

PG&E Retirees and Surviving Dependents Open Enrollment is October 21–November 4

What's New for 2011?

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

Medical plan coverage for adult children. You can enroll your adult children under age 26 as dependents in your PG&E-sponsored medical plan, 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.

You have until November 19 to enroll your adult children in your PG&E-sponsored retiree medical plan. 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 4 to enroll yourself or other eligible dependents,** or to make changes to your 2011 retiree medical plan coverage.

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 medical 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.

Changes to PG&E's retiree medical contributions. Starting January 1, 2011, there will be changes to the way PG&E shares in the cost of your retiree medical coverage:

- **For current retirees,** PG&E will share in the cost of medical plan inflation until PG&E contributions reach a new maximum dollar limit under the current Retiree Medical Employer Contribution (RMEC) program. The maximum dollar limit payable by PG&E has increased from the maximum amount PG&E previously contributed. This program is for existing retirees.
- **For new retirees,** PG&E will provide its retiree medical contributions through the new Retiree Medical Savings Account (RMSA). The RMSA replaces the RMEC for eligible employees who retire in 2011 or later. In addition, eligible employees retiring September 1, 2009, through December 1, 2010, had the option to elect the RMSA, effective January 1, 2011. Those who did not make an election will continue to receive PG&E contributions under the RMEC.

Details about both contribution programs are available in your 2011 *Benefits Enrollment Guide*.

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Available November 1, 2010

Get help going tobacco-free

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 with the American Institute for Preventive Medicine.

After you enroll, 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 a success rate of 45 percent after just one year of participation.

To enroll in this 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.**





QUESTIONS?

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

- E-mail hrbenefitsquestions@exchange.pge.com (please allow three full business days for a response)
- Call 415-972-7077 or 800-700-0057

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

The HR Service Center will be handling a high volume of calls during Open Enrollment. If possible, please send your questions via e-mail.

If you are not making any changes to your benefits or you have no questions, there is no need to call.

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), Retiree Optional Plan (ROP) or Medicare Supplemental Plan (MSP), 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, ROP and MSP. 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) and Comprehensive Access Plan (CAP), 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.

SmartValue Plan not available for 2011. As a result of changes in federal law, PG&E no longer can offer the SmartValue Medicare Advantage Private Fee-for-Service (PFFS) Plan, administered by Anthem Blue Cross. The Comprehensive Access Plan (CAP), administered by Anthem Blue Cross, is the plan most similar to the SmartValue Plan. If you're currently enrolled in the SmartValue Plan and you do not elect a new plan during Open Enrollment, you'll automatically be enrolled in the CAP effective January 1, 2011. Anthem Blue Cross will mail additional information about this change to your home in the coming days.

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.

Changes to Non-Medicare Benefits

New medical plan and special Health Savings Account (HSA) for non-Medicare retirees. The Health Savings Account Medical Plan (HSA Medical Plan), administered by Anthem Blue Cross, is a new medical plan that will be available for non-Medicare retirees and their non-Medicare dependents, effective January 1, 2011. The HSA Medical Plan qualifies as a high-deductible health plan under federal guidelines. This allows PG&E to provide a tax-advantaged Health Savings Account (HSA) along with the HSA Medical Plan. ConnectYourCare will administer the HSA. See your 2011 *Benefits Enrollment Guide* for details.

New way to determine rates for non-Medicare plans. PG&E is using a new method to determine 2011 premiums for non-Medicare medical plans. Actual medical claims costs for active employee and non-Medicare retiree medical plans will be tracked separately to determine employee premium rates versus non-Medicare retiree premium rates. Until now, those medical costs were averaged together. Company contribution amounts under both the RMEC and RMSA incorporate the new way to determine rates. Your personalized 2011 *Enrollment Worksheet* reflects this change.