

PG&E Management and
Administrative & Technical (A&T) Employees
Open Enrollment for 2011 Benefits is November 5–19

What's New for 2011?

For details about these changes, please see the 2011 enrollment materials included in this packet.

Health care coverage for adult children. You can enroll your adult children under age 26 as dependents in your PG&E-sponsored medical, dental and vision plans, with coverage effective January 1, 2011. To be eligible for this coverage, your adult children must be under age 26 as of January 1, 2011, and have no access to other employer-sponsored health care coverage, aside from parental coverage. For the Health Savings Account Medical Plan for Management and A&T Employees, you can enroll your adult children in the plan regardless of their eligibility for other employer-sponsored coverage.

You have until December 4 to enroll your adult children in your PG&E-sponsored health care coverage. This special 30-day enrollment period only applies to enrollment of your adult children who are ages 19 through 25. If you need to enroll an adult child after the regular Open Enrollment period ends but before the special 30-day enrollment period ends, please call the HR Service Center. **You have until November 19 to enroll yourself or other eligible dependents,** or to make changes to your benefit elections for 2011.

Coverage will be effective January 1, 2011, along with any other changes you make during Open Enrollment. If you add your eligible adult children to your health care coverage, you'll be responsible for paying any additional premium contributions for them, if applicable, plus any deductibles, copayments or coinsurance they incur when receiving services. If you live in California, you may be required to pay imputed income taxes on the value of benefits provided to your adult children.

New HSA Medical Plan with special Health Savings Account (HSA). PG&E is introducing a new medical plan that comes with a special, tax-advantaged Health Savings Account (HSA) designed to give you more control over when and how you spend your health care dollars. The new HSA Medical Plan, administered by Anthem Blue Cross, is similar to a traditional preferred provider organization (PPO) plan with a higher deductible. One of the plan's great features is that it pays 100% for preventive care and services, as determined by Anthem Blue Cross, and 100% for preventive prescription drugs, as determined by Medco.

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Available November 1, 2010

Tobacco Cessation Program

Beginning November 1, you and your dependents who are enrolled in a PG&E-sponsored medical plan can participate in Smokeless, PG&E's free tobacco cessation program. Smokeless is a proven way to become tobacco-free, and is administered in conjunction with the American Institute for Preventive Medicine.

After you enroll in Smokeless, you'll receive one year of unlimited coaching by phone, eight weeks of Nicotine Replacement Therapy (gum or patch), a self-help guide and relaxation CDs or tapes.

Smokeless has been implemented at more than 3,000 companies, hospitals and government agencies over the last 23 years, resulting in an employee success rate of 45% after just one year of participation.

To enroll in the free program, call **800-345-2476, ext. 233** (6 a.m. to 2 p.m. Pacific Time). If you prefer to be called by your coach after 2 p.m. or on weekends, you can indicate that during your first session.

You can enroll anytime beginning November 1, as this program is not part of Open Enrollment.



**For Anthem Blue Cross Members:
Free Seasonal Flu Shots
at Medco Health
Retail Pharmacies**

Effective October 1, 2010, members of the Anthem Blue Cross and Medco Health-administered medical plans will be able to get their seasonal flu shots at no cost at any of the retail pharmacies that sponsor flu shots in the Medco Health retail pharmacy network. Members should provide their Medco Health ID card to the pharmacy department for claims processing. Members can still get their flu shots through their doctors' offices, too.

The HSA Medical Plan qualifies as a high-deductible health plan under federal guidelines. This allows PG&E to provide a tax-advantaged HSA along with the medical plan. ConnectYourCare will administer the HSA.

- When you enroll in the HSA Medical Plan, PG&E will set up and contribute to an HSA for you.
- You have the option of making your own before-tax payroll contributions to your account, up to the annual federal contribution limit. You can start, change or stop your contributions anytime you like, as often as you like.
- You can use your HSA to pay for eligible out-of-pocket health care expenses, including the HSA Medical Plan deductible, or you can save the money in your HSA for future health care needs, even after you retire.
- Best of all, the HSA is yours to keep; you never forfeit unused amounts and you own the account the same way you own a personal bank account.

Find out more about how this new benefit can work for you. Read the enclosed *Health Savings Account Guide* and visit www.connectyourcare.com/pgc for details.

Benefit changes for Anthem Blue Cross members:

- **More than 300 generic prescription drugs available free of charge through Medco Health mail order.** Beginning January 1, 2011, if you're enrolled in the Network Access Plan (NAP), Comprehensive Access Plan (CAP) or Basic Plan, more than 300 generic prescription drugs will be available to you free of charge when you order your prescription drugs through Medco Health's mail-order program. Medco Health administers prescription drug benefits for the NAP, CAP and Basic Plan. Visit www.medco.com/lowcostgenerics to see a list of free generic mail-order drugs or call Medco Health at 800-718-6590.
- **Combined deductibles and out-of-pocket limits for medical care and mental health, alcohol and drug care (MH&AD).** Effective January 1, 2011, amounts you pay out of pocket for eligible medical and MH&AD expenses will apply toward your medical plan deductible and out-of-pocket maximum in the Network Access Plan (NAP), Comprehensive Access Plan (CAP) and Basic Plan, administered by Anthem Blue Cross and ValueOptions. This change is a result of new federal guidelines on the Mental Health Parity and Addiction Equity Act of 2008.

Improved dental and orthodontia benefits for the Dental 1 and Dental 2 plans. Starting January 1, 2011, the annual maximum dental benefit will increase to \$2,500 (currently \$2,000). In addition, the lifetime maximum benefit for orthodontia treatment will increase to \$2,000 (currently \$1,500). Orthodontia treatment will continue to be covered at 50%. The lifetime benefit maximum for orthodontia treatment already in progress will be subject to Delta Dental's proration rules.

Improved vision benefits. You'll have many improved vision benefits through Vision Service Plan starting January 1, 2011:

- In addition to an annual vision exam, elective contact lenses will be covered up to \$150 every 12 months (if you elect contact lenses, you'll be eligible for a frames allowance 12 months from the date you obtain contact lenses). In 2010, contact lenses are covered up to \$75 in lieu of exams and eyeglasses.
- Frames will be covered up to \$150 every 24 months (currently \$115).
- Ultraviolet and photochromic lenses will be covered at 100% after the copayment (currently not covered).
- Lasik will be covered up to \$250 per eye, per lifetime (currently not covered).

Changes to eligible expenses for the Health Care Reimbursement Account (HCRA) in 2011.

Due to changes in federal health care legislation, many over-the-counter medicines no longer will be eligible for reimbursement from the HCRA without a prescription. Non-medicinal treatments like contact lens solutions and bandages will remain eligible for reimbursement in 2011. Visit www.connectyourcare.com/otc for more information on eligible expenses.

New ID cards for Health Net plan members. Health Net will issue new ID cards for all members enrolled in a Health Net plan as of January 1, 2011. If you're currently enrolled in a Health Net plan and you stay enrolled for 2011, you'll get a new Health Net ID card. Be sure to discard your old card and start using the new one. Your new Health Net ID card will be effective January 1, 2011. If you do not receive your card by the end of January, please contact Health Net directly. You also have the option of printing a copy of your ID card from Health Net's website.

MedExpert not available for 2011. As a result of low participation, PG&E no longer will offer the MedExpert health advocate service in 2011. If you have symptoms, a medical question, or you're facing surgery, PG&E-sponsored medical plans offer nurse advice lines and decision support services. These 24-hour telephone advice lines are available for you to discuss medical issues with a nurse. Visit your plan's website or call your plan's Member Services department to learn more.

Changes to the percentage you pay toward medical and dental premiums.

In 2011, PG&E will continue to pay most of the cost of your health care coverage. Starting January 1, 2011, the percentage you pay toward the cost of your coverage will be the same whether you enroll yourself only or your dependents, too. Currently, you pay a higher percentage of the cost of dependent coverage than you pay for yourself. You'll pay with before-tax dollars:

- 5% of premiums for the new HSA Medical Plan
- 7.5% of premiums for all other medical and dental plans

PG&E will continue to pay 100% of the cost of vision coverage for you and your enrolled dependents. As in past years, the actual dollar costs for health care premiums have continued to rise, resulting in higher annual premiums for all plans.

2011 Vision Premiums for Management and A&T Employees

Monthly Premiums for Vision Plan	You Pay	PG&E Pays	Total Monthly Premium Cost
Vision Plan Administered by Vision Service Plan			
Employee only	\$0.00	\$7.48	\$7.48
Employee + spouse/registered domestic partner	\$0.00	\$15.71	\$15.71
Employee + children	\$0.00	\$13.46	\$13.46
Employee + spouse/registered domestic partner + children	\$0.00	\$21.69	\$21.69

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QUESTIONS?

If you have questions about Open Enrollment or your benefits, contact the HR Service Center:

- E-mail hrcbenefitsquestions@exchange.pge.com
- Call 415-973-4357 or 800-788-2363

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

Call volumes are high during Open Enrollment and you may experience delays, so please be patient. If you don't need assistance, there is no need to call; simply follow the instructions in your enrollment materials.

2011 Medical Premiums for Management and A&T Employees

Monthly Premiums for Medical Plans	You Pay	PG&E Pays	Total Monthly Premium Cost
NETWORK ACCESS PLAN (NAP) and COMPREHENSIVE ACCESS PLAN (CAP) Administered by Anthem Blue Cross			
Employee only	\$48.45	\$597.51	\$645.96
Employee + spouse/registered domestic partner	\$101.69	\$1,254.13	\$1,355.82
Employee + children	\$86.79	\$1,070.33	\$1,157.12
Employee + spouse/registered domestic partner + children	\$140.03	\$1,726.94	\$1,866.97
Basic Plan Administered by Anthem Blue Cross			
Employee only	\$17.35	\$214.00	\$231.35
Employee + spouse/registered domestic partner	\$36.38	\$448.76	\$485.14
Employee + children	\$30.81	\$380.01	\$410.82
Employee + spouse/registered domestic partner + children	\$49.84	\$614.76	\$664.60
HSA Medical Plan Administered by Anthem Blue Cross			
Employee only	\$32.62	\$619.80	\$652.42
Employee + spouse/registered domestic partner	\$68.47	\$1,300.91	\$1,369.38
Employee + children	\$58.43	\$1,110.26	\$1,168.69
Employee + spouse/registered domestic partner + children	\$94.28	\$1,791.36	\$1,885.64
Blue Shield HMO			
Employee only	\$42.93	\$529.46	\$572.39
Employee + spouse/registered domestic partner	\$90.10	\$1,111.18	\$1,201.28
Employee + children	\$76.85	\$947.82	\$1,024.67
Employee + spouse/registered domestic partner + children	\$124.02	\$1,529.54	\$1,653.56
Health Net HMO			
Employee only	\$48.88	\$602.80	\$651.68
Employee + spouse/registered domestic partner	\$102.59	\$1,265.22	\$1,367.81
Employee + children	\$87.56	\$1,079.84	\$1,167.40
Employee + spouse/registered domestic partner + children	\$141.27	\$1,742.29	\$1,883.56
Kaiser Permanente HMO North and South			
Employee only	\$41.35	\$510.00	\$551.35
Employee + spouse/registered domestic partner	\$86.78	\$1,070.36	\$1,157.14
Employee + children	\$74.01	\$912.80	\$986.81
Employee + spouse/registered domestic partner + children	\$119.44	\$1,473.15	\$1,592.59

BEFORE-TAX ADVANTAGE

Remember, your contributions for medical and dental premiums are deducted from your paycheck **before** FICA taxes and federal and state income taxes are calculated, reducing your taxable income and potentially saving you money. This means your actual net cost for medical and dental premiums may be 25–35% lower than the amounts shown, depending on your personal income tax bracket.

2011 Dental Premiums for Management and A&T Employees

Monthly Premiums for Dental Plans	You Pay	PG&E Pays	Total Monthly Premium Cost
Dental 1 Plan Administered by Delta Dental			
Employee only	\$4.30	\$53.01	\$57.31
Employee + spouse/registered domestic partner	\$8.17	\$100.72	\$108.89
Employee + children	\$8.17	\$100.72	\$108.89
Employee + spouse/registered domestic partner + children	\$12.04	\$148.43	\$160.47
Dental 2 Plan Administered by Delta Dental			
Employee only	\$5.20	\$64.12	\$69.32
Employee + spouse/registered domestic partner	\$9.88	\$121.83	\$131.71
Employee + children	\$9.88	\$121.83	\$131.71
Employee + spouse/registered domestic partner + children	\$14.56	\$179.54	\$194.10