Pension Center will send you a confirmation letter after your forms are in process.

What if you submit late paperwork or bad information?

If you submit late, incorrect or incomplete paperwork:

- Your retirement date will stay the same—it's not affected by your paperwork
- Your pension start date may be delayed—and your pension would be recalculated based on the next available pension start date
- You'll receive a new pension packet to complete—and you'll need to re-do any notarizations
- You won't be paid retroactively for the months missed
- If you elected PG&E-sponsored retiree medical coverage, you'll be responsible for paying your monthly premium from personal assets other than your pension for the months missed

The earliest you could get a pension payment is the next regular pension pay date at least 30 days after the postmark on the envelope containing your correctly completed paperwork.

Example: Late postmark

May 1	Requested pension start date
April 10	Postmark on completed paperwork
May 1	Non-pension retirement benefits start (for example, retiree medical coverage if elected)
June 1	Pension start date— **if you submit new paperwork by April 30**
July 1	First pension payment—including June and July pension payments

Deadline for paperwork

Your pension paperwork needs to be postmarked at least 30 days before your requested pension start date. Send completed paperwork in the return envelope to:

PG&E Pension Center
P.O. Box 8992
Norfolk, VA 23501

Remember: Scratch-outs, whiteouts or other alterations can't be accepted—even if you initial the change.

5

Limited time to change your elections

You have up to 30 days before your pension start date to change your payment option.

After that, your election becomes irrevocable unless you cancel your pension start date entirely. To cancel your pension start date, call the PG&E Pension Call Center.

Want to delay your pension?

You must notify the PG&E Pension Call Center at least **90 days** but no more than **180 days** before your new pension start date.

How to change your payment option

If you have more than 30 days before your pension start date, you'll need to:

- Call the PG&E Pension Call Center to request a new pension packet
- Complete the new pension packet (you'll need to re-do any notarizations)
- Send your new form to the PG&E online Pension Center—**postmarked at least 30 days** before your requested pension start date

If you don't submit the new form on time, you'll receive the pension payment option you elected on the earlier form.

Your elections are irrevocable

If you have fewer than 30 days before your pension start date, you can't change your pension elections unless you cancel your pension start date entirely. The annuity payment options you elected will continue for life.

Single life pension: You can't change your election, even if you later marry or want to add a joint pensioner other than your spouse.

Joint pension: The person you designate as your joint pensioner will be the only person to receive the joint survivor's benefit when you die.

You won't be able to designate a different joint pensioner to receive your survivor's benefit—and you won't be able to remove the joint pensioner you elect. This rule applies even if:

- You later divorce or sever ties with your joint pensioner
- You later marry a new spouse
- Your joint pensioner dies

Lump sum: You can't change your election if your cash balance benefit will be paid as a lump sum.

Electing direct deposit

Did you have direct deposit as an employee? Direct deposit stops when you retire.

You need to elect direct deposit if you want it for your pension—even if you plan to use the same deposit account you used as an employee.

Direct deposits will be made on your regular pension pay date—generally, the first of the month. If the first falls on a weekend or holiday, there could be up to a four-day delay before your pension payment is deposited.

If you elect direct deposit, your pay statement will only be available electronically. You can access copies of your pay statements at the PG&E online Pension Center. If you elect payment by check, your pay statements will be mailed with your monthly checks.

Need help with direct deposit or tax withholding?

Call the PG&E Payroll Service Center: 415-973-3767 and select option 1 to speak with a representative who specializes in helping pensioners.

Want to make changes after your first pension check?

After you get your first pension payment, you can make changes at the PG&E online Pension Center:

Stop getting direct deposits and request paper checks	Change your banking information for your direct deposits

Go to https://pge.benefitcenter.com:

- Select **Pension payment summary** in the **At your fingertips** section on the right side of the home page
- Click the **Update** button in the **Payment method & institution** section
- Select **Continue** and provide the requested account information

Electing your tax withholding

You'll need to complete federal and state income tax withholding elections for your pension payments. Your pension packet includes federal and California tax withholding forms.

The withholding elections you made as an employee won't carry over to your pension. There are specific federal and state forms for pension benefits.

California resident?
Complete both federal and California tax elections—regardless of whether or not you elect to have taxes withheld.

No longer a California resident?
You only need to complete your federal tax election. If you reside outside California, no California income tax will be withheld from your pension payments, and PG&E won't withhold income tax from your state of residence.

Electing zero withholding?
You may be liable for paying quarterly estimated taxes to the IRS.

If you don't return your tax forms

If you don't return your federal or California tax forms, the PG&E online Pension Center will withhold taxes at the default rate for pensioners, which is married status with three allowances.

If your taxes are over- or under-withheld because of this default, you'll be able to make a correction when you file your taxes for the year.

Want to change your withholding after your first pension check?

After you get your first pension payment, you can change your withholding at the PG&E online Pension Center. Log on to https://pge.benefitcenter.com:

- Select **Pension payment summary** in the **At your fingertips** section on the right side of the home page
- Click the **Update** button in the **Withholding elections** section
- Select **Continue** and make your elections

How and when your pension is paid

How and when your pension is paid depends on the type of formula you have. Most of the information in this guide is about monthly annuities, which are available under both formulas.

Final pay formula

How

Monthly annuity

Payable for your lifetime or for the combined lifetime of you and your spouse or other joint pensioner

When

Generally, the first of the month after your pension start date

If the first falls on a weekend or holiday, your pension funds may not be available until the fourth of the month

Cash balance formula

How

Monthly annuity

Payable for your lifetime or for the combined lifetime of you and your spouse or other joint pensioner

OR

Lump-sum payout

You can do a rollover to an Individual Retirement Account (IRA) or other qualified employer plan

When

Monthly annuity: Generally, the first of the month after your pension start date

If the first falls on a weekend or holiday, your pension funds may not be available until the fourth of the month

OR

Lump-sum payout: Generally, the first of the month after your retirement date

You can elect to take your vested cash balance benefit as a single lump-sum payout after you retire—or leave it in the plan to continue earning interest until you're ready to start your cash balance benefit

Your first pension payment

If you have a monthly annuity and you start your pension on your retirement date, your first monthly pension payment will be made on the first of the month **after** you retire—**not on your retirement date**—and your first payment will include your first and second monthly benefits.

EXAMPLE:

September 1:
You retire

October 1:
You'll get your first pension payment, including benefits for September and October combined

paid

If you come back to work for PG&E

If you're rehired or reinstated by PG&E:

- You'll keep your pension—and
- Any monthly annuity payments will continue while you work—and
- You'll earn income as an active employee.

Benefits for pension-eligible rehires

If you're rehired as a pension-eligible employee, you'll be eligible for a new pension benefit under the **cash balance formula** as if you were a newly hired employee—except you'll be immediately vested.

The new cash balance benefit will be added to your unchanged original pension payment after you retire a second time—or you can choose to take the cash balance benefit as a lump-sum payout.

Rehired 2013 or later

Your additional service starting on your rehire date will be added to your original service for purposes of determining pay credits under the cash balance pension.

The cash balance formula recognizes all prior pension-eligible service with PG&E, even if you're already receiving a pension payment for those years of service.

Rehired before 2013

You'll receive an additional pension based on service starting with your most recent hire date through your most current retirement date.

Pension payments can't be changed or stopped

After you start receiving your monthly pension payments, they'll continue for life.

- You can't change any of your pension elections for any reason after your pension start date.
- Your payments can't be stopped or suspended even if you're rehired or reinstated by PG&E, unless there is a legal reason requiring a hold on your pension benefit.

How your pension is calcul

The way your pension is calculated depends on the type of formula you have and your employment classification.

- Employees hired before 2013 may have the final pay formula—or a combination of the final pay formula and the cash balance formula.
- All employees hired in 2013 and later have the cash balance formula.

ated

Final pay formula

You accrue a pension benefit based on your final pay and your years of credited service.

Union-represented employees hired before 2013

Your basic weekly pay as of **30 days** before retirement*	X	Your credited service **up to 25 years**	X	1.5%	X	Early retirement factor, if applicable	=	**Monthly benefit for service up to 25 years**

+

Your basic weekly pay as of **30 days** before retirement*	X	Your credited service **over 25 years**	X	1.6%	X	Early retirement factor, if applicable	=	**Monthly benefit for service over 25 years**

*Your "basic weekly pay" is equal to your straight-time hourly rate of pay for the basic work week as of the 30th day before your retirement or termination—not including any temporary upgrade pay, or premium pay, or any benefits of any kind—multiplied by 2,080 hours, divided by 52 weeks, and then rounded up to the nearest $10.

Management and A&T employees hired before 2013

Your **final 36-month** average salary	X	Your total credited service	X	1.7%	X	Early retirement factor, if applicable	=	**Monthly benefit**

There are no automatic payment increases

Unlike Social Security retirement income, your monthly pension payment doesn't have an automatic cost of living adjustment. Be sure to plan for the impact of inflation on your fixed monthly pension payment.

Cash balance formula

The cash balance formula lets your pension benefit accumulate for each year you work in a pension-eligible position—not just at the end of your employment.

All employees hired 2013 and later

Or employees hired before 2013 that chose the cash balance formula

You accrue annual pay credits based on full years of age and full years of credited service—plus, your account is credited with interest on the last day of each calendar quarter.

Annual pay credits

Annual pay credits are based on a point system of full years of age and full years of credited service as of December 31 each year:

Annual pay credits based on points (age + service):	
Fewer than 40 points	5% of pay
40–49 points	6% of pay
50–59 points	7% of pay
60–69 points	8% of pay
70–79 points	9% of pay
80 or more points	10% of pay

EXAMPLE:

55 years old + 21 years of service = **76 points** (55 + 21)

This person would get an annual pay credit of 9% of pay.

Quarterly interest credits

Quarterly interest credits* are credited to your account on the last day of each calendar quarter.

The quarterly interest rate is based on the average 30-year Treasury rate for the preceding quarter, divided by four to determine the quarterly equivalent of the average annual yield.

EXAMPLE:

April through June quarterly rate = an average of the monthly rates for January through March—divided by four.

*For any calendar quarter, the quarterly interest rate can't be less than 0.4875%. This is the quarterly equivalent of the minimum annual interest rate that PG&E guarantees in the Retirement Plan regardless of the Treasury rate.

If you have both formulas

Did you choose the cash balance formula during the pension choice period in 2013? You'll have:

A final pay pension based on your service through December 31, 2013 (using the final pay formula that applies to you)	+	A cash balance pension for your service starting January 1, 2014

You can start your two benefits at the same time or separately, and you can make the same or different payment option and joint pensioner elections for the two benefits.

Retiring early?

The younger you are when you retire, the more your benefit may be reduced to reflect what's likely to be a longer retirement period.

Final pay formula	Cash balance formula
If you start to receive your monthly pension payments **before age 65**, your benefit may be reduced.	**No matter how old you are when you leave PG&E,** you can take your vested benefit as a single lump-sum payment or as a monthly annuity for life.
Any reductions in your monthly pension benefit will be based on your years of credited service and age when your pension payments begin.*	**If you take your cash balance benefit as a lump sum**, you can roll it into another retirement plan—like an IRA—to avoid potential immediate income taxes or IRS early withdrawal penalties.
Your personalized pension election form already shows reduced benefits if the early retirement reduction factors apply to you.	**If you take your cash balance benefit as an annuity**, your account balance will be converted to a monthly benefit for life using IRS-based actuarial factors that take into account your age when you start receiving benefits.

*The final pay formula's early retirement reduction factors are calculated using bands of service years, as described in the *Summary of Benefits Handbook*.

Delaying your pension

Planning a new career after you retire? Have a new job lined up?

You can delay the start of your pension, whether you have the final pay formula or the cash balance formula. You're not required to start your pension to receive retiree medical coverage, and you're not required to elect retiree medical coverage to receive your pension. If you delay your pension, you'll still be considered a retiree for all your other retirement benefits.

If you're retiring early and you delay the start of your pension, your benefit may increase.

Starting a delayed pension

If you decided to delay your pension when you retired and you later want to start your pension, you must notify the PG&E Pension Call Center at least **90 days** but no more than **180 days** before you want your pension to start.

Final pay formula

Do you have an early retirement reduction? It will decrease for every month that you delay the start of your monthly pension payments—until you qualify for an unreduced pension. The later you start your pension payments, the smaller the reduction for early retirement.

EXAMPLE: Delayed pension for employee with 20 years of service

Payment starts	Benefit at normal retirement age (single life pension)	Early retirement reduction factor	Early retirement benefit (single life pension)
Age 55	$1,000 per month	26%	$740 per month
Age 60	$1,000 per month	6%	$940 per month
Age 62	$1,000 per month	0%	$1,000 per month
Age 65	$1,000 per month	0%	$1,000 per month

Want to know when your pension benefit will be free from an early retirement reduction?

- See the reduction tables in your *Summary of Benefits Handbook*
- Contact the PG&E Pension Call Center

Cash balance formula

If you want to delay your cash balance benefit, you can keep it with the PG&E Retirement Plan to continue earning interest until you want to receive payments. Or, you can take a lump-sum distribution and roll it into another retirement plan, like an IRA, to avoid potential immediate taxes or IRS early withdrawal penalties.

Deciding on your payment

One of your biggest decisions will be how you want your pension to be paid.

The cash balance formula is the only formula that allows you to elect a lump-sum payout. You can be single or married to elect this option. If you're married, you may need your spouse's notarized consent.

Both the final pay formula and the cash balance formula allow the following monthly annuities. You can be single or married to elect any of these options:

Single life pension	Regular joint pension	Special joint pension
Pays you a monthly benefit for your lifetime	Pays you a reduced monthly benefit for your lifetime	Pays you a reduced monthly benefit for your lifetime
Stops when you die	If you die first: Pays your joint pensioner a percentage of your benefit for his or her lifetime	If you die first: Pays your joint pensioner a percentage of your benefit for his or her lifetime
	If your joint pensioner dies first: **Continues to pay you a reduced monthly benefit for your lifetime**	If your joint pensioner dies first: **Pays you an increased monthly benefit—the single life benefit—for your lifetime, as if you had never elected the joint pension**
Married? Your spouse must provide notarized consent to this option	**Married?** Your spouse may need to provide notarized consent to your election	**Married?** Your spouse may need to provide notarized consent to your election

Definition of "spouse"

For purposes of the Retirement Plan, your spouse is the person to whom you're legally married.

options

Single life pension

This option pays you a monthly benefit for your lifetime, and stops the first of the month after your death. No payment will be made to any other person after your death.

If you elect this option, you won't be able to change your election even if you later marry or want to add a joint pensioner other than your spouse.

Married? Federal law requires that your spouse be paid at least a 50% joint pension unless you and your spouse elect otherwise. Your spouse will have to provide **notarized consent** if you choose the single life pension.

Definition of "joint pensioner"

Your joint pensioner can be any one person you choose to receive a joint pension for his or her lifetime after your death. This person doesn't have to be your spouse—but if you're married and you choose someone other than your spouse to be your joint pensioner, your spouse will need to provide notarized consent.

Regular joint pension

This option pays you a reduced monthly benefit (compared to a single life pension) for your lifetime—plus, after your death, it pays a further benefit to any one person you choose for his or her lifetime. Your basic monthly pension benefit will be reduced to reflect the additional value of this option to your joint pensioner.

After your death, your joint pensioner will receive the percentage of your benefit that you elect:

○ 25% ○ 50% ○ 75% ○ 100%

EXAMPLE: If your regular joint pension is $3,000 per month and you elect a 50% regular joint pension—after your death, your joint pensioner will receive $1,500 per month for life.

Your percentage options may be limited if your joint pensioner isn't your spouse and is more than 10 years younger than you are.

If your joint pensioner dies before you do, your benefit will continue as the reduced monthly pension payment for your lifetime. No payment will be made to anyone after your death.

You can't change your joint pensioner

If you elect a joint pension, the person you designate as your joint pensioner will be the only person to receive the joint survivor's benefit when you die.

You won't be able to designate a different joint pensioner to receive your survivor's benefit—and you won't be able to remove the joint pensioner you elect. This rule applies even if:

- You later divorce or sever ties with your joint pensioner
- You later marry a new spouse
- Your joint pensioner dies

Special joint pension

This option pays you a reduced monthly benefit (compared to a single life pension and a regular joint pension) for your lifetime—plus, after your death, it pays a further benefit to any one person you choose for his or her lifetime.

You can elect any of these percentages for your joint pensioner:

- ○ 25%
- ○ 50%
- ○ 75%
- ○ 100%

EXAMPLE: If your special joint pension is $2,800 per month and you elect a 50% special joint pension—after your death, your joint pensioner will receive $1,400 per month for life.

If your joint pensioner dies before you do, your benefit will increase or "pop up" to the original single life pension benefit—as if you had never elected a joint pension. This increased benefit will be payable for your lifetime, but no payments will be made to anyone after your death.

EXAMPLE: If your special joint pension is $2,800 per month and you elect a 50% special joint pension—after your joint pensioner's death, you will receive a single joint pension of $3,000 per month for life.

Your basic monthly pension benefit will be reduced by more than it would for the regular joint pension. That's because this option offers greater value to you if your joint pensioner dies first. If you die first, your joint pensioner's monthly benefit won't increase beyond the percentage you elect.

Married?

Federal law requires that your spouse be paid at least a 50% joint pension unless you and your spouse elect otherwise. Your spouse will have to provide notarized consent if you choose:

- The 25% joint pension with your spouse
- Any joint pension percentage with someone other than your spouse
- A single life pension

How to initiate the pop-up benefit

If your joint pensioner dies before you do, contact the PG&E Pension Call Center.

They'll explain how to initiate the pop-up benefit and where to send the certified copy of your joint pensioner's death certificate.

Relative value of joint pension options

Your personalized pension benefit estimate shows a relative value percentage for each of the joint survivor's pension options, so you can compare:

Value of benefit payable as an unreduced single life pension	VS.	Value of benefits payable under each joint pension option

The relative values are determined using interest rates and life expectancy assumptions specified by the IRS. The relative value compares the actuarial equivalent of your unreduced single life pension to each joint pension option amount based on the life expectancies of you and your joint pensioner.

> **EXAMPLE: A relative value of 101% for a 50% joint survivor's pension means that the value of that option is, on average, 1% higher than the value of a single life pension.**

If you or your joint pensioner live longer than the assumptions, the actual value of your lifetime payments will be greater than the stated value because you'll receive the payments for a longer period of time.

Lump sums

If the total value of your pension is less than $5,000, it will be paid as a lump sum automatically.

It doesn't matter if you have the final pay formula, the cash balance formula or a combination of the final pay and cash balance formula. Pensions totaling less than $5,000 will automatically be paid as a lump sum.

The only way you can elect a lump sum for pensions valued at $5,000 or more is if you have the cash balance formula.

Automatic lump sum Balance less than $5,000, any formula	Elected lump sum Balance of $5,000 or more, cash balance formula
Automatic lump-sum payout when total pension is $5,000 or less, regardless of formula	Cash balance formula allows you to choose lump-sum payout if balance is $5,000 or more when you leave PG&E
If lump sum is more than $1,000, you can roll it into another retirement plan, like an IRA	You can roll your lump sum into another retirement plan, like an IRA
If lump sum is $1,000 or less, you'll get cash	
Income taxes and early withdrawal penalties may apply to cash distributions	Income taxes and early withdrawal penalties may apply to cash distributions

Married? Federal law requires that your spouse be paid at least a 50% joint pension unless you and your spouse elect otherwise. Your spouse will have to provide notarized consent if you take a lump sum.

Direct rollover requirements

To make a direct rollover, you'll need to provide two things:

The name of the institution acting as your IRA or qualified plan administrator	**+**	**Your account number with that institution**

If you don't provide this information when you elect a direct rollover, the PG&E online Pension Center will return your pension election form to you—and this could delay the start of your pension payment.

IMPORTANT!
You're responsible for making sure the plan you choose to receive your rollover will accept funds from a defined benefit pension plan.

If you elect a rollover and your plan can't accept it, you'll get cash. Taxes and penalties will be withheld from your cash payment.

You have 60 days from the date on your rollover check to deliver the check to your new plan administrator. If you're late, you may have to pay taxes and penalties on the rollover amount.

Hired before 1973?

Did you contribute to the Retirement Plan before 1973? Check your personalized Pension Election and Authorization form. It will show your contributions if you made any.

If you don't see contributions on the form, you didn't make any. You can skip this section.

If you made contributions, you need to decide what to do with them:

Leave contributions and interest in the Plan.		Refund contributions and interest.
You'll receive the full pension payment you elect.	**OR**	You'll receive a reduced monthly pension payment to reflect the value of your withdrawn contributions and interest. Your monthly pension payment will be further reduced if you elect a joint pension or if you have early retirement factors.

Married? **If you elect a refund**, your spouse must provide **notarized consent** in the spousal consent form of the pension election form—regardless of the other options you choose for the contribution refund or joint pension.

Before you decide

Find out how a refund will affect your monthly pension benefit and your taxes. Review your personalized pension benefit estimate and the **Special Tax Notice** included in your pension packet—and talk to a tax, legal or financial advisor. The PG&E Pension Call Center can't give you tax or legal advice, and neither can PG&E.

When do you want your refund?

You can get your refund in the same year as your first pension payment (your pension start date) or in the next year after your pension start date.

Refund election dates are tied to your pension start date—not to your retirement date. If your pension is delayed, your refund will be delayed, too. Here are your choices.

Current-year refund	Next-year refund
Refund will be paid in the same year as your pension start date	Refund will be paid the year after your pension start date
Refund will be paid in the same month as your first pension payment	Refund will be paid in January of the following year
Refund may be paid on a different date than your first pension payment	Refund may be paid on a different date than your January pension payment

Starting your pension in January?

If you start your pension in January—whether due to your election or due to a delay—and you elected to receive your refund in the year following your pension start date, you won't receive your refund until January of the next year. In other words, your refund will be delayed for a full year.

If you elected to receive your refund in the current year, you'll receive it in the same January as your first pension payment. There won't be a one-year delay.

How do you want your refund?

You have three payment options for your refund:

Cash only	Cash + rollover	Rollover only
Cash payment of all contributions and interest directly to you	Cash payment of contributions directly to you Interest as a direct rollover to an IRA or other retirement plan	Direct rollover of all contributions and interest to an IRA or other retirement plan

Taxes

Timing of your refund

Your contributions were made on an after-tax basis, but the interest you accrued has been tax-deferred. Federal laws require that you receive the credit for your nontaxable contributions over your expected lifetime, even if you withdraw the contributions in a lump sum.

This means if you take a refund now, most of the refund will be taxable in the year you receive it.

Even if you don't take a refund of your contributions, your monthly pension payment will contain a portion that is not taxable until either:

- The full value of your after-tax contributions has been returned to you, if you don't take a refund—or
- The full value of your after-tax contributions has been accounted for, if you do take a refund.

If you're married

If you die before your entire contribution is returned to you or is fully accounted for, your spouse will be able to deduct the remaining nontaxable portion from your tax return for the year in which you die.

If you live past the life expectancy used in your benefit calculation, then your full pension payment will be taxable after you have received your entire contribution or after it has been fully accounted for.

Refunds and rollovers

Most of your cash refund will be taxable in the year you receive it. PG&E will withhold required taxes from your cash refund.

The rollover amount won't be taxable until you withdraw the money from your tax-qualified plan. No taxes will be withheld from the direct rollover of your interest as long as you complete the rollover within **60 days** of the date on your rollover check. If you're late delivering the rollover funds, you may have immediate income taxes and IRS early withdrawal penalties on the amount of your rollover. See page 28 for direct rollover requirements.

Your 401(k) benefits

The PG&E Retirement Savings Plan (RSP)—a 401(k) plan—is an important part of your total retirement savings.

PG&E will notify Fidelity of your retirement, and Fidelity will mail a distribution package to your home after a 30-day waiting period.*

Your options when you retire

The distribution package from Fidelity will explain the options available to you.

Generally, if you have a balance of $5,000 or more in your RSP account when you retire, you can:

- Keep your balance in the plan
- Roll over your balance into another account
- Take a cash distribution

For details about these options, log on to your account at **401k.com** or see the *Summary of Benefits Handbook* via **mypgebenefits.com > Resources tab**.

*Fidelity Management Trust Company ("Fidelity") is the record keeper for your RSP account.

When you should call Fidelity

Call Fidelity at 1-877-743-4015 if you:

- Haven't received your RSP distribution package 30 days after your retirement date
- Have questions about your account

Professional help is available

Not sure what to do with your RSP account? Financial Engines offers the Professional Management Income+ service.

It provides professional management, and it can even set monthly payouts from your RSP account that can last through your retirement.

Details will be in the distribution package from Fidelity, and you can find more information by logging on to your account at **401k.com** or in the *Summary of Benefits Handbook* via **mypgebenefits.com** > **Resources tab**.

Check your beneficiary

Do you still have the right beneficiary for your RSP account?

Review your beneficiary designation whenever you experience a significant life event like retirement, marriage, divorce or the death of a previously designated beneficiary.

You can change your beneficiary anytime. Log on to NetBenefits at **401k.com** or call Fidelity at **1-877-743-4015**.

Not sure about taxes?

Thinking about taking a distribution from your RSP account?

Talk to a tax, legal or financial advisor. Tax professionals can help you understand the tax implications of your decisions.

Other retirement benefits

PG&E provides these additional retirement benefits. Some are automatic, and others are elected.

Automatic benefits

Postretirement life insurance*

Automatically provided at no cost to you.

A separate packet will be mailed to you with information about your coverage.

Unused vacation

Cash payout in your final preretirement paycheck of earned and unused vacation, Paid Time Off, floating holidays and service anniversary vacation.

To avoid having disproportionately high taxes withheld from your final check, ask your supervisor if you can "vacation out" and retire at a later date.

Unused Health Account credits*

If you're eligible for PG&E-sponsored retiree medical coverage and you have unused Health Account credits, you can continue to use them—even if you don't enroll in a PG&E-sponsored retiree medical plan.

Retiree utility discount

If you retire from the utility, you'll continue to get a 25% discount on utility rates as long as you live within PG&E's service territory and you have a PG&E account in your name.

Elected benefits

If you're eligible—retiree medical coverage*

Coverage you can elect.

A separate packet will be mailed to you with an enrollment form and details about your options.

Retirement service award**

A gift you can order within six months of your retirement date at no cost to you.

A separate packet will be mailed to you with gift options and a **gold card** giving you access to PG&E facilities and group discounts.

COBRA***

At your own expense, you can elect COBRA to continue:

- Dental, vision, EAP and medical coverage for you and your eligible dependents—for 18 months after you retire
- Health Care FSA contributions on an after-tax basis through the end of the calendar year—if you're enrolled in the FSA when you retire

A separate packet will be mailed to you with costs and forms.

Retiree medical and postretirement life insurance

You'll receive a separate envelope in the mail 90 days before your retirement date if you're eligible for PG&E-sponsored retiree medical coverage, or if you have a postretirement life insurance option that you can elect in lieu of the automatic postretirement life insurance benefit.

Retirement service award

BI Worldwide (BI), PG&E's service award vendor, will automatically mail you a retirement service award packet outlining your retirement gift choices and providing instructions on how to order your gift. This packet will contain a gold card giving you access to PG&E facilities and discounts. If you haven't received your packet within 60 days after your retirement date, call BI at **1-800-385-3139**.

COBRA

Within 30 days after you retire, PG&E's COBRA administrator will automatically send you cost information and forms to continue dental, vision, EAP, medical and health care FSA coverage. **If you plan to enroll in a PG&E-sponsored retiree medical plan, don't elect medical coverage through COBRA.**

What's not provided?

You won't have dental, vision, flexible spending account (FSA) or Employee Assistance Plan (EAP) coverage through PG&E after you retire.

Survivor benefits:
What your loved one needs to know

Here are a few things your spouse, surviving dependent or joint pensioner should know now—and save for future reference.

Having this information readily available can help simplify what will be a difficult time.

Update your address

If you're a surviving spouse or joint pensioner, please keep PG&E updated with your current address so PG&E can send you important information about your benefits.

Call the PG&E Pension Call Center at 1-800-700-0057 to update your address.

If you change your address and you don't tell PG&E, **your pension payments may be temporarily suspended until PG&E has your new address.**

Survivor checklist

What your survivor needs to do

○ Report your death.

Your spouse, a family member or even a friend should call the PG&E Benefits Service Center at 1-866-271-8144 as soon as possible to report your death. Representatives are available Monday through Friday, except holidays, from 7:30 a.m. to 5 p.m. Pacific time.

This is the first step to starting survivor benefits. PG&E will need a certified copy of the death certificate in order to pay out joint pension and medical benefits. The sooner your spouse or family member calls the PG&E Benefits Service Center, the sooner all benefits that are due can be paid out.

○ Collect life insurance benefits.

Your spouse or other named beneficiary will need to call the PG&E Benefits Service Center at 1-866-271-8144 to collect life insurance benefits. The PG&E Benefits Service Center will need a separate certified copy of the death certificate to pay your life insurance benefit.

Information about your life insurance benefits can only be disclosed to your named beneficiary—**so it's important that you keep your beneficiary designation up to date throughout your lifetime.** You can update your beneficiary information at http://mypgebenefits.com.

Make sure your beneficiary knows the life insurance benefit is due to him or her. Only your beneficiary can initiate the life insurance payment (except in the case of a minor beneficiary, when a legal guardian may initiate the payment).

If you have a joint pension

○ Start the joint pension payments.

The joint pension is not automatic. Your joint pensioner will need to complete and return the paperwork from the PG&E Pension Call Center to start receiving joint pension payments.

Your joint pensioner may not get the first check for several months. After you die, there will be a delay between the last payment of your pension benefit and the start of the new joint pension in your joint pensioner's name.

How long the delay lasts depends on how soon your death is reported to the PG&E Benefits Service Center, and how soon your joint pensioner returns the necessary paperwork. This process typically takes one full month after the retiree's death is reported.

The joint pension is payable as of the first of the month after you die—so your joint pensioner may get two or more months' worth of pension payments in the first check.

○ Be prepared financially to cover living expenses.

Your spouse will need to be prepared with enough savings to bridge at least one month between the end of your pension payments and the beginning of his or her own pension payments.

If you're married, make sure your spouse understands how much of a continuing pension he or she will receive, if any.

- If you elected a joint pension of less than 100%, your spouse will need to be prepared to live on a smaller pension payment.
- If you elected a joint pension with someone other than your spouse, or a single life pension for your own lifetime only, your spouse will have no pension income after you die.

◯ Be prepared financially to reimburse any pension overpayments.

If your death is reported late in the month—after pension payroll has already run for the following month—**any overpaid pension after your death must be returned to PG&E** before additional benefits (including joint pension and medical) can be paid to your spouse or joint pensioner.

- **If you have direct deposit** and your account is credited for the month following your death, **PG&E will automatically deduct the overpaid pension** from your account. If there are insufficient funds to cover the overpaid pension, your spouse or joint pensioner will need to return the overpayment to PG&E before PG&E can pay any additional benefits.
- **If you get paper checks** and if a check is issued for the month following your death, **a stop payment will be issued** on the check and your spouse will be unable to cash it. If any checks are cashed after your death, your spouse or joint pensioner will need to return the overpayment before PG&E can pay any additional benefits.

If your survivor has medical coverage through PG&E

◯ Decide whether to keep medical coverage.

If your survivor is enrolled as a dependent in PG&E-sponsored retiree medical coverage when you die, he or she needs to decide whether to keep it. Survivors have to pay the full monthly premium. See PG&E's *Your Retiree Medical and Postretirement Life Insurance Guide* for details.

If you have the retiree utility discount

◯ No action is needed.

Your spouse will continue to get the retiree utility discount for six months after your death. After six months, surviving spouses are no longer eligible for the discount.

Staying in touch with PG&E

Whether you're a retiree, surviving spouse or joint pensioner, it's important that you stay in touch with PG&E to make sure you get your benefits.

Update your address

Contact PG&E to update your address and phone number anytime you move.

PG&E needs your address to communicate important information about your benefits—whether you're a retiree, surviving spouse or joint pensioner. Here's how to update your address and phone number.

- **Retirees:** Go to the PG&E online Pension Center at **https://pge.benefitcenter.com** or call the PG&E Pension Call Center at **1-800-700-0057**
- **Surviving spouses and joint pensioners:** Call the PG&E Pension Call Center at **1-800-700-0057**

Surviving spouses and joint pensioners

If you change your address and you don't tell PG&E, **your pension payments may be temporarily suspended until PG&E has your new address.**

Permanent and mailing addresses

You can maintain two types of addresses at the PG&E online Pension Center.

Permanent address

- Where PG&E will overnight your final active employee paycheck, including any vacation payout you may have
- Determines what PG&E-sponsored medical plans are available to you if you're eligible for retiree medical coverage

If you provide a post office box or other non-residential address, your final active employee paycheck can only be mailed via the U.S. Postal Service. **It's not likely to arrive by your last day of employment.**

Mailing address

- If you want to get mail somewhere other than your permanent address
- Where PG&E will mail your pension check if you don't elect direct deposit
- Where PG&E will mail other important correspondence, like annual Open Enrollment information if you're eligible for retiree medical coverage

Use your PG&E retiree ID

You'll get a new retiree corporate ID and personnel number after you retire.

- **Your retiree corporate ID** will be the same as your employee corporate ID, with an R added at the end.

EXAMPLE:
If your employee ID was **ABC1**, your retiree ID will be **ABC1R**

- **Your retiree personnel number** will be on your first pension statement. You'll need this number when you call the PG&E Pension Call Center or the Payroll Service Center.

Questions about your retiree personnel number?

Call the PG&E Pension Call Center.

Register on the PG&E online Pension Center

Use your retiree personnel number to log on to the PG&E online Pension Center.

Don't use "www" in the address—just type **https://pge.benefitcenter.com**.
Once you're there, you'll see instructions on how to register.

You'll need to register with your retiree personnel number **after your retirement date**—even if you recently used the PG&E online Pension Center as an active employee. **You can't register as a retiree until after you retire.**

You'll be able to:

- Update your permanent or mailing address
- Enter or update your tax withholding information
- Enter or update your bank information for direct deposit
- View the *Summary of Benefits Handbook for Retirees and Surviving Dependents*
- Find links to see your recent pension pay statements (you'll need your **retiree corporate ID** and password for this function)

Contact information

Pension

PG&E online Pension Center

Login required

Update personal information and learn about your pension benefits

https://pge.benefitcenter.com

PG&E Pension Call Center

Help with pension paperwork and survivor benefits

Representatives are available
Monday–Friday except holidays,
7:30 a.m.–3:30 p.m. Pacific time

1-800-700-0057
Email **HRPensionQuestions@pge.com**

PG&E QDRO Administration Center

Help with divorce documentation

1-855-757-6635

PG&E Payroll Service Center

Help with questions about your pension payments—including how to make online tax withholding and direct deposit changes

Representatives are available
Monday–Friday, 8 a.m.–4 p.m.
Pacific time (closed 12–12:30 p.m. for lunch)

415-973-3767

Select **option 1** for a representative who specializes in helping pensioners

401(k)

PG&E Retirement Savings Plan (RSP)

Administered by Fidelity Investments

Login required to access your personal data

Representatives are available
Monday–Friday except New York Stock Exchange holidays, 5:30 a.m.–9 p.m. Pacific time

1-877-PGE-401k (1-877-743-4015)
401k.com

Other benefits

PG&E Benefits Service Center

Login required to access your personal data

Help with PG&E-sponsored retiree medical and postretirement life insurance benefits

Representatives are available
Monday–Friday, 7:30 a.m.–5 p.m. Pacific time

1-866-271-8144
http://mypgebenefits.com

Benefits Internet Site

No login needed

General information about PG&E benefits

mypgebenefits.com

PG&E's *Summary of Benefits Handbook*

Details about PG&E benefits

mypgebenefits.com > Resources tab

Call the PG&E Pension Call Center
to request a free copy

PG&E-Sponsored Retiree Medical Coverage

Representatives are available
Monday–Friday, 7:30 a.m.–5 p.m. Pacific time

1-866-271-8144
mypgebenefits.com

PG&E Postretirement Life Insurance

Representatives are available
Monday–Friday, 7:30 a.m.–5 p.m. Pacific time

1-866-271-8144
mypgebenefits.com

For conversion information:
1-877-275-6387

PG&E's Retirement Service Award

Administered by BI Worldwide (BI)

1-800-385-3139

Other resources

Pacific Service Employees Association

Information about dental, vision and accidental death and dismemberment insurance you can buy—and other discounts and activities

1-800-272-7732
psea.info

Pacific Service Credit Union (PSCU)

Direct deposit available for your pension; information about loans, refinancing options and savings products

1-888-858-6878
pacificservice.org

San Joaquin Power Employees Credit Union (SJPECU)

Direct deposit available for your pension; information about loans, refinancing options and savings products

1-800-637-5993
sjpecu.org

Campaign for the Community

Information about PG&E matching gifts on amounts you pledge

Representatives are available
Monday–Friday except holidays,
6:30 a.m.–4 p.m. Pacific time

1-866-751-6031
Email **pge-support@yourcause.com**

IRS Publications

Tax information and forms

1-800-829-3637
irs.gov

Medicare

General or claims-specific Medicare information

1-800-633-4227
medicare.gov

Social Security

Medicare enrollment and Medicare cards

1-800-772-1213
socialsecurity.gov/medicare

Legal disclaimer

The benefit plans described in this guide are governed by the terms of each plan's respective plan document. In the case of discrepancies between the summary in this guide and the plan documents, the plan documents take precedence.

Copies of plan documents are available from the PG&E Pension Call Center on request. PG&E reserves the right to amend or terminate any benefit plan, subject to collective bargaining where applicable.

"PG&E" refers to Pacific Gas and Electric Company, a subsidiary of PG&E Corporation. ©2015 Pacific Gas and Electric Company. All rights reserved. Printed on recycled paper. ♻ Printed with soy ink. 12.2015