



**Pacific Gas and  
Electric Company™**

**Stephen A. Rayburn**  
Director and Chief Negotiator  
Labor Relations

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December 30, 2011

Mr. Tom Dalzell, Business Manager  
Local Union No. 1245  
International Brotherhood of Electrical Workers, AFL-CIO  
P.O. Box 2547  
Vacaville, CA 95687

Dear Mr. Dalzell:

This letter and its attachments will confirm the proposed settlement offer discussed on November 30, 2011 by the Company's Negotiating Committee and the Union's Negotiating Committee in General Negotiations with respect to the IBEW Physical; Medical Dental, Vision; and Benefits Agreements.

### **Union Committee Position**

Due to the breadth and depth of changes, the Local 1245 Bargaining Committee is remaining neutral on both the Physical and Benefits offers, allowing members to decide for themselves if the offers merit ratification.

### **Ratification Vote**

The Company's GWI, Working Conditions, and Benefits proposals are dependent upon ratification of both the Physical and Benefits Agreement. Implementation of the GWI, working conditions and benefits changes will not occur until both the Physical Agreement and Benefits Agreement are ratified.

### **Term**

The Physical Agreement; Medical, Dental, Vision; and Benefits Agreement will have a three-year term of January 1, 2012 through December 31, 2014.

### **Wages**

The Company will grant a general wage increase, using normal rounding, of 2.75 percent (2.75%) effective January 1, 2012; 2.75 percent (2.75%) effective January 1, 2013; and 2.75\* percent (2.75%\*) effective January 1, 2014.

### **\*Ratification Bonus**

An additional 0.5 percent (0.5%) will be added to the general wage increase on January 1, 2014 if this agreement is ratified on the first vote. (2.75% + 0.5% = 3.25%)

Clerical employees will also be eligible for a one time \$500 payment if the Benefits Agreement and Physical Agreement are ratified on the first vote.

### **Cancellation of Letter Agreement 10-36**

PG&E and Local 1245 agree on the importance of creating a new safety culture at the Company. Both parties want to see the Company become a leading organization in the areas of public and employee safety. Toward that end, the parties agree as follows:

1. The parties agree that this provision will supersede Letter Agreement 10-36, which amended the Positive Discipline System. Letter Agreement 10-36 was intended to allow the Company to consider an employee's overall safety record, both positive and negative in making discipline decisions. The Agreement was designed to prevent an employee from being terminated for a minor offense simply because the employee had an active DML. It was also designed to hold more accountable employees who had historically poor safety records. In practice, the Agreement was used to support lesser discipline as many times as it was used to support greater discipline. Regardless, employee perception of the Letter Agreement was negative. Because the parties believe that the existence of Letter Agreement 10-36 became a distraction from the far more important goal of achieving the highest levels of public and employee safety, they agree to cancel the Agreement.
2. In canceling the Agreement, both parties are mindful that doing so could send the wrong message. Therefore, the parties affirm that they are committed to improving both the safety culture and performance of PG&E. The Union agrees that employees with poor safety records should be held accountable. The Company believes that minor safety infractions may not always result in escalated discipline.
3. The parties acknowledge that a discipline system is a necessary component of any leading safety policy.
4. The parties also acknowledge that near miss reporting, corrective action procedures and risk avoidance in general are equally necessary components.
5. The parties agree that the current PD system could be improved by including a list of offenses that are so serious as to warrant immediate termination. This would allow employees to have a clear understanding of the offenses and understand the consequences of engaging in such activity. Accordingly, the parties agree to meet and attempt to agree on a non-exhaustive list of offenses. If the parties are unable to agree, the Company shall publish its own list of offenses, which will be subject to the grievance procedure.
6. The parties also agree to meet, discuss and collaborate on the implementation of near miss, corrective action and other risk avoidance initiatives.

## **Staffing**

In order to ensure that the Company had a qualified workforce, the Company and Union agreed to establish increased staffing targets in the Gas and Electric Departments in Letter Agreement 10-44 for the years 2011-2013, including specific targets for certain gas and electric Apprentice classifications..

The Company will hire pre-apprentice linemen as follows:

2012: 60

2013: 60

The Company and Union are now establishing the following ratios for apprentices on electric crews in order to assure training and safety:

Title 200: 1 cold apprentice per Electric Crew Foreman (excluding small yards where the parties agree that an apprentice would not receive adequate training); 1 additional hot apprentice not to exceed 1 hot/cold apprentice per 2.5 journeymen.

Title 300: 1 cold apprentice per Subforeman A; 1 additional hot apprentice not to exceed 2 hot/cold apprentices per Subforeman A.

During 2014 and 2015, the Company agrees to hire the maximum number of Pre-Apprentice Lineman that it can hire without exceeding the ratios set forth above. In no event will the Company be required to hire more than 100 Pre-Apprentice Linemen in either year, unless the ratios so permit and the Company determines in its sole judgment that operational needs would be suited by hiring more than 100 Pre-Apprentice Linemen.

## **Meals**

In order to encourage employees to continue to work during emergencies, the parties have agreed to increase the in lieu meal payment from the current \$15 and \$20 to \$23. Currently, employees electing to consume a meal have certain restrictions on items that can be ordered (e.g. filet mignon). The parties have agreed to eliminate restrictions on menu items that can be ordered, while establishing a \$30 cap on restaurant meal charges. Employees will be required to provide a non-itemized receipt and will be responsible for paying the restaurant for any charges over \$30, including tax and tip.

## **Commercial Driver's License Addendum (CDLA)**

Update Letter Agreement 90-113 to include the following:

- CDLA premium (\$600) will be added to the hourly wage
- 150% ratio of employees with CDL to vehicles at the headquarters.

## **Commercial Driver's License**

All new hires and transfers/bidders after December 31, 2011 to Gas and Electric T&D will be required to have and maintain a CDL as part of their job duties and will not receive additional compensation. Employees in Title 200 Gas and Electric T&D and Title 300 Gas and Electric positions as of December 31, 2011 bidding to Title 200 CDL required positions will remain

eligible for the higher CDLA wage rate. Accommodation language is included in the Agreement (Page 40).

### **Grievance Timelines**

Provisions have been added to the grievance language to facilitate the more timely resolution of grievances. See attachment.

### **Job Bidding**

- During discussions on the job bidding process, the Company clarified how “D” bidders receive consideration for positions. “D” bidders are considered qualified if they previously held the classification being filled or previously met the requirements of a “B” or “C” bidder including time in line of progression. This applies to all classifications, except apprenticeships, where the bidder is considered qualified if they have met the pre-employment test requirements (excludes Apprentice System Operators per LA-R1-05-21).
- During discussions on the job bidding process, the Company clarified how Hiring Hall employees receive consideration for regular positions with the Company. In general, candidates with Hiring Hall experience are typically placed at a higher tier than those with no experience.
- The maximum number of bids on file at a time will be 80.

### **Temporary Upgrades**

The Company and Union reviewed P-RCs 15773, 11653 and 12043 and confirmed that it is the intent of both parties that upgrades for additional workload (except those behind absent employees, e.g., Worker’s Compensation, leave of absence) should not go beyond one year. After one year, the Company should make a decision as to whether or not to fill the job on a regular basis. There may be exceptions to this which may be agreed to by the parties.

### **Flame Resistant Clothing**

The parties agreed that the Flame Resistant clothing allowance is more appropriately discussed in the Working Committee established in Letter Agreement 08-23.

### **Master Apprenticeship Agreement**

The Company and Union will update the Title 200 and Title 300 Master Apprenticeship Agreements.

### **Letter Agreement 10-50**

The parties agreed that the Pre-Apprentice Lineman classification will continue to be filled with a 1:1 ratio similar to or along the lines of Section 205.5 and 305.8 of the Agreement.

## Ad Hoc Committees

- Transmission/Distribution – Electric Operations

The parties agree to establish an ad hoc committee within three months of the ratification of the Table Settlement. The committee will be tasked with addressing contractual issues surrounding the Transmission and Distribution Control Centers and associated classifications. This will include but not be limited to Relief pay, Sunday premium, factored pay, meals, holidays, and Journeyman wage steps, apprentice programs, classification title changes, Distribution Operator job awards and continuing Operator knowledge testing/certification and work schedules.

- Physical Clerks

An ad hoc committee will review the current duties of Title 200 and Title 300 physical clerks and discuss the possible establishment of a new field support position. This committee should complete its work within six months.

- SCADA

The Company and Union agree to establish a joint committee involving Troublemakers, Electricians and Telecommunications Technicians to discuss the installation and troubleshooting of SCADA equipment. The Committee will discuss possible changes to the Troublemaker, Electrician and Telecommunications Technician job definitions. The Committee will make recommendations for any changes to job definitions by April 30, 2012.

- Hydro

The Company and Union will meet to discuss the job definitions and line of progression for Hydro Utility Operator, Water System Repairperson, and Roving Operator. In addition, the Company understands Union is interested in discussing wage rates for Water System Repairperson. The parties will meet no later than April 30, 2012.

- Corrosion Mechanic

The parties have also agreed to establish a joint committee to review the Corrosion Mechanic classification, including the job definition, training program, and possible NACE certification.

- DCPP

The Company and Union shall discuss the following proposals from the 2011 General Negotiations related to DCPP in an ad hoc committee, and shall complete any agreements made by July 31, 2012.

### Union Proposals

U-7e: Access suspension

U-55k: Expand Control Technician job description

U-55s: Clarify DCPD Subforeman job description

### Company Proposals

C-11: Hours: Allow for change of work hours when a temporary schedule is needed for work that must be continuous until completed

C-12: Hours: Allow second shift to start at Company discretion

C-32: Replace Utility Worker with Pre-Apprenticeship classifications

- Fleet

The Union proposed a revision to Section 107.3 for Title 200 and Title 300 Mechanics and Garagemen. The parties agreed that this would be discussed in the existing Fleet Ad Hoc Committee.

### **Medical Plan**

PG&E and the IBEW acknowledged the complexity of healthcare issues early in the joint education process this year and decided to work collaboratively throughout the summer with consultants and experts from both sides sharing data and researching options to propose common ground solutions.

As a result of this joint collaboration between the Company and Union, a proposed re-design of medical plans will accomplish three main objectives:

1. Significantly improve the quality of care PG&E enrolled employees and dependents receive; reducing potentially avoidable complications and patient safety errors.
2. Provide behavioral economic incentives to employees to increase use of preventive care, understand their health risks, take action to improve their health, better manage their chronic conditions and choose quality providers.
3. Reduce the current escalating cost trend that has averaged ~8-10% over the last 10 years to achieve cost increases that are more in line with the market, reducing premium cost share increases for both PG&E enrolled employees and dependents and the Company and avoiding the healthcare excise tax penalties of 40% in 2018.

Once the contract is ratified and if during implementation, it is determined that the negotiated single-self-insured medical plan provisions cannot be readily implemented or if federal or state rules change that impact the HRA or medical plans, the Company and Union will meet and confer about mutually acceptable alternatives.

See attachment.

### **Medical Plan Collaboration**

The Company and Union will continue their joint collaboration to identify high-quality providers for various medical services.

### **Hearing Aids**

Hearing aids to be covered at 80% for features determined medically necessary.

### **Dental Plan**

Dental implant coverage to be covered under major care of the Dental Plan.

### **Vision Plan**

Replaces the current VSP signature Plan with the VSP Choice Plan. See attachment.

### **Cash Balance Pension Plan/Automatic RSP Enrollment**

Effective January 1, 2013, new employees hired on or after January 1, 2013, will be covered by a new cash balance defined benefit pension plus increased employer match in the Retirement Savings Plan (RSP). The new plan will not affect employees hired before January 1, 2013 who will remain in the current pension plan. Current employees who might want the new pension plan and higher RSP match will be given the option to elect the new plan in 2014. The cash balance pension design will annually credit each employee with a percentage of pay which will accumulate with interest during employment. A higher employer match will automatically apply to RSP contributions made by employees participating in the cash balance plan. See attachment.

Effective January 1, 2013, new employees hired on or after January 1, 2013, eligible for the cash balance plan will be automatically enrolled in the Retirement Savings Plan upon reaching eligibility for company matching contributions (one year of service). Automatic enrollment payroll deductions will equal the percentage of pay eligible for company match (8% of pay). Employees may reduce or cancel the payroll deduction at any time.

These plan provisions are contingent on the approval of the Employee Benefits Committee of Pacific Gas and Electric Company and the PG&E Corporation Compensation Committee.

### **Pension Adjustment**

Certain retirees will receive a pension adjustment as follows effective March 1, 2012:

Retired before 1987	5.0%
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This pension increase is contingent on the approval of the Employee Benefits Committee of Pacific Gas & Electric Company and the PG&E Corporation Compensation Committee.

### **Group Life Insurance Changes effective January 1, 2013**

This is a packaged offering for life insurance plan provision changes including expanded age-rated supplemental life insurance benefit options to employees that will replace the flat rate premium. New benefits included in this packaged proposal would be Spousal/ Domestic Partner, Child and Accidental Death and Dismemberment (AD&D) insurance options and enhanced Will Preparation benefits.

The benefit design and costs for supplemental life insurance and other ancillary benefits such as Accidental Death and Dismemberment, and dependent coverage options, and other administrative changes in the Benefits Agreement attached.

### **LTD Adjustment**

Effective January 1, 2013, participants who are receiving Long-Term Disability benefits will have their monthly LTD benefit increased by the following adjustments:

<u>Date of LTD Eligibility</u>	<u>Increase</u>
Before January 1, 2000	5.0%
1/1/00 to 12/31/06	2.5%

This LTD adjustment is contingent on the approval of the Employee Benefits Committee of Pacific Gas and Electric Company and PG&E Corporation Compensation Committee.

### **Board Approval and IBEW Membership Ratification**

All proposed changes to the agreement reached for the general wage increase and Benefits are subject to PG&E Corporation Compensation Committee approval and ratification by the IBEW membership.

### **Effective Date**

The changes made in the Table Settlement for the Medical, Dental, Vision Agreement and Benefits Agreement will have an effective date of January 1, 2013 unless otherwise noted.

Attached are amended Contract sections as agreed to during the negotiations, as follows:

- A. Physical Agreement and its Exhibits, Supplements and Clarifications
- B. Medical, Dental and Vision Agreement
- C. Benefit Agreement

If any of the above or the attachments thereto are not in accordance with your understanding of our settlement, please let me know immediately.

Sincerely,

*s/Stephen A. Rayburn*

Stephen A. Rayburn  
Director and Chief Negotiator

Attachments

**ATTACHMENT A**  
**PHYSICAL AGREEMENT**

**TITLE 3. CONTINUITY OF SERVICE**

**3.2** The duties performed by employees of Company as part of their employment pertain to and are essential to the operation of a public utility and the welfare of the public dependent hereon. During the term of this Agreement employees shall not partially or totally abstain from the performance of their duties for Company **including to support a strike or labor action initiated by another union or a strike or labor action taken by a separate bargaining unit of the same union.** Union shall not call upon or authorize employees individually or collectively to engage in such activities and shall make a reasonable effort under the circumstances to dissuade employees from engaging in such activities, and Company shall not cause any lockout. **(Amended 1-1-12)**

## TITLE 4. UNION SECURITY

### 4.1 AGENCY SHOP

(a) No change.

(b) Any employee of Company in a classification represented by Union and who, on December 1, 1970, was an employee and was not a member of the Union, and who remains an employee continuously after December 1, 1970, is exempt from the provisions of Subsection 4.1(a) unless he or she becomes a member of Union. **Effective July 1, 2012, this provision will no longer apply. (Amended 1-1-12)**

(c) No change.

(d) No change.

(e) No change.

## LABOR-MANAGEMENT COOPERATION

### 8.2 LOCAL/DEPARTMENT LABOR MANAGEMENT MEETING

#### (c) WITHDRAWAL

Any Area or Department may withdraw from participation in the Local Labor-Management Committee upon Company's **Manager Director** of **Labor Industrial** Relations giving notice of such intent to Union. (**Amended 1-1-12 1-1-00**)

### 8.3 PRODUCTIVITY ENHANCEMENT COMMITTEES (Title Amended 1-1-00)

(a) Company and Union will establish Joint Committees on Productivity Enhancement. One such committee consisting of four members appointed by Company's **Manager Director** of **Labor Industrial** Relations and four members appointed by Union shall meet at the call of either party. Other Productivity Enhancement Committees will be established as agreed between Union and Company at other levels of Company's organization. Union members of such committees who are employees of Company shall be paid by Company for attendance at mutually agreed-to meetings of such committees. (**Amended 1-1-12 1-1-88**)

400.2 An Ad Hoc Negotiating Committee established by this Title shall be composed of members appointed by Union and members appointed by Company's **Manager Director** of **Labor Industrial** Relations. Each party may appoint any number of members who they deem best suited to resolve the particular dispute before the Committee. The members appointed by each, however, shall be kept to a reasonable number consistent with the principles of effective bargaining, and each shall appoint a spokesman from amongst those appointed to the Committee. (**Amended 1-1-12**)

## TITLE 101. LEAVE OF ABSENCE

### 101.9 FUNERAL LEAVE

(a) ~~If at all possible a, A regular employee will be granted up to three days off with pay if a member of the immediate family dies. the actual time off with pay necessary to attend the funeral of a member of the immediate family, including the time the body may lie in state and the day of the funeral, and the time necessary to travel to and from the location of the funeral, but not to exceed three workdays.~~ Unused vacation or floating holidays may be granted to extend an employee's funeral leave beyond the three days provided for above or personal time off without pay for the time needed will be granted. The immediate family shall be limited to: an employee's spouse or employee's registered domestic partner, parent, grandparent, grandparent-in-law or grandparent of employee's registered domestic partner, parent-in-law or parent of employee's registered domestic partner, child or child of employee's registered domestic partner, grandchild, son-in-law, daughter-in-law, stepchild, brothers, sisters, half-brothers and half-sisters, step-brothers, step-sisters, foster parents, step-parents, aunts, uncles, or an individual who was a member of the employee's immediate household at the time of death. (**Amended 1-1-12**)

(b) No change

(c) No change

## TITLE 102. GRIEVANCE PROCEDURE

### 102.3 TIME LIMITS

#### (a) Filing

- (1) A grievance which involves the discharge of an employee must be filed not later than 14 calendar days after the employee is notified in writing of the discharge. Whether or not a grievance is filed, Company shall, at Union's request, state in *writing the specific factual and policy reasons* therefore within two workdays of such request. **(Amended 1-1-12)**

#### (b) Steps One Through Five Extension of Time Limits

No change.

#### **(c) Time Limit Compliance (Added 1-1-12)**

**Each month, the parties shall prepare a list of any grievances which have not been settled or referred within the time limit provided for in Step Two. The Fact Finding Committee agenda shall include a report out by the responsible Labor Relations Specialist and Business Representative regarding the reason(s) for the delay, what steps have been taken to process the grievance, and whether the Local Investigating Committee meeting is necessary and/or has been scheduled.**

**The Company and Union Fact Finders may direct the Labor Relations Specialist and Business Representative to settle the grievance based on agreed to facts, or instruct that the grievance be settled or referred by the next Fact Finding. Any grievances which have not been settled or referred by the next Fact Finding date will be reported to the Chair and Secretary of the Review Committee along with the information described in the paragraph above. The Review Committee Chair and Secretary will take whatever action they deem necessary to ensure the grievance is settled or referred.**

**Each month, the parties shall prepare a list of any grievances which have not been settled or referred within the time limit provided for in Step Three. The Review Committee agenda shall include a report by the Company and Union Fact Finders regarding the reason(s) for the delay, what steps have been taken to process the grievance, and when the grievance will be heard in Fact Finding.**

**The Chair and Secretary of the Review Committee may direct the Fact Finders to settle the grievance based on agreed to facts, or instruct that the grievance be settled or referred by the next Review Committee. The Review Committee Chairs will take whatever action they deem necessary to ensure the grievance is settled or referred. (Added 1-1-12)**

#### **(d) Expedited Grievance Decision (Added 1-1-12)**

**Prior to or following a Local Investigating Committee meeting, either party may request an Expedited Grievance Decision. A two person panel composed of the Company and Union Fact Finders will review the relevant factors of the grievance as presented by the Labor Relations Specialist and Business Representative. The panel may agree to provide instructions as to grounds for settlement which will be final and binding, but without prejudice to the position of either party. If the panel does not agree on a settlement, the grievance will be processed as provided for in the Local Investigating Committee Section. Use of this option does not waive or extend the grievance processing time limits. (Added 1-1-12)**

## TITLE 104. MEALS

### 104.1 INTENT

**(a)** The provisions of this Title shall be interpreted and applied in a practical manner which shall conform to the intention of the parties in negotiating with respect to meals; namely, that **except as provided in Subsection 104.1(b)**, a comparable substitute shall be provided when employees are prevented from observing their usual and average meal practices or are prevented from eating a meal at approximately the usual time therefore. **(Amended 1-1-12)**

Average and usual meal practices for day employees are defined as:

Breakfast: ½ hour to 1 hour prior to regular work hours.

Lunch: non-workday lunch is same as workday lunch time period.

Dinner: Between 6:00 p.m. and 7:00 p.m.

**(b)** As stated in Section 3.1 of this Agreement, Company is engaged in rendering public utility services to the public, and Union and Company recognize that there is an obligation on each party for the continuous rendition and availability of such services. Therefore, employees will be expected to exercise good judgment as to whether or not to obtain or delay the initial meal when called out for an emergency assignment to restore service to customers during an average and usual meal time. **If called out during the average and usual meal time, the Company may require employees to delay the average and usual meal time. In such event, the employee will be required to forego the meal and receive the in-lieu meal payment provided for in Section 104.10. The Company shall exercise good judgment when utilizing this section of the agreement. (Amended 1-1-12)**

### 104.9 MEALS - REIMBURSEMENT WHEN PURCHASED

Company shall reimburse an employee for the cost of a meal under the provisions of this Title **not to exceed \$30** when such meals are purchased by the employee. **(Amended 1-1-12 1-1-88)**

### 104.10 MEALS - REIMBURSEMENT AND TIME TAKEN

**(a)** Company shall pay the cost of any meal which it is required to provide under this Title **not to exceed \$30**, and shall consider as hours worked the time necessarily taken to consume such meal, except, however, that when a meal is taken at Company expense following dismissal from work the time allowance therefore shall be one-half hour. **The time taken to consume a meal in excess of one hour for the meal taken on the way back to the yard does not apply for eligibility of a rest period in the application of Section 208.11.** If an employee who is entitled to a meal under the provisions of this Title prior to work, during or upon dismissal from work does not accept such meal the employee shall nevertheless be entitled to such time allowance of one-half hour for each meal missed and meal reimbursement as provided in (b) below. The foregoing shall not apply to an employee's regular lunch period. **(Amended 1-1-12 1-1-94)**

**(b)** At the employee's option, Company shall pay an allowance for any meal which it is required to provide in accordance with the following schedule: (Amended 1-1-09)

- |    |   |  |
|----|---|--|
| 1. | Prior to reporting to work:                 | <b><u>\$23.00</u></b>                    |
|    | (i) Meal nearest regular starting time      | <del>\$15.00</del>                       |
|    | (ii) Meal nearest midpoint of regular hours | <del>\$15.00</del>                       |
|    | (iii) Meal nearest regular quitting time    | <del>\$20.00</del>                       |
| 2. | Meal following dismissal from work          | <del>\$20.00</del> <b><u>\$23.00</u></b> |

3. Meal missed during a work period **~~\$20.00~~ \$23.00**

The allowances referred to above will be paid and taxed on regular bi-weekly paycheck pursuant to Sections 204.1 and 304.3. Employees may designate the gross of these payments to a separate direct deposit account than their primary direct deposit account. Employees who receive a pay check may request a separate check for the gross of their In-Lieu meals. **(Amended 1-1-12 1-1-09)**

(c) "Regular hours, starting time, lunch period and quitting time" on a non-workday are the same as those of a workday. (Added 1-1-84)

#### **104.12 OVERTIME MEALS FOR SHIFT EMPLOYEES**

The provisions of this Title shall apply to shift employees as follows:

(a) The employee may arrange to have a meal purchased for herself/himself and delivered to the job. In such event, Company shall pay the cost of the meal and reasonable commercial delivery charges, if any, associated with such meal **not to exceed \$30**, or **(Amended 1-1-12 1-1-88)**

(b) no change.

(c) such employee may provide the meal(s) on the job, and the Company shall pay the employee an allowance of **\$23.00** ~~\$15.00~~ for each meal. **(Amended 1-1-12 1-1-09)**

(d) no change

## TITLE 106. STATUS

### 106.10 LIST

As soon after the end of each calendar year as it is practicable to do so, Company will furnish Union with a list showing the name, ~~social security number~~ *personnel number*, home address, employment date, and classification of each employee *employed as of the end of the year.* ~~calculated to the end of such year.~~ *(Amended 1-1-12)*

## TITLE 107. MISCELLANEOUS

### 107.2 SAFETY STRAPS

~~Initially employees~~ Company shall furnish ~~their own~~ safety straps, ~~which shall conform to Company specifications.~~ When a safety strap is worn out in Company service, or is condemned by Company, it shall be replaced at no cost to the employee. (Amended 1-1-12)

## TITLE 111. VACATIONS

### 111.2 VACATION ALLOWANCE

(a) Employees in their first year of Service, accrue vacation on paid straight time hours at the rate of 80 hours per year. A regular employee, ~~who completes his/her first year of Service~~, shall be entitled to take vacation with pay accrued in accordance with the table in Subsection 111.2(b). **(Amended 1-1-12 1-4-09)**

### 111.3 SERVICE ANNIVERSARY VACATION - BONUS VACATION

(a) In the fifth calendar year following his/her employment date and in each fifth calendar year thereafter, Company shall grant each employee a service anniversary vacation of **40 hours five workdays**. A service anniversary vacation shall be in addition to the annual vacation allowance set forth in Section 111.2 above to which the employee may be otherwise entitled in that calendar year and the employee acquires no right as to all or any part of the service anniversary vacation unless the employee works in the calendar year in which it is granted. The service anniversary vacation, as herein provided, vests on the first day of each calendar year in which an employee qualifies for a service anniversary vacation, ~~and must be taken in that calendar year~~. (The provisions of this Section shall not apply to part-time or intermittent employees.) **(Amended 1-1-12 1-4-94)**

(b) In each of the first five calendar years following his/her employment date, an employee who has used ~~40 hours five days~~ or less of paid or unpaid sick leave in the preceding year shall be entitled to **8 hours one day** of bonus vacation in addition to any vacation allowance the employee is entitled to as set forth in Section 111.2. An employee must complete one year of Service before becoming qualified for such ~~hours day~~. In the tenth calendar year following an employee's employment date and in each fifth calendar year thereafter, an employee who has used ~~200 hours 25 days~~ or less of sick leave during the five preceding calendar years shall be entitled to ~~40 five~~ bonus ~~hours days~~ of vacation in addition to the vacation allowance the employee is entitled to as set forth in Section 111.2. In determining the number of sick ~~hours days~~ used in computing ~~200 hours 25 days~~ or less, no more than ~~ten days or~~ 80 hours will be charged to the employee in any one year. The bonus vacation, as herein provided, vests on the first day of each year in which an employee qualifies for a bonus vacation, ~~and must be taken in that calendar year~~. An employee acquires no right to all or any part of the bonus vacation unless such employee works in the calendar year in which it is granted. (The provisions of this Section shall not apply to part-time or intermittent employees.) **(Amended 1-1-12 1-4-94)**

### 111.15 VOLUNTARY VACATION TRANSFER

a) By local agreement between Company and Union, employees may voluntarily sell vacation and transfer the proceeds to an employee experiencing a medical emergency, (including a medical condition of a family member), who has insufficient leave available to cover their absence from work. In addition, and by local agreement between Company and Union, an employee may also sell vacation for the purpose of relieving personal financial difficulties experienced as a result of a medical emergency in his or her own family even though the employee may have paid leave available. (Amended 1-1-94)

**(b) By local agreement between Company and Union, employees may voluntarily sell vacation and transfer the proceeds to an employee's spouse upon the employee's death or to an employee upon the death of his/her spouse, registered domestic partner or child for the purpose of relieving personal financial difficulties experienced as a result of the death. (Added 1-1-12)**

## TITLE 112. SICK LEAVE

### 112.16 FAMILY SICK LEAVE (Added 1-1-00)

(a) No change

**(b) In addition, in the calendar year in which a regular full time employee has qualified for additional sick leave under Section 112.3 and each succeeding calendar year it is renewed, the employee shall be permitted to use up to 80 hours in the calendar year, to attend to an illness of a child, parent, spouse, or registered domestic partner of the employee. In the calendar year in which a regular full time employee has qualified for additional sick leave under Section 112.4 and each succeeding year it is renewed, the employee shall be permitted to use up to 160 hours in the calendar year, to attend to an illness of a child, parent, spouse, or registered domestic partner of the employee. A regular part-time employee who has qualified for additional sick leave under Sections 112.3 and 112.4, may take up to one-half of the additional sick leave hours awarded to attend to an illness of a child, parent, spouse, or registered domestic partner of the employee. (Added 1-1-12)**

**(b) (c)** All conditions and restrictions that apply to an employee's use of sick leave for his or her own illness shall apply to sick leave usage to attend to an illness of a child, parent, spouse, registered domestic partner under this section. **(Amended 1-1-12)**

**(c) (d)** An employee's use of sick leave under this section does not extend the maximum period of leave to which the employee may be entitled under the California Family Rights Act or the Federal Family and Medical Leave Act. **(Amended 1-1-12)**

For purpose of this section only, the following definitions shall apply:

(1) "Child" means a biological, foster, or adopted child, a stepchild, a legal ward child of a registered domestic partner or child **to whom an employee stands** in loco parentis. **(Amended 1-1-12)**

(2) "Parent" means a biological, foster, or adoptive parent, a stepparent, a legal guardian or a person who stood in loco parentis to the employee when they were a child. (Amended 1-1-11)

## TITLE 201. EXPENSES

### GENERAL PROVISIONS FOR EMPLOYEES ATTENDING COMPANY TRAINING CLASSES

#### 201.8 TRAVEL AND EXPENSES - NON-COMMUTABLE LOCATION

(b) An allowance for reasonable travel time incurred by an employee in traveling between the employee's regular headquarters or living quarters and the training location at the beginning and at the end of the employee's training assignment shall be authorized. Such ~~allowance shall be computed at the straight rate of pay~~ **time will be considered as time worked and paid at the appropriate rate of pay using** of the employee's classification at the employee's temporary headquarters and shall also include reimbursement for reasonable cost of meals incurred while traveling. Transportation shall be in accordance with the provisions of Section 201.9. (**Amended 1-1-12**)

## TITLE 205. JOB BIDDING, PROMOTION AND TRANSFER

### 205.4 PREBID PROCEDURE

Any regular employee of Company may submit a prebid on any existing job classification and headquarters for which the employee desires consideration in accordance with the following procedure provided the employee does not exceed a combined maximum number of ~~80~~ ~~100~~ prebids and transfers. This maximum will not apply to employees subject to the provisions of Title 206.1. (Amended 1-1-12 1-1-09)

(g) **Cancellation of Prebids:** Prebids are valid for a period of one year from the date of receipt or until such time as the employee changes classification and/or headquarters, or until such time as the employee rejects an appointment to the classification and headquarters (and shift, if appropriate) on which the prebid was made. Company will notify an employee of the cancellation of employee's prebids as indicated below. Cancellation shall be effective as follows:

- (1) no change.
- (2) no change.
- (3) immediately after any employee's change of headquarters, ~~or~~ classification, or position. (Amended 1-1-12 1-1-09)
- (4) (Deleted 1-1-09)
- (5) no change.
- (6) no change.

(h) **New Jobs at a Headquarters:** The Company shall post, on all bulletin boards throughout the System, a notice describing all new classifications at existing headquarters or any job at a new headquarters in the Company, on the first or fifteenth of any month, as soon as such jobs are authorized to be filled. Such notice shall remain posted until the next Directory listing the new classification is posted on the bulletin board, but not less than 15 days. If no prebids are received 18 days after the date shown on the notice, or after two lists have been exhausted, Company may will have 60 days to fill the vacancy at its discretion under the provisions of Section 205.13. (Amended 1-1-12 1-1-09)

### 205.5 FILLING BEGINNER'S CLASSIFICATIONS

(h) **Cancellation of Transfers:** Applications for Transfer are valid for a period of one year from the date of receipt or until such time as the employee changes classification and/or headquarters, or until such time as the employee rejects an appointment to the classification and headquarters on which the transfer application was made. Company will notify an employee of the cancellation of employee's applications for transfer as indicated below. Cancellations shall be effective as follows:

- (1) no change.
- (2) no change.
- (3) Immediately after any employee's change of headquarters, ~~or~~ classification, or position. (Amended 1-1-12 1-1-09)
- (4) (Deleted 1-1-09)
- (5) no change.
- (6) no change.

### 205.9 PREFERENCE BY LENGTH OF SERVICE

(a) no change  
(b) In the event a conflict arises as to seniority between two (2) or more employees whose seniority date is the same, the following will be the sequence of consideration for the purpose of a tie-breaker:

(1) any **regular** prior service as a Company employee shall be taken into consideration and the employee whose prior service is greater shall be deemed to have the greater seniority; **(Amended 1-1-12)**

(2) no change.

(3) ~~**(Deleted 1-1-12) the employee whose application was first filed with the Company will be deemed to have the greater seniority; or**~~

(4) no change

(c) no change

### 205.13 APPOINTMENT TO UNBID VACANCY

(a) No change.

(b) No change.

**(c) When a journeyman classification is to be filled, employees in provisional classifications will not be considered qualified bidders for the journeyman classifications until having successfully completed their agreed-to Joint Apprentice Training Plan. (Added 1-1-12)**

### 205.15 NOTIFICATION TO UNION OF BYPASS

When an employee is to be appointed to fill a job vacancy in preference to an employee with greater Service, as provided in Section 205.7, Company shall notify Union of the decision prior to such appointment. **Notifications will be limited to bypasses for reasons other than 1) lack of minimum qualifications and 2) wrong Line of Progression. (Amended 1-1-12 -88)**

## TITLE 208. OVERTIME

### 208.2 RATE AND DOUBLE-TIME CONDITIONS

- (a) no change
- (b) no change
- (c) no change

(d) The time worked in excess of eight hours on the employee's second of two scheduled days off counting from the first day of the basic workweek shall be paid at the rate of two times the employee's straight rate of pay provided such employee has performed work on the first scheduled day off. Employees scheduled to have four consecutive days shall be entitled, in addition to the above, to pay at the rate of two times the employee's straight rate of pay for the time worked in excess of eight hours on the fourth scheduled day off, provided that such employee has also performed work on the third scheduled day off. **For employees on an alternative work schedule: If an employee performs work on any non-workday, the employee will receive double time after eight hours worked on the next day, provided that day is also a non-workday. Double-time after eight hours worked will continue until such time as the employee performs no work on a non-workday or a regular workday occurs. See examples in Letter Agreement 04-10. (Amended 1-1-12)**

- (e) no change

### 208.11 REST PERIODS

If an employee has worked for eight hours or more at the overtime rate during the 16 hour period immediately preceding the beginning of the employee's regular work hours on a workday, such employee shall be entitled to a rest period of eight consecutive hours on the completion of such overtime work.

(a) There shall be included as part of the eight hours worked at the overtime rate in such 16 hour period any travel time and mealtime, **except as noted in Section 104.10,** to which the employee is entitled when emergency or prearranged work is performed except that any travel time and mealtime to which the employee is entitled after being dismissed from work shall not be included as hours worked in such period, but it shall be included in the computation of the eight hour rest period. **(Amended 1-1-12 1-1-94)**

## TITLE 301. EXPENSES – FIELD EMPLOYEES

### 301.11 TRAVEL ALLOWANCE

(b) Where possible, all travel time pursuant to this Section 301.11 shall be taken during regular work hours on a workday, and shall be compensated at the straight rate of pay for the classification the employee will hold at his or her new headquarters or point of assembly, except that if Company requires an employee to travel ~~for more than four hours~~ outside of regular work hours or on a non-workday, the travel time outside of regular work hours or on a non-workday in excess of four hours shall be paid at one and one-half times the straight rate of pay for the classification the employee will hold at his or her new headquarters or point of assembly. (Amended 1-1-12)

## TITLE 305. JOB BIDDING AND PROMOTION

### 305.4 TEMPORARY UPGRADES

(d) Each month Company shall provide Union with a list of temporary upgrades effected during the prior month. Such list shall include each upgraded employee's name, ~~social security number~~ **personnel number**, job headquarters, promotion-demotion area, the classification(s) to which each employee was upgraded and the hours each employee worked in such classification(s). This list shall be cumulative, reflecting hours worked in upgraded classification(s) during the prior 13 payroll periods. Additionally, each job headquarters will be furnished with a copy of that portion of the list which shows the upgrades effected in the Promotion-Demotion Geographic Area (as defined in Section 305.5) in which such headquarters is located. Employees shall be permitted to review the list upon request. (**Amended 1-1-12 10-1-03**)

### 305.8 FILLING BEGINNER'S CLASSIFICATIONS (Added 10-1-03)

(e) Within ten calendar days after the first of each month, Company shall, within each department identified in Exhibit II and by promotion-demotion geographic area, provide Union information on beginning job vacancies that have been filled the previous month as follows: (Amended 10-1-03)

- (1) Name of individual, ~~social security number~~ **personnel number**, employment date and classification. (**Amended 1-1-12**)
- (2) Classification of vacancy filled.
- (3) Department and promotion-demotion geographic area of vacancy filled.
- (4) Date vacancy filled.
- (5) Show whether vacancy is regular or part-time.
- (6) Show whether vacancy is filled by transfer, new hire or new hire - no transfers on file.

### 305.7 GENERAL CONSTRUCTION PREBID PROCEDURE

(h) **Cancellation of Prebids:** Prebids are valid for a period of one year from the date of receipt or until such time as the employee changes classification or until such time as the employee rejects an appointment to the classification in a specific promotion-demotion geographic area (and shift, if appropriate) on which the prebid was made. Company will notify an employee of the cancellation of employee's prebids as indicated below. Cancellation shall be effective as follows:

- (1) no change.
- (2) no change.
- (3) immediately after any employee's change of classification, **or position.** (**Amended 1-1-12 1-1-09**)
- (4) (Deleted 1-1-09)
- (5) no change.
- (6) no change.

### 305.10 PREFERENCE BY LENGTH OF SERVICE (Added 10-1-03)

(a) When employees in the same preferential sequence as provided in Section 305.7 are each qualified by knowledge, skill, efficiency, adaptability and physical ability for appointment to a job, the bid of the employee with the greatest Service shall be given preference for appointment.

(b) In the event a conflict arises as to seniority between two (2) or more employees whose seniority date is the same, the following will be the sequence of consideration for the purpose of a tie-breaker:

(1) any **regular** prior service as a Company employee shall be taken into consideration and the employee whose prior service is greater shall be deemed to have the greater seniority; **(Amended 1-1-12)**

(2) no change.

(3) **(Deleted 1-1-12)** ~~the employee whose application was first filed with the Company will be deemed to have the greater seniority; or~~

(4) no change.

(c) no change.

## TITLE 308. OVERTIME

### 308.2 RATE AND DOUBLE-TIME CONDITIONS

- (a) no change
- (b) no change
- (c) no change

(d) The time worked in excess of eight hours on the employee's second of two scheduled days off counting from the first day of the basic workweek shall be paid at the rate of two times the employee's straight rate of pay provided such employee has performed work on the first scheduled day off. Employees scheduled to have four consecutive days shall be entitled, in addition to the above, to pay at the rate of two times the employee's straight rate of pay for the time worked in excess of eight hours on the fourth scheduled day off, provided that such employee has also performed work on the third scheduled day off. **For employees on an alternative work schedule: If an employee performs work on any non-workday, the employee will receive double time after eight hours worked on the next day, provided that day is also a non-workday. Double-time after eight hours worked will continue until such time as the employee performs no work on a non-workday or a regular workday occurs. See examples in Letter Agreement 04-10. (Amended 1-1-12 1-1-80)**

(e) For purposes of this Section, an employee's "regular hours of work" shall be the same on a non-workday as those regularly scheduled for such employee on a workday.

### 308.14 REST PERIODS

If an employee has worked for eight hours or more at the overtime rate during the 16 hour period immediately preceding the beginning of the employee's regular work hours on a workday, such employee shall be entitled to a rest period of eight consecutive hours on the completion of such overtime work. (Amended 1-1-91)

(a) There shall be included as hours worked at the overtime rate in such 16 hour period any travel time and mealtime, **except as noted in Section 104.10,** to which the employee is entitled when emergency or prearranged work is performed, except that any travel time and mealtime to which the employee is entitled after being dismissed from work shall be included in the computation of the eight hour rest period. **(Amended 1-1-12 1-1-91)**

**EXHIBIT II**

**GENERAL CONSTRUCTION  
PROMOTION-DEMOTION GEOGRAPHIC AREAS (Amended 1-1-12)  
For Use With Titles 305 and 306**

**CLERICAL SERVICES** (All Departments) (including Camp and Kitchen Employees) (Amended 1-1-12)

- 1) Humboldt and North Bay Divisions**
- 2) Sacramento, Sierra and Vaca Valley**
- 3) North Valley Division**
- 4) San Francisco/Peninsula**
- 5) East Bay**
- 6) Stockton**
- 7) San Jose and Coast Valleys**
- 8) San Joaquin**

**GAS CONSTRUCTION**

No change

**LINE CONSTRUCTION (Amended 1-1-12)**

- 1) Humboldt, North Bay and San Francisco Divisions.
- 2) Shasta, De Sabla, Colgate, Drum and Sacramento.
- 3) San Joaquin and Stockton
- 4) San Jose and Coast Valleys
- 5) Paint Section: Humboldt, North Bay, San Francisco, Drum, Sacramento, Shasta, De Sabla, Stockton, Colgate, and East Bay
- 6) Paint Section: Coast Valleys, San Jose, and San Joaquin
- 7) East Bay
- 8) Tower Construction**

**FLEET MANAGEMENT**

No change

**STATION, SUBSTATION, AND HYDRO CONSTRUCTION**

No change

Exhibit II - Promotion - Demotion Geographic Areas provide the same geographic boundaries as the original 13 Divisions and Departments in existence prior to 1987.

EXHIBIT XIV

SEVERANCE

ATTACHMENT 1

SEVERANCE AGREEMENT AND RELEASE (Amended 10-4-03 1-1-12)

This Severance Agreement and Release is made and entered into between Mr./Ms. \_\_\_\_\_ and the Pacific Gas and Electric Company (PG&E). Mr./Ms. \_\_\_\_\_ and PG&E (collectively referred to as "the parties"), in their wish to compromise, resolve, settle, and terminate any dispute or claim between them with respect to Mr./Ms. \_\_\_\_\_ employment with PG&E and severance therefrom, have agreed as follows:

1. **Severance Payment:** Effective close of business on, \_\_\_\_\_ Mr./Ms. \_\_\_\_\_ shall be laid off from PG&E employment.  
  
2. On \_\_\_\_\_, or seven calendar days following the execution of this Severance Agreement and Release, whichever is later, PG&E shall pay to Mr./Ms. \_\_\_\_\_ the amount of \_\_\_\_\_, less applicable deductions. Mr./Ms. \_\_\_\_\_ **agrees that he/she is shall be** responsible for paying any taxes on the amount paid to him/her pursuant to this Severance Agreement and Release. If Mr./Ms. \_\_\_\_\_ is rehired within 30 calendar days of layoff, then PG&E's obligation to pay is null and void. The parties agree that the payment provided in this paragraph is in addition to, and does not affect, any payment and benefit to which Mr./Ms. \_\_\_\_\_ may be otherwise entitled under PG&E's compensation, **performance incentive, stock option**, and other benefit programs.
2. **No Pending Claims.** Mr./Ms. \_\_\_\_\_ represents that he/she does not have any pending claim, charge or action in or with any federal, state or local court or any administrative agency relating to his/her employment against PG&E, its officers, attorneys, agents, employees, subsidiaries, parent company, assigns, affiliated companies and successors. If Mr./Ms. \_\_\_\_\_ does have pending claims described in the preceding sentence, Mr./Ms. \_\_\_\_\_ agrees that such claims are covered by the release aspect of this Severance Agreement and Release and that he/she shall take all necessary action to seek dismissal with prejudice of each claim, within two business days after the effective date of this Severance Agreement and Release.
3. **Release.** In consideration for the payment which PG&E shall provide Mr./Ms. \_\_\_\_\_ under this Severance Agreement and Release, Mr./Ms. \_\_\_\_\_ **in** **on** behalf of his/herself, his/her heirs, estate, executors, administrators, successors, and assigns, releases and agrees to hold harmless PG&E, its officers, attorneys, agents, employees, subsidiaries, parent company, assigns, affiliated companies, and successors, from all actions, causes of action, claims, disputes, judgments, obligations, damages, liabilities of whatsoever kind and character, relating to Mr./Ms. \_\_\_\_\_ employment with PG&E, including his/her employment severance and any action which led to the severance. Specifically, Mr./Ms. \_\_\_\_\_ understands and agrees that the actions, causes of action, claims, disputes, judgments, obligations, damages, and liabilities covered by the preceding sentence include, but are not limited to, those arising under any federal, state, or local law, regulation, or order relating to civil rights (including but not limited to employment discrimination on the basis of race, color, religion, age, sex, national origin, ancestry, physical or mental handicap or disability, medical condition, veteran status, marital status, pregnancy, and sexual orientation), wage and hour, labor, contract, or tort.

~~5.~~ Mr./Ms. \_\_\_\_\_ understands and agrees that the Severance Agreement and Release extends to all claims of every nature and kind whatsoever, known or unknown, suspected or unsuspected, past or present, and all rights under Section 1542 of the California Civil Code are hereby expressly waived. Such section reads as follows:

**A general release does not extend to claims which the creditor does not know or suspect to exist in his/her favor at the time of executing the release, which if known to his/her must have materially affected his/her settlement with the debtor.**

~~6.~~ Mr./Ms. \_\_\_\_\_ agrees not to initiate, participate or aid, in any way, in any lawsuit or proceeding upon any claim released by him/her under this Severance Agreement and Release. The preceding sentence, however, shall not prohibit Mr./Ms. \_\_\_\_\_ from participating in any judicial or administrative proceeding that relates to the subject matter of, or any claim covered by, this Severance Agreement and Release, if he/she is compelled to do so by a properly-issued subpoena or valid court order. PG&E also acknowledges that Mr./Ms. \_\_\_\_\_ may be legally required to appear and testify at a deposition, court hearing or trial, or otherwise respond to a subpoena. In the event of any such subpoena, court order, or request, Mr./Ms. \_\_\_\_\_ shall notify PG&E's Human Resources Department as soon as possible.

4. ~~7.~~ **Return of PG&E Property.** Mr./Ms. \_\_\_\_\_ represents and agrees that prior to signing this Severance Agreement and Release, he/she returned to PG&E all originals and copies of all files, memoranda, records, software, credit cards, identification cards, keys, and any other property of PG&E or its affiliates which he/she had in his/her possession, custody or control. Mr./Ms. \_\_\_\_\_ further agrees that his/her violation of this paragraph shall constitute a material breach of this Severance Agreement and Release.
5. ~~8.~~ **Non Disclosure.** Mr./Ms. \_\_\_\_\_ agrees not to use, disclose, publicize, or circulate any secret, confidential or proprietary information concerning PG&E, its subsidiaries, parent company, or affiliates, which has come to his/her attention during his/her employment with PG&E, unless his/her doing so is consistent with any rights he/she may have under any applicable whistleblower laws, is authorized in writing by PG&E or is required by law, including subpoena. Before making any legally-required disclosure, Mr./Ms. \_\_\_\_\_ shall give PG&E as much advance notice as possible. Mr./Ms. \_\_\_\_\_ further agrees that his/her violation of this paragraph shall constitute a material breach of this Severance Agreement and Release.
6. ~~9.~~ **Anti-Disparagement.** Mr./Ms. \_\_\_\_\_ agrees not to make, issue, endorse, publicize, or circulate to any person or entity statements or remarks that can reasonably be construed as disparaging toward PG&E, including its officers, directors, attorneys, agents, employees, assigns, parent company, subsidiaries, affiliated companies and successors, or any aspect of its operations. Mr./Ms. \_\_\_\_\_ also agrees that, if called upon to do so, he/she will cooperate with, and provide reasonable assistance to, PG&E to protect and further its lawful interests in all judicial, administrative, investigative, and legislative proceedings involving PG&E or any aspect of its operations. The parties agree that this paragraph does not affect Mr./Ms. \_\_\_\_\_'s legitimate exercise of his/her rights under applicable whistleblower laws or his/her obligation to comply with all validly-issued court or administrative orders, including subpoenas. Mr./Ms. \_\_\_\_\_ further agrees that his/her violation of this paragraph shall constitute a material breach of this Severance Agreement and Release.

7. ~~10.~~ **Breach.** Mr./Ms. \_\_\_\_\_ agrees that, if he/she engages in a material breach of this Severance Agreement and Release, PG&E shall not be required to make any unpaid payment due under this Severance Agreement and Release, and he/she shall repay to PG&E the payment he/she received under this Severance Agreement and Release within seven (7) calendar days upon written demand by PG&E. The parties agree that this paragraph shall not apply to the lawful exercise of any right Mr./Ms. \_\_\_\_\_ may have under the Age Discrimination in Employment Act and that such matters shall be governed by the provisions of said act.
8. ~~11.~~ **Misconduct.** Mr./Ms. \_\_\_\_\_ understands that if he/she engages, or has engaged, in misconduct that would warrant his/her termination of employment under PG&E's employee conduct standards and the collective bargaining agreement's just cause standard, he/she shall forfeit his/her right to sign this Severance Agreement and Release.
9. ~~12.~~ **Arbitration.** Any dispute regarding any aspect of this Severance Agreement and Release, including its validity, interpretation, or any action which would constitute a violation of this Severance Agreement and Release (hereinafter referred to as an "arbitrable dispute") shall be resolved by an experienced arbitrator, selected by the parties in accordance with the rules of the American Arbitration Association. The fees of the arbitrator and the cost associated with producing a transcript of the proceedings shall be paid in equal shares by Mr./Ms. \_\_\_\_\_ and PG&E. The parties agree that arbitration shall be the exclusive remedy for resolving arbitrable disputes and that the decision of the arbitrator shall be final and binding. The judgment rendered by the arbitrator may be entered in any court having competent jurisdiction. The prevailing party in any such arbitration shall be entitled to costs and reasonable attorneys' fees. In addition, any party who attempts to pursue an arbitrable dispute in any forum other than arbitration shall be liable for costs and attorneys' fees incurred by the other party in seeking to compel arbitration. The parties agree that this paragraph shall not apply to the lawful exercise of any right Mr./Ms. \_\_\_\_\_ may have under the Age Discrimination in Employment Act and that such matters shall be governed by the provisions of said Act.
10. ~~13.~~ **Repayment.** Mr./Ms. \_\_\_\_\_ agrees that, if he/she initiates an administrative, judicial, arbitral, or other similar proceeding, to bring a claim released by this Severance Agreement and Release or to challenge the validity of this Severance Agreement and Release, PG&E shall not be required to make any unpaid payment due under this Severance Agreement and Release and he/she shall repay to PG&E the payment he/she received under this Severance Agreement and Release concurrent with his/her initiation of the proceeding. Mr./Ms. \_\_\_\_\_'s failure to make the prescribed repayment shall be a basis for rejecting his/her claim and/or his/her attempt to challenge the validity of this Severance Agreement and Release. Mr./Ms. \_\_\_\_\_ also agrees that, if the claim he/she brought or his/her attempt to challenge the validity of this Severance Agreement and Release is rejected, he/she shall pay to PG&E any loss, cost, damage, or expense, including, without limitation, reasonable attorney fees PG&E incurred in the proceeding, within seven (7) calendar days from the final decision rejecting his/her claim or attempt. Further, notwithstanding the foregoing, if Mr./Ms. \_\_\_\_\_ obtains against PG&E a monetary judgment or settlement for a claim released under this Severance Agreement and Release, the payment he/she received under this Severance Agreement and Release shall be deducted from any such monetary judgment or settlement. The parties agree that this paragraph shall not apply to the lawful exercise of any right Mr./Ms. \_\_\_\_\_ may have under the Age Discrimination in Employment Act and that such matters shall be governed by the provisions of said Act.

11. **14. No Admission of Liability.** This Severance Agreement and Release shall not be considered an admission of liability or a violation of any applicable contract, law, rule, regulation, guideline, or order of any kind.

12. **15. Older Workers Benefit Protection Act (Age 40 or over).** Mr./Ms. \_\_\_\_\_ agrees that all claims he/she may have arising under the Age Discrimination in Employment Act before he/she signs this Severance Agreement and Release are covered by paragraphs ~~3 4 and 5~~ of this Severance Agreement and Release and that his/her waiver of those age discrimination claims is an integral part of the release aspect of this Severance Agreement and Release. Therefore, consistent with the Older Workers Benefit Protection Act, Mr./Ms. \_\_\_\_\_ states that he/she was given this Severance Agreement and Release on \_\_\_\_\_, and understands that he/she has 45 calendar days from \_\_\_\_\_ until \_\_\_\_\_, to consider the Severance Agreement and Release. Further, Mr./Ms. \_\_\_\_\_ understands that, if he/she signs this Severance Agreement and Release, he/she may revoke it within seven (7) calendar days of the agreement's execution. To revoke this Severance Agreement and Release, Mr./Ms. \_\_\_\_\_ must submit to the local Human Resources Department, a signed statement to that effect by close of business of the seventh (7<sup>th</sup>) day. Mr./Ms. \_\_\_\_\_ understands and agrees that this Severance Agreement and Release will not take effect until the expiration of the seven-day revocation period. Further, Mr./Ms. \_\_\_\_\_ may elect to consider the severance package for fewer than 45 days, at his/her own option, but is under no obligation to shorten the period. If Mr./Ms. \_\_\_\_\_ elects to consider the severance package for fewer than 45 days at his/her option and executes this Severance Agreement and Release before the 45-day consideration period has expired, said employee may receive the severance payment before the 45-day consideration period, but only after the seven-day revocation period has expired. In no event, however, shall Mr./Ms. \_\_\_\_\_ receive the payment until he/she has completed his/her consideration period, which may be less than 45 days at his/her option, as well as the seven-day revocation period.

13. **16. Entire Agreement.** This Severance Agreement and Release sets forth the entire agreement between the parties and fully supersedes any and all prior agreements or understandings between the parties pertaining to the subject matter of this Severance Agreement and Release. This Severance Agreement and Release, however, shall not affect any right either party has or may have against the other regarding Workers' Compensation claims and Supplemental Benefit payments made for those claims. The parties agree that this Severance Agreement and Release may not be modified or canceled in any manner except by a writing signed by Mr./Ms. \_\_\_\_\_ and an authorized PG&E official. If any provision of this release is found to be unenforceable, all other provisions will remain fully enforceable.

14. **17. Consultation with Counsel.** Mr./Ms. \_\_\_\_\_ states that he/she has read this Severance Agreement and Release in its entirety, that he/she has been given the necessary time to consider its contents, that he/she fully understands its terms, that he/she has been advised that he/she should consult legal counsel of his/her choosing, that the only promises made to him/her to sign are those stated herein, and that he/she is signing this Severance Agreement and Release voluntarily.

**PLEASE READ CAREFULLY. THIS SEVERANCE AGREEMENT AND RELEASE INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.**

PACIFIC GAS AND ELECTRIC COMPANY

**EMPLOYEE First Name  
Last Name (Pernr)**

Social Security

---

**DATE**

---

**DATE**

**EXHIBIT XVIII (Amended 1-1-12 Added 1-1-09)**  
**(Letter Agreement R2-05-67-PGE)**  
**CONDITIONS APPLICABLE TO NEW GENERATION POWER FACILITIES**

- (b) The provisions of Title 206 shall not be applicable unless an employee is subject to layoff for lack of work, then the employee's option will be limited to **Sections 206.5 and 206.6 to positions outside of New Generation, vacant beginning level positions that the employee is qualified to fill in the Company.** The employee shall be entitled to Section 206.8 provisions. **(Amended 1-1-12)**

**INTER-PLANT TRANSFERS**

- (a) Employees may be temporarily assigned to other plants covered under this Exhibit for the purposes of operational and/or maintenance needs or the duration of an outage. **Company shall first solicit volunteers for such assignments and selection will be made on the basis of qualifications and experience.** The expenses shall be covered by Title 201. The parties agree ~~that~~ alternative arrangements can be worked out between the employee and the supervisor and the ~~Local~~ Business Representative. **(Amended 1-1-12)**
- (b) Employees can submit written requests for transfers to other plants covered under this Exhibit to regular or part-time positions. The Company shall ~~determine the granting of transfers or hire by other means~~ **consider such requests on the basis of job performance and skills, the qualifications needed at the new work location, the impact on the employee's current work location and the number of times the employee has previously transferred. The Company shall also retain the right to fill such vacancies through new hire.**

**Lead Power Plant Technician (Added 1-1-12)**

**Regular Lead Power Plant Technician positions may be established at each plant. Such position shall receive a 10% wage increase over the Advanced Power Plant Technician rate.**

**Candidates will be interviewed by a panel consisting of a Company representative and one or more Technicians. The panel will consider such factors as job performance, experience, and leadership and technical abilities. If the panel is unable to reach a consensus, the final selection will be made by the Company representative. Employees who accept the position may be promoted effective on the date of the offer.**

**4) Additional Job Responsibilities (Noted in LA 06-53, 09-13 and 09-49) (Added 1-1-12)**

- **Temporary assignments to Lead Power Plant Technicians are not intended to replace regular Lead positions but may be utilized for a trial period for regular assignments, increase work load, vacation relief, etc.**

Deleted 1-1-12

SUPPLEMENTS  
LABOR AGREEMENT INTERPRETATION

SUBJECT: ~~Comparable Substitute for Usual and Average Meals (Meals at Home)~~  
TITLE 104 - MEALS - Physical Agreement  
TITLE 16 - MEALS - Clerical Agreement

~~Section 104.1 of the Physical Agreement and Section 16.1 of the Clerical Agreement state that provisions of the Meal Titles shall be interpreted and applied in a practical manner which shall conform to the intention of the parties in negotiating with respect to meals; namely, that a comparable substitute shall be provided when employees are prevented from observing their usual and average meal practices or are prevented from eating a meal at approximately the usual time therefore.~~

~~In the Company's Guidelines with respect to the application of Title 104 originally issued in October 1965 and amended in October 1966 and July 1968, the following statement is made with respect to the definition of a comparable substitute:~~

~~"The meal provided.....should but may not be quite the same as the meal would be at the same time if eaten at home. Dependent upon the circumstances present at the time, and where practical or possible, a comparable substitute to the missed meal should be furnished.~~

~~"It may be necessary to provide meals at times of the day or night when the employee would not observe a customary mealtime...The meal provided, again dependent upon the circumstances of that situation, should be such as to adequately compensate for the need for food resulting from working beyond or before customary mealtime.~~

~~"There have been no maximum cost limits for meals agreed upon because the cost of meals may vary due to such factors as the time of day, location, conditions and other circumstances. However, the requirement of reasonableness in the selection of a 'comparable substitute' for the meal missed should be followed."~~

~~The following guidelines, but not necessarily in the order listed, should be kept in mind by both employees and supervisors in determining whether or not a meal purchased as a comparable substitute is or is not reasonable.~~

~~1. The cost of meals at the average restaurant available in the general area, but excluding such luxury items as filet mignon or combination steak and seafood dinners. The foregoing is not intended to mean menu averaging.~~

~~2. The availability of restaurants which can provide a comparable substitute within a reasonable distance of the job site or between the job site and the headquarters.~~

~~3. The breakfast, luncheon or dinner menu where comparable substitutes are available, but excluding extra a la carte items. The foregoing does not preclude ordering a la carte when that is all that is available nor does it preclude a la carte desserts with dinner meals.~~

~~4. The weather or other extreme working conditions to which the employees have been subjected.~~

~~5. The amount by which the time limits in the Agreement and in the Guidelines have been exceeded, with some consideration as to whether or not sandwiches and a hot beverage have been supplied on the job. Except for lunch, the foregoing does not imply that sandwiches and a hot beverage are to be considered as a comparable substitute nor is it intended to mean that employees are to be worked routinely nor excessively beyond the aforementioned time limits.~~

For Union: ~~/s/ L. L. Mitchell~~  
~~Its Business Manager~~

Date: ~~June 26, 1974~~

For Company: ~~/s/ I. W. Bonbright~~  
~~Its Manager of Industrial Relations~~

Date: ~~June 13, 1974.~~

**SUPPLEMENT TO TITLE 205 BIDDING UNITS (1)**

**BIDDING UNIT ONE**

No change.

**BIDDING UNIT TWO (2)**

No change.

**BIDDING UNIT THREE**

No change.

**BIDDING UNIT FOUR**

No change.

**BIDDING UNIT FIVE**

No change.

**BIDDING UNIT SIX**

No change.

**BIDDING UNIT SEVEN**

No change.

**BIDDING UNIT EIGHT**

No change.

**BIDDING UNIT NINE**

No change.

**BIDDING UNIT TEN**

No change.

**BIDDING UNIT ELEVEN**

No change.

**BIDDING UNIT TWELVE**

No change.

**BIDDING UNIT THIRTEEN (4)**

No change.

**BIDDING UNIT FOURTEEN**

No change.

**BIDDING UNIT FIFTEEN**

No change.

**BIDDING UNIT SIXTEEN**

No change.

**BIDDING UNIT SEVENTEEN**

No change.

**BIDDING UNIT EIGHTEEN (3)**

No change.

**BIDDING UNIT NINETEEN**

No change.

**NOTES:**

No change.

***BIDDING UNIT TWENTY-ONE (Added 1-1-12)***

***ENVIRONMENTAL FIELD SPECIALIST UNIT***

**Update Letter Agreement 90-113 (Commercial Driver's License Addendum—CDLA) to include the following:**

- 150% ratio of employees with Commercial Driver's License (CDL) to vehicles at the headquarters.
- CDLA premium (\$600) will be added to the hourly wage effective upon SAP implementation. Separate classification codes and SAP codes will be established to designate the higher CDLA wage rates. Employees on a daily upgrade currently paid at \$2.50/day shall now be upgraded to the CDLA designated classification.

**New Hires/Transfers – Commercial Driver's License**

- All new hires and transfers/bidders after December 31, 2011 to Gas and Electric T&D will be required to have and maintain a CDL as part of their job duties and will not receive additional compensation. Employees in Title 200 Gas and Electric T&D and Title 300 Gas and Electric positions as of December 31, 2011 bidding to Title 200 CDLA required positions will remain eligible for the higher CDLA wage rate. Employees must obtain a Class A permit by month 3 and a Class A driver's license within 12 months unless Company is unable to provide timely training.
- Current and future Pre-Apprentice Linemen required to maintain CDL upon progression.
- Create three separate classifications and bid codes: CDLA, Non-CDLA, CDL for new hires/bidders
- Accommodation of Current Employees Without Licenses: Employees who are currently being accommodated in a position requiring a license will continue to be accommodated unless there is significant change in local operating conditions which prevent the accommodation or the employee's condition changes.
- Future Accommodation of Employees with Suspended Licenses: Employees who currently possess a license, but have their license temporarily suspended or who are temporarily unable to drive for other reasons, will be considered for accommodation on a case by case basis taking into consideration local operating conditions and the length of the suspension or inability to drive. Accommodation decisions will be subject to the grievance procedure.
- Employees unable to maintain CDL for a medical condition will be reviewed for accommodation on a case-by-case basis. Accommodation decisions will be subject to the grievance procedure.
- Company shall pay all cost associated with obtaining the maintaining CDL.

## ATTACHMENT B

### MEDICAL, DENTAL, VISION AGREEMENT

#### ACTIVE MEDICAL

The Company and Union agree to modify the current medical plan in the following ways:

1. Employee to pay 7.5% of medical plan premium.
2. PG&E currently offers seven plan designs administered by three HMO's and one self-insured third party administrator. This agreement creates a single self-insured medical plan design for all active employees and reduction of the number of healthcare administrators from 4 to 2 effective January 1, 2013. This will:
  - a. Simplify enrollment and communication
  - b. Eliminate redundant administrative costs
  - c. Strengthen PG&E purchasing power
  - d. Provide more effective collaboration with only 2 vendors

To reduce disruption in provider relationships, we are exploring continuing with Anthem and Kaiser, which will ensure a 97% access to physicians that currently enrolled employees and dependents use. Collaboration meetings will continue in 1Q 2012 to finalize the third party administration arrangements. The Health Savings Account Medical Plan offered through Anthem, Blue Shield HMO and Health Net HMO will be discontinued.

3. Provide expanded free access to primary care to eliminate cost barriers and incent better preventive and chronic care by providing the following benefit enhancements to enrolled employees and dependents (deductible and co-insurance will not apply):
  - a. Under the new Plan design, all enrolled employees and dependents are each eligible for 4 free visits annually to their primary care provider, who must be trained as a generalist (General or Family Practice, Internal Medicine, Pediatrics, Family Nurse Practitioner, Obstetrics & Gynecology). Additional primary care visits will be subject to a 10% co-insurance.
  - b. Free preventive medication and routine lab work for the following nine chronic conditions: Diabetes, Coronary Artery Disease, Asthma, Chronic Obstructive Pulmonary Disease, Congestive Heart Failure, Hypertension, Hyperlipidemia (high cholesterol), Osteoarthritis and Gastroesophageal Reflex Disorder.
    - i. Medication lists and routine lab work provided as separate attachments. Common medication-level testing will be covered at no cost if ordered by a primary care provider (as defined above) for any of the nine chronic conditions. The list of common medications subject to this Plan coverage provision is specified in the routine lab work attachment.
    - ii. If a medical specialist in one of the nine chronic conditions is also trained as a generalist, he/she can also function as a primary care provider and primary care visits would be eligible for the 4 free annual visits.
  - c. Free (unlimited) maternity and well-baby office visits.

- i. Well-baby office visits are scheduled periodically after the baby leaves the hospital through age two, to ensure growth and development is on track. An exact schedule depends on the recommendations of the primary care provider or pediatrician but usually at 2-4 days old, 1-2 weeks, 1 month, 2 months, 4 months, 6 months, 9 months, 1 year, 15 months, 18 months and 2 years.
      - ii. Free Hospice services
    - d. If not specifically mentioned, all prevention services and diagnostics identified by the Patient Protection and Affordable Care Act (including but not limited to colorectal cancer screening for adults over 50, cervical cancer screening, breast cancer screenings for women, folic acid supplements, depression screening and Alcohol misuse screening and counseling) will be covered.
- 4. Funded Health Reimbursement Accounts (HRA) to off-set increased deductibles and maximum annual out of pocket limit. The HRA account accrues and rolls over from year to year to allow further off-sets, however, accruals are notional and will not be paid out if an employee terminates PG&E. Except that employees who terminate and continue to participate in the PG&E medical plans through COBRA would retain access to their HRA and would be eligible for additional HRA funds during the time of their COBRA participation. For employees who retire from PG&E the accruals can be used for PG&E retiree medical coverage expenses in addition to other retirement allowances.
- 5.
  - a. For 2013, enrolled employees will receive \$750 (single coverage) or \$1500 (family coverage) in their HRA credited as of January 1. In addition, employees who choose to take the health screening in 2013 will receive an additional \$500 (single coverage) or \$1000 (family coverage) and employees who choose to take a tobacco screen (methodology agreed to by company and union) and test tobacco-free will receive an additional \$250 (single coverage) or \$500 (family coverage) into their HRA. Employees who do not test tobacco-free, but who successfully complete the tobacco cessation program the company offers through it's wellness program will also be eligible for the \$250 (single coverage) or \$500 (family coverage) into their HRA. Note: only the employee needs to take the screenings or complete the tobacco cessation program the company offers to earn the full amount into their HRA for the family coverage.
    - i. Health screening will be available for employees to participate in several ways including on-site at many PG&E work locations, through the employee's primary care provider, or visiting a network of contracted labs. The screening will include measurements for Body Mass Index and blood pressure and a finger prick blood test for cholesterol and glucose levels. HRA credits are given for participation, not based on outcomes.
    - ii. Individual results are provided only to the enrolled employee and are kept completely confidential. No individual results will be shared with PG&E. Results are collected in a third party data warehouse and will be shared in aggregate (total population health) with the joint union and company committee to assist with on-going health and wellness program planning.
  - b. For 2014, there will be no automatic HRA contribution into an employee's HRA. However employees who choose to take a health screening in 2014 will receive \$500 (single coverage) or \$1000 (family coverage) into their HRA and employees who choose to take a tobacco screen and test tobacco-free will receive \$250 (single coverage) or \$500 (family coverage) into their HRA. Employees who do not test

tobacco-free, but who successfully complete the tobacco cessation program the company offers through its wellness program will also be eligible to receive \$250 (single coverage) or \$500 (family coverage) into their HRA. Note: only the employee needs to take the screenings or complete the tobacco cessation program the company offers to earn the full amount into their HRA for the family coverage.

- c. For 2015, unless the Company and Union agree otherwise, enrolled employees will receive \$750 (single coverage) or \$1500 (family coverage) into their HRA credited as of January 1. In addition, employees who take the health screening in 2015 will receive a “premium holiday” of one month for family coverage or two months for single coverage as an incentive for taking the annual health screening. In addition, another “premium holiday” of one month for family coverage or two months for single coverage will be provided to employees who choose to take a tobacco use screening and test tobacco free or who complete the tobacco cessation program the company offers.
  - d. All New hires after December 31, 2012 will receive \$250 (single coverage) or \$500 (family coverage) in their HRA upon enrollment in the medical plan. Employees who choose to take the health screening in the year they are hired will receive an additional \$500 (single coverage) or \$1000 (family coverage) and employees who choose to take a tobacco screen and test tobacco-free or who complete the tobacco cessation program the company offers in the year they are hired will receive an additional \$250 (single coverage) or \$500 (family coverage) into their HRA. Their second year of service they will transition to the incentive plan in place for all employees.
  - e. HRA funds may not be used for anything but medical plan expenses for 2013, but may be used for any qualified medical, dental or vision expense in 2014. Allowable reimbursement expenses beginning in 2014 will be defined by IRS section 213(d).
  - f. Deductible for all medical plans would increase to \$1000 (individual) or \$2000 (family coverage).
  - g. The combined maximum annual out-of-pocket limit would increase to \$2400 (individual) or \$4800 (family).
  - h. Part-time and regular status intermittent employees enrolled under the medical plans will not have their deductible, maximum annual out-of-pocket or HRA allowances pro-rated.
6. Change from co-payments to co-insurance for medical services outside of free services outlined in #3 above. The Company and Union will continue their joint collaboration to identify high-quality providers for various medical services. Once they are identified, enrolled employees and dependents who use these providers will have reduced co-insurance for services provided.
7. Provide a voluntary “one stop shop” for wellness programs, clinical support and benefits advocacy. Expanded services will be available to enrolled employees and dependents to support efforts to be healthier and more easily get the care they need. This program will also provide services to enrolled employees and dependents who need help with medical billing

issues, specialist referral issues, chronic care support, and help with selecting quality medical providers for various procedures. In addition, the Company and Union agree to expand free health screenings on-site to employees at selected locations, and expanded tobacco cessation and other wellness programs. All these services will be provided at no cost to employees, and will be provided by a vendor that the representatives from the Union and Company scoring committee select. Individual results are provided only to the enrolled employee and are kept completely confidential.

8. Continue collaboration between PG&E management and the Union to drive improvement in quality healthcare and to improve the health of enrolled employees and dependents. Continued collaboration will include Union as equal partner in vendor selection, vendor monitoring and evaluation, health promotion, care quality improvement initiatives, data review and changes to chronic conditions, lab tests, and prescription drugs.
  - a. We will:
    - i. Use verifiable data on quality to drive improvements in health outcomes and costs
    - ii. Leverage PG&E's purchasing power to improve healthcare industry performance
    - iii. Include provider-based financial incentives for quality care
    - iv. Engage other unions, employers and providers to collaborate to improve the safety, quality and outcomes of care

## Health Plan Design

Provisions	Health Plan Design
Premium Contribution	Employee to pay 7.5%. PG&E to pay 92.5%.
<ul style="list-style-type: none"> <li>• General</li> </ul>	<ul style="list-style-type: none"> <li>• Health Account contribution:               <ul style="list-style-type: none"> <li>• 2013: \$750/person; \$1,500/family. In addition, employees who take the health screening in 2013 will receive an additional \$500 (single coverage) or \$1000 (family coverage) and employees who choose to take a tobacco screen and test tobacco-free or complete a tobacco cessation program will get an additional \$250 (single coverage) or \$500 (family coverage) into their HRA.</li> <li>• 2014: For 2014, there will be no automatic HRA contribution into any employee's HRA account. However employees who take another health screening in 2014 will receive \$500 (single coverage) or \$1000 (family coverage) and employees who choose to take a tobacco screen and test tobacco-free or complete a tobacco cessation program will get an additional \$250 (single coverage) or \$500 (family coverage) into their HRA.</li> <li>• For 2015, unless the Company and Union agree otherwise, enrolled employees will receive \$750 (single coverage) or \$1500 (family coverage) in their HRA credited as of January 1. In addition, employees who take the health screening in 2015 will receive a "premium holiday" of one month for family coverage or two months for single coverage will be provided as an incentive for taking the annual health screening. In addition, another "premium holiday" of one month for family coverage or two months for single coverage will be provided to employees who take a tobacco use screening and test tobacco free or complete a tobacco cessation program.</li> <li>• New Hires: All newly hired employees after December 31, 2012 will receive \$250 (single coverage) or \$500 (family coverage) in their HRA in the year they are hired. Employees who take the health screening in the year they are hired will receive \$500 (single coverage) or \$1000 (family coverage) into the HRA and employees who take a tobacco screen and test tobacco-free or complete a tobacco cessation program in the year they are hired will get an additional \$250 (single coverage) or \$500 (family coverage) into their HRA. Their second year of service they will transition to the incentive plan in place for all employees</li> </ul> </li> <li>Annual deductible:               <ul style="list-style-type: none"> <li>• \$1,000/person; \$2,000/family</li> </ul> </li> <li>Annual maximum out-of-pocket (includes deductible):               <ul style="list-style-type: none"> <li>• \$2,400/person; \$4,800/family</li> </ul> </li> <li>• Unused HRA funds roll-over for use in future years to continue to reduce future out-of-pocket expenses and deductible.</li> <li>• No lifetime benefit maximum</li> </ul>

	<ul style="list-style-type: none"> <li>• No pre-existing condition exclusions</li> </ul>
Expanded Primary Care Offering – (not subject to deductible)	<p><b>Preventive screenings:</b></p> <ul style="list-style-type: none"> <li>• No cost</li> </ul> <p><b>Preventive drugs:</b></p> <ul style="list-style-type: none"> <li>• No cost if listed on Attachment A. Anthem/Blue Cross members need to get through mail-order</li> </ul> <p><b>Primary Care office visits:</b></p> <ul style="list-style-type: none"> <li>• Up to 4 primary care visits at no cost</li> <li>• 10% coinsurance for subsequent visits</li> <li>• Unlimited maternity and well-baby office visits included at no cost</li> </ul>
Specialty / Hospital Care	<ul style="list-style-type: none"> <li>• Subject to deductible</li> <li>• 20% coinsurance up to maximum annual out-of-pocket</li> <li>• Includes specialty office visits, inpatient hospital care, outpatient hospital care, skilled nursing facility, home health care, substance abuse centers, mental health centers, ambulance services and emergency room visits</li> </ul>
Hospice	<ul style="list-style-type: none"> <li>• Covered with no cost</li> </ul>
Maternity Care	<ul style="list-style-type: none"> <li>• Office visits covered at no cost</li> <li>• Hospital-based delivery covered at 20% coinsurance (subject to deductible)</li> </ul>
Well-Baby Care	<ul style="list-style-type: none"> <li>• Office visits covered at no cost</li> </ul>
Urgent Care Visits	<ul style="list-style-type: none"> <li>• Not subject to deductible</li> <li>• Covered as Primary Care with a 10% coinsurance</li> </ul>
Routine Physical Examinations	<ul style="list-style-type: none"> <li>• Annual physical exam covered at no cost as part of the Preventive Screenings</li> </ul>
Immunizations	<ul style="list-style-type: none"> <li>• No cost</li> </ul>
X-Rays and Lab Tests	<ul style="list-style-type: none"> <li>• Covered as Specialty Care with a 20% coinsurance (subject to deductible)</li> <li>• Routine lab tests and x-rays for chronic care and routine preventive screenings provided at no cost</li> </ul>
Outpatient Physical Therapy	<ul style="list-style-type: none"> <li>• Subject to deductible</li> <li>• 10% coinsurance for the first 5 visits</li> <li>• 20% coinsurance beyond 5 visits</li> </ul>
Durable Medical Equipment	<ul style="list-style-type: none"> <li>• Subject to deductible</li> <li>• Covered as Specialty Care with a 20% coinsurance</li> </ul>
Chiropractic Care	<ul style="list-style-type: none"> <li>• Subject to deductible</li> <li>• 10% coinsurance for the first 5 visits</li> <li>• 20% coinsurance beyond 5 visits</li> </ul>
Acupuncture	<ul style="list-style-type: none"> <li>• Subject to deductible</li> <li>• 10% coinsurance for the first 5 visits</li> <li>• 20% coinsurance beyond 5 visits</li> </ul>
Infertility Medical Services	<ul style="list-style-type: none"> <li>• Subject to deductible</li> <li>• Covered as Specialty Care with a 20% coinsurance</li> <li>• \$7,000 lifetime maximum; balances from prior plans carry forward</li> </ul>
Annual Prescription Drug Deductible and Out-of-Pocket Maximum	<ul style="list-style-type: none"> <li>• N/A - Bundled with medical services in the overall deductible and out-of-pocket maximum outlined above</li> </ul>
Preventive Drugs	<ul style="list-style-type: none"> <li>• No cost if listed on Attachment A. Anthem/Blue Cross members need to get through mail-order.</li> </ul>
Retail Drugs	<ul style="list-style-type: none"> <li>• Subject to deductible</li> <li>• 30-day prescriptions supplied at a participating pharmacy — plan pays:</li> <li>• 85% for generic</li> </ul>

	<ul style="list-style-type: none"> <li>• 75% for brand</li> </ul> <p>Maintenance medications: - after three prescription fills at retail pharmacy, plan pays \$0 – maintenance drugs must be obtained from Mail Order Pharmacy.</p>
Mail Order Drugs	<ul style="list-style-type: none"> <li>• Subject to deductible</li> </ul> <p>Plan pays:</p> <ul style="list-style-type: none"> <li>• 90% for generic</li> <li>• 80% for brand</li> </ul>
Infertility, Sexual Dysfunction, and Memory Enhancement Drugs.	<ul style="list-style-type: none"> <li>• Subject to deductible</li> <li>• 50% coinsurance for retail and mail order, unless medically necessary</li> <li>• Medically necessary drugs are covered at standard reimbursement rates</li> </ul>

**Coverage Management:**

- As currently provided in the Summary of Benefit Handbook, preauthorization will still be required for most inpatient, residential and skilled nursing, home health, and expensive medical equipment, physical therapies and for select surgical procedures regardless of setting; enrolled employees and dependents who do not obtain pre-authorization will continue to pay a penalty. Exceptions apply for life-threatening emergencies.
- Continuation of the current prescription drug program feature that the enrolled employee or dependent pays the difference for brand name drugs when generics are available. Expansion of mail-order program to include mandatory mail order for maintenance drugs after three retail prescriptions, maintenance drugs on Attachment A are free from mail-order only. Select step therapies will be put into place after Company and Union jointly review. Controlled substances are excluded from mandatory mail order program.
- As currently provided in the Summary of Benefit Handbook, services and care that are not deemed medically necessary by the plan administrator will not be covered.

**Note:** Preauthorization and drug programs described above do not apply to Kaiser. No change to current pre-authorization and drug program practices at Kaiser

For current Kaiser and Anthem members, the amount of employee premium contribution for 2013 will be the same as the contribution amount for 2012 unless the overall cost for the premium falls. Others will get a premium contribution in 2013 in the same amount as the 2012 Kaiser or Anthem rate.

Attachment A (Drug List) – Active Medical

**Preventive medication list**

Drug Category	Examples of products
<b>Anticoagulants/ antiplatelets</b>	<ul style="list-style-type: none"> <li>• aspirin/dipyridamole (Aggrenox<sup>®</sup>)</li> <li>• clopidogrel</li> <li>• dipyridamole</li> <li>• prasugrel (Effient<sup>™</sup>)</li> <li>• ticlopidine</li> <li>• warfarin</li> </ul>
<b>Antiemetics/ antivertigo agents</b>	<p>aprepitant (Emend<sup>®</sup>)            dimenhydrinate            dolasetron (Anzemet<sup>®</sup>)            granisetron            meclizine            ondansetron            prochlorperazine            promethazine            scopolamine (Transderm Scop<sup>®</sup>; Scopace<sup>®</sup>)            trimethobenzamide</p>
<b>Antiestrogens</b>	<p>anastrozole            exemestane            letrozole            tamoxifen            raloxifene (Evista<sup>®</sup>)</p>
<b>Blood pressure/heart health</b>	<ul style="list-style-type: none"> <li>• ACE inhibitors: benazepril; benazepril-HCTZ; captopril; captopril-HCTZ; enalapril; enalapril-HCTZ; fosinopril ;fosinopril-HCTZ; lisinopril; lisinopril-HCTZ; moexipril; moexipril-HCTZ; perindopril; quinapril; quinapril-HCTZ; ramipril;trandolapril</li> <li>• Angiotensin II receptor blockers: ibesartan; ibesartan-HCTZ; losartan; losartan-HCTZ; olmesartan (Benicar<sup>®</sup>); olmesartan-HCTZ (Benicar HCT<sup>®</sup>); telmisartan (Micardis<sup>®</sup>); telmisartan-HCTZ (Micardis HCT<sup>®</sup>); valsartan; valsartan-HCTZ</li> <li>• Beta-blockers: acebutolol; atenolol; atenolol/chlorthalidone; betaxolol; bisoprolol; bisoprolol-HCTZ; labetalol; metoprolol; metoprolol-HCTZ; nadolol; nadolol-bendroflumethiazide; nebivolol (Bystolic<sup>™</sup> ); pindolol; propranolol; sotalol; sotalol AF; timolol; timolol-HCTZ,</li> <li>• Calcium channel blockers: amlodipine; diltiazem; felodipine; isradipine; nifedipine; nifedipine; nisoldipine; verapamil; verapamil ext. release</li> <li>• Thiazide diuretics and related diuretics: amiloride; amiloride-HCTZ; chlorothiazide; chlorthalidone; eplerenone; furosemide; hydrochlorothiazide; indapamide; metolazone; spironolactone; spironolactone-HCTZ; triamterene; triamterene-HCTZ</li> <li>• Miscellaneous: aliskiren (Tekturna<sup>®</sup>); aliskiren-HCTZ (Tekturna HCT<sup>®</sup>); carvedilol; cilostazol, clonidine; clonidine-chlorthalidone; doxazosin; digoxin, hydralazine HCl, minoxidil tablets only, guanfacine HCl; enalapril-felodipine; hydralazine; methyl dopa; methyl dopa-HCTZ; prazosin; terazosin; amlodipine/benazepril; amlodipine/valsartan (Exforge<sup>®</sup>);</li> </ul>
<b>Anti-infectives</b>	<p>atovaquone (Mepron<sup>®</sup>)            pentamidine (NebuPent<sup>®</sup>)            posaconazole (Noxafil<sup>®</sup>)</p>

Drug Category	Examples of products
<b>Antimalarials</b>	artemether/lumefantrine (Coartem®) atovaquone/proguanil chloroquine hydroxychloroquine mefloquine primaquine pyrimethamine (Daraprim®) pyrimethamine-sulfadoxine (Fansidar®) quinine (Qualaquin®)
<b>Anti-ulcer agents</b>	H2-antagonists: cimetidine; famotidine; nizatidine; ranitidine Miscellaneous agents: misoprostol; sucralfate Proton pump inhibitors: esomeprazole (Nexium®); lansoprazole; omeprazole; pantoprazole; metoclopramide HCl tablet, solution
<b>Antivirals</b>	<ul style="list-style-type: none"> <li>• acyclovir</li> <li>• amantadine</li> <li>• famciclovir</li> <li>• foscarnet</li> <li>• ganciclovir</li> <li>• oseltamivir (Tamiflu®)</li> <li>• rimantadine</li> <li>• valacyclovir</li> <li>• valganciclovir (Valcyte®)</li> <li>• zanamivir (Relenza®)</li> </ul>
<b>Arthritis/Pain</b>	methylprednisolone sodium succinate powder for injection methylprednisolone acetate suspension for injection methylprednisolone prednisolone acetate suspension (generic Pred Forte) prednisone indomethacin naproxen naproxen delayed-release naproxen sodium diclofenac sodium diclofenac sodium ext-release diclofenac solution etodolac ibuprofen suspension ibuprofen ketoprofen ketorolac ophthalmic soln meloxicam nabumetone piroxicam sulindac

Drug Category	Examples of products
<b>Asthma therapies</b>	montelukast zafirlukast albuterol sulfate tablet, syrup, inhalant solution aminophylline tablet budesonide inhalant suspension (Pulmicort Respules) terbutaline theophylline ext-release tabs cromolyn sodium solution, inhalant solution ipratropium bromide solution, inhalant solution ipratropium/albuterol sulfate guaifenesin/dyphylline elixir
<b>Bowel evacuant products</b>	polyethylene glycol 3350 combination products such as Colyte <sup>®</sup> , Golytely <sup>®</sup> , HalfLytely <sup>®</sup> , Nulytely <sup>®</sup> , Trilyte <sup>®</sup> , Moviprep <sup>®</sup> (generics only); sodium phosphate salts
<b>Calcium replacement products</b>	calcium acetate calcium carbonate calcium citrate calcium gluconate
<b>Cancer (adjunctive agents)</b>	amifostine darbepoetin alfa (Aranesp <sup>®</sup> ) dexrazoxane epoetin alfa (Procrit <sup>®</sup> ) filgrastim (Neupogen <sup>®</sup> ) leucovorin mesna (Mesnex <sup>®</sup> ) pegfilgrastim (Neulasta <sup>®</sup> ) sargramostim (Leukine <sup>®</sup> )
<b>Cholesterol- lowering agents</b>	<ul style="list-style-type: none"> <li>• atorvastatin/amlodipine</li> <li>• cholestyramine</li> <li>• colesevelam (WelChol<sup>®</sup>)</li> <li>• colestipol</li> <li>• ezetimibe (Zetia<sup>®</sup>)</li> <li>• ezetimibe/simvastatin (Vytorin<sup>®</sup>)</li> <li>• fenofibrate (Antara<sup>®</sup>, Fenoglide<sup>™</sup>, Lipofen<sup>®</sup>, TriCor<sup>®</sup>)</li> <li>• fenofibric acid (TriLipix<sup>™</sup>)</li> <li>• gemfibrozil</li> <li>• HMG-coA reductase inhibitors: atorvastatin; fluvastatin; lovastatin (Altoprev<sup>®</sup>); pravastatin; rosuvastatin (Crestor<sup>®</sup>); simvastatin</li> <li>• niacin (Niaspan<sup>®</sup>); niacin ER/simvastatin (Simcor<sup>®</sup>)</li> <li>• omega-3-acid ethyl esters (Lovaza<sup>®</sup>)</li> </ul>
<b>Contraceptives, non-oral</b>	diaphragms (Ortho-Diaphragm <sup>™</sup> ) medroxyprogesterone 150mg injectable intra-vaginal system (NuvaRing <sup>®</sup> ) transdermal system (generic for Ortho-Evra <sup>®</sup> )

Drug Category	Examples of products
<b>Contraceptives, oral</b>	Apri® Estrostep Fe® (generic only) Lybrel® (generic only) Ortho Tri-Cyclen® (generic only) Ovcon® (generic only) Seasonale® (generic only) TriNessa® (generic only) Trivora® (generic only) Yasmin® (generic only) Seasonique® (generic only) YAZ®
<b>Dental aids</b>	minocycline (Arestin®)
<b>Diabetes</b>	acarbose glimepiride glipizide glipizide ext-release glyburide glyburide, Micronized glyburide/metformin metformin HCl metformin ext-release nateglinide Glucagon insulin aspart (Humalog) insulin regular (Humulin R) insulin NPH (Humulin N) insulin NPH and insulin regular (Humulin 70/30) insulin aspart protamine and insulin aspart (Humalog MIX 70/30) insulin glargine (Lantus) Accu-Chek test strips One Touch test strips Insulin pen needles – BD Ultrafine Insulin syringes – BD Lancet device – BD Lancets – BD, Microlet
<b>Estrogen replacement products</b>	conjugated estrogens (Premarin®) esterified estrogens/methyltestosterone estradiol (Climara®, Estraderm®, Vivelle®) estradiol gel (Divigel®) estradiol MTDS (Evamist™) estradiol/norethindrone (CombiPatch®) estrogen/medroxyprogesterone (Premphase®, Prempro™) ethinyl estradiol/norethindrone (generic for Femhrt®) synthetic conjugated estrogens, A (Cenestin®) synthetic conjugated estrogens, B (Enjuvia™)

Drug Category	Examples of products
<b>Fluoride preparations, oral and topical</b>	Cavarest Gel™ (generic only) Easygel™ (generic only) EtheDent™ (generic only) Fluoritab™ (generic only) Luride Lozi-Tabs® (generic only) Neutragard® (generic only) Phos-Flur® (generic only) sodium fluoride (generic only) Gel-Kam® (generic only) PreviDent® Rinse (generic only)
<b>Gout</b>	allopurinol febuxostat (Uloric®)
<b>Heparin/low molecular weight heparin products</b>	heparin low-molecular-weight heparin: dalteparin (Fragmin®); enoxaparin; fondaparinux
<b>Iron replacement agents</b>	Chromagen® (generic only) ferumoxytol (generic for Feraheme™) FoliTab™ (generic only) Foltrin™ (generic only) Niferex® Forte (generic only)
<b>Magnesium replacement products</b>	magnesium gluconate magnesium oxide
<b>Miscellaneous agents</b>	isoxsuprine
<b>Osteoporosis</b>	alendronate; calcitonin etidronate ibandronate (Boniva®) raloxifene (Evista®)
<b>Phosphate/ potassium replacement products</b>	<ul style="list-style-type: none"> <li>• potassium bicarbonate/citric acid (Effer-K®)</li> <li>• potassium chloride</li> <li>• potassium gluconate</li> <li>• potassium phosphate</li> <li>• potassium and sodium phosphate</li> <li>• sodium phosphate</li> </ul>
<b>Prenatal vitamins</b>	<ul style="list-style-type: none"> <li>• Nata chew® (generic only)</li> <li>• Natafort® (generic only)</li> <li>• Natelle® (generic only)</li> <li>• Pre Care® (generic only)</li> <li>• Prenatal Plus®, Prenatal RX™ (generic only)</li> <li>• Prima Care® (generic only)</li> <li>• Vitafof-OB™ (generic only)</li> </ul>
<b>Prescription vitamins</b>	<ul style="list-style-type: none"> <li>• multivitamin w/ fluoride</li> <li>• Strovite Advance®, Strovite Plus® (generic only)</li> <li>• Theragran® (generic only)</li> <li>• Therobec™, Therobec Plus™ (generic only)</li> </ul>

<b>Drug Category</b>	<b>Examples of products</b>
<b>Progestins</b>	<ul style="list-style-type: none"> <li>• medroxyprogesterone</li> <li>• norethindrone</li> <li>• progesterone</li> <li>• progesterone, micronized (Crinone<sup>®</sup>, Prometrium<sup>®</sup>)</li> </ul>
<b>Renal disease agents</b>	lanthanum (Fosrenol <sup>®</sup> ) sevelamer (Renagel <sup>®</sup> ) sevelamer carbonate (Renvela <sup>®</sup> )
<b>Smoking cessation products</b>	bupropion (generic for Zyban only) nicotine products (Nicotrol <sup>®</sup> Inhaler, Nicotrol <sup>®</sup> Nasal Spray) varenicline (Chantix <sup>™</sup> )
<b>Vaccines</b>	<ul style="list-style-type: none"> <li>• seasonal influenza vaccines</li> </ul>
<b>Vitamin B products</b>	<ul style="list-style-type: none"> <li>• Folgard RX<sup>™</sup> (generic only)</li> <li>• Foltx<sup>®</sup> (generic only)</li> </ul>
<b>Vitamin B1 products</b>	<ul style="list-style-type: none"> <li>• thiamine</li> </ul>
<b>Vitamin B6 products</b>	<ul style="list-style-type: none"> <li>• pyridoxine</li> </ul>
<b>Vitamin B12 products</b>	<ul style="list-style-type: none"> <li>• cyanocobalam</li> <li>• cyanocobalamin/folic acid (Foltrate<sup>®</sup>)</li> </ul>
<b>Vitamin D products</b>	<ul style="list-style-type: none"> <li>• calcitriol</li> <li>• ergocalciferol</li> </ul>
<b>Vitamin K products</b>	phytonadione (Mephyton <sup>®</sup> )
<b>Vitamins with folic acid</b>	therapeutic vitamins with minerals
<b>Weight loss agents</b>	benzphetamine diethylpropion orlistat (Xenical <sup>®</sup> ) phendimetrazine phentermine
<b>Zinc replacement products</b>	zinc gluconate zinc sulfate

Abbreviations: HCTZ = hydrochlorothiazide

## Medication and Lab Testing Allowed at No Cost to Member Inside Expanded Primary Care Package

Radiology Procedures		
Procedure Code	Description	Detail Description
71020	RADEX CH 2 VIEWS FRNT&LAT	Radiologic examination, chest, 2 views, frontal and lateral;

Pathology and Laboratory Procedures		
Procedure Code	Description	Detail Description
80048	BASIC METABOLIC PANEL CALCIUM TOTAL	Basic metabolic panel (Calcium, total) This panel must include the following: Calcium, total (82310), Carbon dioxide (82374), Chloride (82435), Creatinine (82565), Glucose (82947), Potassium (84132), Sodium (84295), Urea nitrogen (BUN) (84520)
80061	LIPID PANEL	Lipid panel This panel must include the following: Cholesterol, serum, total (82465), Lipoprotein, direct measurement, high density cholesterol (HDL cholesterol) (83718), Triglycerides (84478)
81000	URNLS DIP STICK/TABLET RGNT NON-AUTO MIC	Urinalysis, by dip stick or tablet reagent for bilirubin, glucose, hemoglobin, ketones, leukocytes, nitrite, pH, protein, specific gravity, urobilinogen, any number of these constituents; non-automated, with microscopy
82270	BLD OCLT PROXIDASE ACTV QUAL FECES 1 DETER	Blood, occult, by peroxidase activity (e.g., guaiac) qualitative; feces, consecutive collected specimen single determination, for colorectal neoplasm scr (i.e., patient was provided 3 cards or single triple consecutive collection)
82948	GLUC BLD RGNT STRIP	Glucose; blood, reagent strip
83036	HGB GLYCOSYLATED	Hemoglobin; glycosylated (A1C)
85025	BLD# COMPL AUTO HHRWP&AUTO DIFFIAL	Blood count; complete (CBC), automated (Hgb, H WBC and platelet count) and automated differen count
85610	PROTHROMBIN TM	Prothrombin time;
85651	SEDIMENTATION RATE RBC NON-AUTO	Sedimentation rate, erythrocyte; non-automated

<b>Vaccines</b>		
<b>Procedure Code</b>	<b>Description</b>	<b>Detail Description</b>
90633	HEPATITIS A VACCINE PEDIATRIC 2 DOSE SCHEDULE IM	Hepatitis A vaccine, pediatric/adolescent dosage-2 dose schedule, for intramuscular use
90656	INFLUENZA VIRUS VACC SPLIT PRSRV FR 3 YEARS + IM	Influenza virus vaccine, split virus, preservative free, when administered to individuals 3 years and older, for intramuscular use
90703	TETANUS TOXOID ADSORBED INTRAMUSCULAR	Tetanus toxoid adsorbed, for intramuscular use
90707	MEASLES MUMPS RUBELLA VIRUS VACCINE LIVE SUBQ	Measles, mumps and rubella virus vaccine (MMR), live, for subcutaneous use
90716	VARICELLA VIRUS VACCINE LIVE SUBQ	Varicella virus vaccine, live, for subcutaneous use
90732	PNEUMOCOCCAL POLYSAC VACCINE 23-V 2 YR + SUBQ/IM	Pneumococcal polysaccharide vaccine, 23-valent, adult or immunosuppressed patient dosage, when administered to individuals 2 years or older, for subcutaneous or intramuscular use

<b>Other Procedures</b>	
<b>DESCRIPTION</b>	<b>DETAILED DESCRIPTION</b>
ECG ROUTINE ECG W/LEAST 12 LDS W/I&R	Electrocardiogram, routine ECG with at least 12 leads; with interpretation and report
SPMTRY W/VC EXPIRATORY FLO +-MXML VOL VNTJ	Spirometry, including graphic record, total and timed vital capacity, expiratory flow rate measurement(s), with or without maximal voluntary ventilation
Mammogram	n/a
Pap Smear	n/a
Colonoscopy	n/a
Prevention Office Visit	n/a

<b>Medication Testing Allowed at No Cost to Member Inside Expanded Primary Care Package</b>		
<b>Medication Use</b>	<b>Medication Name</b>	<b>Explanation of Narrow Therapeutic Index Classification</b>
Congestive heart failure	Digoxin	The medications listed here are narrow therapeutic index drugs. These medications have a narrow therapeutic dosage range compared to other medications. For these medications, dosage levels that are too high can be toxic or even fatal. The therapeutic dose of these drugs is closer to the toxic dose than is the case with most other drugs.
Blood clot prevention	Warfarin	
Asthma	Theophylline	
Asthma	Aminophylline	

## **HEARING AIDS**

### **ACTIVE AND RETIREE MEDICAL**

80% coverage for hearing aids with the one per ear every three years frequency limit

#### **What the Plan Covers:**

**Hearing Aid Services.** The following hearing aid services are covered when provided by or purchased as a result of a written recommendation from an otolaryngologist or a state-certified audiologist.

1. Audiological evaluations to measure the extent of hearing loss and determine the most appropriate make and model of hearing aid. These evaluations will be covered under plan benefits for office visits to physicians.
2. Hearing aids (monaural or binaural) including ear mold(s), the hearing aid instrument, batteries, cords and other ancillary equipment.
3. Visits for fitting, counseling, adjustments and repairs for a one year period after receiving the covered hearing aid.

#### **What the Plan does Not Cover (i.e., Exclusions)**

No benefits will be provided for the following:

1. Charges for extra features that are beyond the specifications prescribed for the correction of hearing loss or are not medically necessary.



# VSP Signature & VSP Choice Plans

Below is a summary of benefits available through VSP's Signature and Choice Plans.  
For a complete proposal or for a network access report, please contact your VSP Representative.

		VSP Choice Plan Full-service Plan
Provider Network		
Network Disruption	N/A	1%
Claim Disruption	N/A	208
WellVision Exam <sup>®</sup>	Thorough eye exam covered in full <sup>1</sup>	Same as Signature Plan
Lenses	Glass or plastic, single vision, lined bifocal, lined trifocal, or lenticular prescription lenses are covered in full <sup>1</sup>	Same as Signature Plan
Lens Options	Photochromic and UV protection are covered in full.	Same as Signature Plan
	Dependent children are eligible for covered in full polycarbonate prescription lenses	Same as Signature Plan
Frame	Frames are covered in full <sup>1</sup> up to the retail allowance of \$150	Same as Signature Plan
	20% off any amount above the allowance	Same as Signature Plan
Contact Lenses	15% off contact lens services, excluding materials	Same as Signature Plan
	Instead of eyeglasses, elective contact lens services and materials are covered up to \$150 toward any type of prescription contact lenses	Same as Signature Plan
	Necessary contact lenses are covered-in-full <sup>1</sup> for members who have specific conditions for which contact lenses provide better visual correction.	Same as Signature Plan
Laser VisionCare Preferred Program	Through VSP's Laser VisionCare Preferred Program, you are provided a one time \$250 allowance per eye to use towards the cost of laser vision correction surgery.	Same as Signature Plan
Eye Health Management Program <sup>®</sup>	Includes member materials, care from VSP providers, and data that supports your wellness initiatives	Same as Signature Plan
Laser VisionCare	Discounts averaging 15-20% off or 5% off a promotional offer for laser surgery including PRK, LASIK, and Custom LASIK <sup>2</sup>	Same as Signature Plan
Non-VSP Schedule of Allowances	Exam - \$30, Single Vision Lenses - \$20, Bifocal Lenses - \$35, Trifocal Lenses - \$45, Lenticular Lenses - \$75, Progressives - \$45 Elective Contact Lenses - \$75, Frame - \$25, Necessary Contact Lenses - \$250	Exam - \$45, Single Vision Lenses - \$30, Bifocal Lenses - \$50, Trifocal Lenses - \$65, Lenticular Lenses - \$100, Progressives - \$50, Elective Contact Lenses - \$105, Frame - \$70, Necessary Contact Lenses - \$250
Value-added Benefits	30% off unlimited additional pairs of prescription glasses and/or non-prescription sunglasses <sup>3</sup> Guaranteed pricing on all other lens options, saving our members an average of 35-40%	20% off unlimited additional pairs of prescription glasses and/or non-prescription sunglasses Guaranteed pricing on the most popular lens options, saving our members an average of 20-25% <sup>4</sup>

<sup>1</sup> Less any applicable copay

<sup>2</sup> Using wavefront technology with the microkeratome surgical device only. Other LASIK procedures may be performed at an additional cost to the member. Laser VisionCare discounts are only available from VSP-contracted facilities.

<sup>3</sup> 30% discount applies to glasses purchased the same day as the member's eye exam from the same VSP Preferred Provider who provided the exam. Members will also receive 20% off unlimited additional pairs of glasses valid through any VSP Preferred Provider within 12 months of the last covered eye exam.

<sup>4</sup> Most popular lens options include progressives, anti-reflective, photochromics, scratch resistant coating, polycarbonate, plastic dyes, and UV protection. All other lens options available at 20% discount.

## DENTAL

Add dental implant coverage to be covered under major care of the Dental Plan (85% up to annual maximum).

# ATTACHMENT C

## BENEFIT AGREEMENT

### 1. SUPPLEMENTAL LIFE INSURANCE PLAN

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- Plan Design for Supplemental Life:

Step rates for Supplemental Life insurance based upon age

- Coverage based on annual salary levels. 1-6X coverage levels to a maximum of \$1Million
- \$50K coverage level
- Eliminate the 1.5X coverage level option in previous contracts

<b>Employee Supplemental Life Rates</b> (per \$1,000 of covered benefit)			
<u>Age</u>	<u>Current</u>	<u>Rates</u>	
< 25	\$0.370	\$0.115	
25 – 29	\$0.370	\$0.135	
30 – 34	\$0.370	\$0.155	
35 – 39	\$0.370	\$0.165	
40 – 44	\$0.370	\$0.195	
45 – 49	\$0.370	\$0.295	
50 – 54	\$0.370	\$0.370	
55 – 59	\$0.370	\$0.370	
60 – 64	\$0.370	\$0.410	
65 – 69	\$0.370	\$0.410	
70 +	\$0.370	\$0.410	

The company would continue to offer each employee basic life insurance of \$10,000 at no cost

## 2. DEPENDENT LIFE PLAN

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- Offer Dependent Life
  - Spouse/Domestic Partner Life plan
    - Employees select: \$10K, \$25K, \$50K, \$75K, or \$100K
    - Guarantee issue up to \$25K, then Medical Evidence of Insurability required
  - Child /Children plan
    - Employees select: \$5K, \$10K, or \$25K

Dependent Life Plan Design		
Spouse/Domestic Partner Plan	Choice of \$10,000, \$25,000, \$50,000, \$75,000, or \$100,000.	
Maximum	Up to 50% of employee coverage	
Evidence of Insurability Level	\$25,000	
Child/Children Plan: Birth to 14 days 14 days to age 26	Birth to 14 days: \$1,000 14 days to age 26: Choice of \$5,000, \$10,000 or \$25,000	
Rate Information		
Spouse Rate Per \$1,000 / Month (based on employee age)	Age	Rate
	<30	\$0.060
	30-34	\$0.080
	35-39	\$0.090
	40-44	\$0.100
	45-49	\$0.150
	50-54	\$0.230
	55-59	\$0.430
	60-64	\$0.660
	65-69	\$1.270
	70-74	\$2.060
Child Rate \$5,000 Option - Per EE / Month		\$0.420
Child Rate \$10,000 Option - Per EE / Month		\$0.840
Child Rate \$25,000 Option - Per EE / Month		\$2.100

### 3. ACCIDENTAL DEATH AND DISMEMBERMENT PLAN

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MetLife's Accidental Death and Dismemberment (AD&D) coverage pays a benefit for a covered accident that results in a loss of life, speech, hearing and/or sight, paralysis and more

#### Basic Accidental Death and Dismemberment

- Plan Design:
  - Company paid Basic AD&D for Employee
  - Basic AD&D coverage is \$10,000
  - No Medical Evidence of Insurability

#### Supplemental Accidental Death and Dismemberment

- Plan Design:
  - Coverage based on annual salary. 1 to 6X coverage levels; maximum of \$1 Million
  - No Medical Evidence of Insurability
- Rate:
  - \$.02 Per \$1,000 / Month Employee Only
  - \$.03 Per \$1,000 / Month Employee, Spouse + Child/Children

Employee's do not have to select Supplemental Life to participate in Supplemental Accidental Death and Dismemberment

#### Living Benefits:

- Travel Assistance & Identity Theft Solutions (Covers all employees with Basic AD&D)
  - Travel Assistance offers access to valuable services such as:
    - Medical assistance while traveling
    - Emergency medical evacuation
    - Help with lost documents and credit cards
    - Identity theft guidance and support
    - Additional key benefit of the Travel Assistance program is that covered persons may use the service while traveling for business or pleasure. Also, dependent spouses and children are covered for these services whether they are traveling with the employee or not.
    - Identity Theft Solutions (Covers all employees with Basic AD&D)
  - an additional, value-added benefit packaged with Travel Assistance. Identity Theft Solutions is part of MetLife's continued commitment to meeting your customers' diverse needs – today and as they evolve over time. This new enhancement educates employees and their dependents on preventing an occurrence and provides personal assistance and guidance to help alleviate the stress and time burden that victims often face.
- Hospital Confinement Benefit (Covers only employees with Supplemental AD&D)
  - Pays an additional monthly benefit if a covered person is confined in a Hospital as a result of an accidental injury.

**If covered person dies:**

- Air Bag Benefit: (Covers all employees with Basic AD&D)
  - If an Air Bag is deployed for the covered person during the accident and the covered person dies as a result of the accident while driving or riding in a passenger car and wearing a properly fastened seat belt, beneficiaries will receive an extra 10% of the face value of the coverage.
- Seat Belt Benefit (Covers all employees with Basic AD&D)
  - Beneficiaries will receive an extra 10% of the face value of the coverage if a covered person dies from injuries sustained in an accident while driving or riding as a passenger in a Passenger Car, provided the person was wearing a properly fastened Seat Belt at the time of the accident.
- Common Carrier Benefit (Covers only employees with Supplemental AD&D)
  - Pays an additional benefit if a covered person dies as a result of an accidental injury while traveling in a Common Carrier. If a person dies in an accident on a common carrier, they would receive an additional 100% of the face amount of their AD&D insurance (200% total)
- Child Care Benefit (Covers only employees with Supplemental AD&D)
  - Provides an additional amount to attend a licensed Child Care Center for up to 4 consecutive years. For children under 12 years of age, whose covered parent dies in an accident covered by this policy, they would receive childcare benefits for a maximum of 4 years. There is a cap of \$5000/year and payments cannot exceed (in total) 12% of the face value of the AD&D insurance.
- Child Education Benefit (Covers only employees with Supplemental AD&D)
  - Provides an additional benefit equal to the tuition charges for each eligible dependent child to attend college or another accredited institution for up to 4 consecutive years. There is a cap of \$10,000/year and payments cannot exceed (in total) 20% of the face value of the AD&D insurance.
- Spouse Education (Covers only employees with Supplemental AD&D) Provides an additional amount equal to the tuition charges for 1 academic year up to \$5,000 per year and payment cannot exceed 3% of the face value of the AD&D insurance.

**Basic and Supplemental  
Accidental Death and Dismemberment Benefits**

Covered Loss	Benefits Amount
Life	Full Amount
Seat Belt Benefit for Loss of Life	Full Amount and 10% of Full Amount
Air Bag Benefit for Loss of Life	Full Amount and 10% of Full Amount
Seat Belt and Air Bag Benefit for Loss of Life	Full Amount and 20% of Full Amount
A hand	50% of Full Amount
A foot	50% of Full Amount
An Arm	75% of Full Amount
A Leg	75% of Full Amount
Sight of an eye	50% of Full Amount
Any combination of a hand, a foot, and or sight of an eye	100% of Full Amount
Thumb and Index finger on same hand	25% of Full Amount
Speech and hearing in both ears	100% of Full Amount
Speech	50% of Full Amount
Hearing in both Ears	50% of Full Amount
Paralysis of both arms and legs (Quadriplegia)	100% of Full Amount
Paralysis of both legs (Paraplegia)	50% of Full Amount
Paralysis of one arm <u>and</u> one leg on the same side of the body (Hemiplegia)	50% of Full Amount
Paralysis of one arm <u>or</u> leg	25% of Full Amount

#### 4. WILL PREPARATION BENEFITS

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- Included with Supplemental Life at no additional cost
- Fully covers the legal fees associated with preparing or updating wills for employees and spouses, when using a participating attorney.
- Covers Simple and Complex Wills
- Living Wills, Health Directives, Testamentary Trusts and Power of Attorney
  - Living Will:
    - Ensures your wishes are carried out, and protects your loved ones from making these very difficult and personal decisions by themselves.
    - Also called an "advanced directive;"
      - Document authorized by statutes in all states
      - Individual is appointed as his/her representative to make decisions on maintaining extraordinary life-support in a circumstance where an individual cannot communicate their wishes
  - Power of Attorney:
    - Allows you to plan ahead by designating someone you know and trust to act on your behalf in the event of unexpected occurrences or if you become incapacitated. It is a written document that grants an individual the power to act on the grantor's behalf.
- Easy to use initiating a request via 1-800-821-6400
- Over 10,000 participating attorneys in the Hyatt Legal Plans' network.
- Out-of-Network option.

## 5. ADMINISTRATIVE CHANGES

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Below are Administrative changes:

Change unit of measure from per/\$100 to per/\$1,000 of coverage.

Changes to coverage: Employee may decrease level of Supplemental insurance at any time.

Evidence of Insurability: When an employee is first eligible for Supplemental life insurance, the employee may elect up to 2X without a Statement of Health (SOH). If the employee wants to elect a coverage level greater than 2X when first eligible, the employee must complete a SOH, that is subject to approval by MetLife.

After the employee's initial enrollment, an employee can increase his supplemental life insurance coverage at any time by completing a SOH. Any increase in coverage level(s) are subject to approval by MetLife

One-Time Special Enrollment period: For the special enrollment period campaign only, to take place during the fall of 2012, employees may elect up to 2X Life insurance coverage without completing an Evidence of Insurability form. For all coverage levels greater than 2X, the employee must complete an on-line short form (or paper submission) during the EnrollSmart Campaign. The on-line short form is an abbreviated questionnaire. A Full Statement of Health (if needed) may be required after the MetLife analysis of the short form questionnaire.

## RETIREMENT

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The Company proposes a new retirement income platform to replace the current defined benefit pension (formula using a percentage of final pay times years of service) plus employer matching contribution in the Retirement Savings Plan for Union-Represented Employees (RSP-U) with a cash balance defined benefit pension plus increased employer match in the RSP-U. The cash balance pension design would annually credit each employee with a percentage of pay which will accumulate with interest during employment. The higher employer match would automatically apply to RSP-U contributions made by employees participating in the cash balance plan.

### Cash Balance Pension Plan:

The Company proposes the following basic cash balance design:

1. On the last day of each year, a cash balance plan participant will be credited with Pay Credits equal to a percentage of compensation paid for that year. Annual pay credits would be awarded based on a point system derived from a combination of age and service:

<b>Points (Age + Service)</b>	<b>Pay Credits</b>
< 40	5%
40 - 49	6%
50 - 59	7%
60 - 69	8%
70+	9%

2. On the last day of each year, an annual interest credit based on an average of the 30-year Treasury rates for the year would be applied to the accumulated account balance.
3. Retirement benefits will be based on the accumulated account balance at retirement or termination. The normal form of benefit will be a monthly pension benefit payable for life that is actuarially equivalent to the Cash Balance Account Balance. Actuarial equivalence will be based on your account balance and age at benefit start date, and the interest and mortality rates specified by the Internal Revenue Service. Employees will also have the option to elect one-time payment of the account balance in a lump sum.
4. Other Cash Balance Plan Highlights:
  - Participation in the Plan continues to begin on the first day of employment; there is no waiting period to begin earning a benefit
  - Participants will have a vested right to cash balance benefits after three years of service. Vesting for the current pension plan will continue at five years of service.
  - Normal retirement age will continue to be age 65. Employees who end employment before reaching normal retirement age are eligible to receive the full account balance or an actuarially equivalent monthly benefit. There is no reduction in account balance for early retirement.
  - Lump sum distributions of the Cash Balance account will be eligible for direct rollover to an Individual Retirement Account (IRA) or other qualified employer retirement plan that accepts rollovers. If a former employee defers distribution of the cash balance account, interest will continue to be credited until the benefit is distributed.
  - Employees electing conversion to a monthly pension benefit will continue to have survivor benefit options for a spouse or another named beneficiary. In the event of death prior to retirement, the

full Cash Balance account balance would be payable to your spouse, or another named beneficiary.

### **Retirement Savings Plan for Union-Represented Employees**

Employees participating in the cash balance pension also will be eligible for an employer matching contribution in the Retirement Savings Plan for Union-Represented Employees (RSP-U) of 75% of the employee's pre-tax and/or after-tax contributions up to 8% of pay.

### **Application of the new Cash Balance and RSP-U Program:**

- Any employees hired on or after January 1, 2013 will participate in the new cash balance plan, and will be eligible to receive the higher 75% employer matching contribution on up to 8% of pay after completion of one year of service.
- During 2013, current employees (those hired before 2013) would be offered the choice to participate in the new cash balance and RSP-U program. Those choosing the new plan would begin to accrue benefits under the cash balance plan, and would be eligible for the increased RSP-U employer matching contribution, beginning January 1, 2014. Pension benefits earned under the current final pay pension formula would be frozen as of December 31, 2013.

## **RETIREMENT SAVINGS PLAN FOR UNION-REPRESENTED EMPLOYEES**

Effective January 1, 2013, new employees hired on or after January 1, 2013, eligible for the cash balance plan will be automatically enrolled in the Retirement Savings Plan upon reaching eligibility for company matching contributions (one year of service). Automatic enrollment payroll deductions will equal the percentage of pay eligible for company match (8% of pay). Employees may reduce or cancel the payroll deduction at any time.

This plan provision is contingent on the approval of the Employee Benefits Committee of Pacific Gas and Electric Company and the PG&E Corporation Compensation Committee.