



30 ORANGE TREE CIRCLE
VACAVILLE, CA 95687
P.O. BOX 2547, VACAVILLE, CA 95696

TOM DALZELL, BUSINESS MANAGER
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Summary of Tentative Benefits Agreement

Medical Plan Tentative Agreement

WHY CHANGE OUR MEDICAL PLANS?

COMPANY PROPOSED TO INCREASE CO-PAY OF MONTHLY PREMIUMS FROM 7.5% TO 15% WITH ALL NEW EMPLOYEES REQUIRED TO BE IN A HIGH DEDUCTIBLE HEALTH CARE PLAN

COST OF MONTHLY PREMIUMS CONTINUE TO RISE AT AN 8% TO 10% ANNUAL RATE

MOST COMPANIES JUST TRY TO PASS THE COST TO EMPLOYEES IN THE FORM OF HIGHER CO-PAYS

SDG&E	90% / 10% for low-cost HMO;	80% / 20% for all other plans
SCE	85% / 15% for employee coverage;	80% / 20% for dependent coverage
SoCalGas	85% / 15% for low-cost HMO;	80% / 20% for point-of-service plan

IBEW & PG&E COMMITTEE AGREED TO TRY A DIFFERENT APPROACH

- NO MEDICAL PLAN CHANGES IN 2012
- CREATED A SINGLE SELF-INSURED MEDICAL PLAN WITH A "HEALTH REIMBURSEMENT ACCOUNT" (HRA) FOR EMPLOYEE AND DEPENDENTS

WHY?

- 1) Currently we have 7 different plans with 4 different administrators
- 2) Simplify enrollment and communication
- 3) Eliminate redundant administrative cost
- 4) Strengthen PG&E purchasing power
- 5) Provide more effective collaboration with only 2 vendors



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MEDICAL PLAN FOR 2013 & 2014

- **EMPLOYEE CONTINUES TO PAY ONLY 7.5% OF MONTHLY PREMIUM OF 2012 RATES IN 2013. COMPANY SHALL PAY ANY INCREASE OF MONTHLY PREMIUMS ABOVE 2012 LEVELS. AFTER 2013 EMPLOYEE CONTINUES TO PAY ONLY 7.5% OF MONTHLY PREMIUM**

PLAN & 2012 RATES	EMPLOYEE	EMPLOYEE+SP/DP	EMPLOYEE + CHILDRED	FAMILY
NAP/CAP	\$48.05	\$100.90	\$86.49	\$139.34
HSA	\$32.03	\$67.27	\$57.66	\$92.89
BLUE SHEILD	\$44.98	\$94.46	\$80.96	\$130.44
HEALTH NET	\$49.52	\$103.99	\$89.13	\$143.60
KAISER	\$42.13	\$88.48	\$75.84	\$122.18

- **HSA MEDICAL PLAN GOING AWAY IN 2013**
- **BLUE SHEILD HMO AND HEALTH NET HMO ARE GOING AWAY IN 2013**
- **ANTHEM BLUE CROSS AND KAISER WILL ENSURE 97% ACCESS TO PHYSICIANS THAT CURRENTLY ENROLLED EMPLOYEES AND DEPENDENTS USE**

FREE PREVENTATIVE HEALTH CARE

- **All enrolled employees and dependents are each eligible for 4 free visits to primary provider each year. Additional visits will be 10% co-insurance**
- **Free preventative medication and routine lab work for nine chronic conditions: Diabetes, Coronary Artery Disease, Asthma, Chronic Obstructive Pulmonary Disease, Congestive Heart Failure, Hypertension (High Blood Pressure), Hyperlipidemia (High Cholesterol), Osteoarthritis and Gastro esophageal Reflex Disorder**

MEDICAL PLAN DESIGN CHANGES

- **Same basic plan design between Anthem and Kaiser**
- **Change from copayments to coinsurance with HRA account to assist in paying for services**
- **Incentivizes and involves employees in their decisions of their health care and will help influence the providers as to the quality and cost of medical services.**
- **Annual deductible: \$1000/person; \$2000/family**
- **Annual maximum out-of-pocket: \$2400/person; \$4800/family**



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HEALTH CARE REIMBURSEMENT ACCOUNT (HRA)

These accounts consist of “notional” money, which means the money is guaranteed for the employee’s use as specified in the agreement, but it is controlled by PG&E and does not become part of the employee’s estate.

- 1) Company contributions are intended to offset medical cost for services that are not free.
- 2) 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 care expense in 2014.
- 3) Part time and regular status intermittent employees enrolled under the medical plans will not have their deductibles, maximum annual out-of pocket or HRA allowances pro-rated.
- 4) HRA contributions will consist of a combination of annual contributions made by the Company and health screening incentives for employees to earn additional money in their account.

EMPLOYEE HRA ACCOUNT SUMMARY

PG&E EMPLOYEE HRA ACCOUNT	SINGLE	FAMILY	
2013	You automatically get:	\$ 750	\$1,500
	If you take a health screening:	\$ 500	\$1,000
	If you test tobacco-free or complete PG&E’s tobacco cessation program	\$ 250	\$ 500
2014	If you take a health screening:	\$ 500	\$1,000
	If you test tobacco-free or complete PG&E’s tobacco cessation program:	\$ 250	\$ 500
2015	You automatically get:	\$ 750	\$1,500
	If you take a health screening:	2-month premium holiday	1-month premium holiday
	If you test tobacco-free or complete PG&E’s tobacco cessation program:	2-month premium holiday	1-month premium holiday
	You could get up to:	\$3,000 + 4-month premium holiday	\$6,000 + 2-month premium holiday



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How do I get more money in my HRA account for health screening and tobacco testing?

- Only employee can take the screenings.
- If you volunteer to take the health screening which includes measurement of Body Mass Index, Blood Pressure, and a finger prick blood test for cholesterol and glucose levels you will receive additional funds in your account according to the table above. Regardless of the test results you will receive these funds.
- If you volunteer to take the tobacco screening you will receive additional funds in your account according to the table above. If you use tobacco and complete the free PG&E tobacco cessation program you will receive additional funds according to the table above.
- Individual results are provided only to the enrolled employee and are kept completely confidential. No individual results will be shared with PG&E. Results collected in aggregate form by a third party data warehouse will be shared only with a joint Union and Company committee.
- Health screening will be available for employees to participate in many ways, including on-site at many PG&E work locations, through the employee's primary care provider or visiting a network of contracted labs.
- Provide a voluntary "one stop shop" for wellness programs, clinical support and benefits advocacy.

SUMMARY OF DENTAL, VISION, RETIREE, LTD & HEARING AID BENEFITS

Dental Plan: Dental implants will now be covered under major care of the Dental Plan

Vision Care: Replace the VSP Signature Plan network with the VSP Choice Plan

LTD Plan: 5% increase for LTD employees prior to 1/1/2000 & 2.5% increase of LTD employees prior to 12/31/06

Retirees: Retirees who retired before 1987 and their surviving beneficiaries will receive a 5% pension adjustment effective March 1, 2012.

Hearing Aids: 80% coverage for hearing aids with 1 per ear every three year frequency limit

(For both active and retired employees)



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SUMMARY OF LIFE INSURANCE CHANGES

Changes in employee supplemental life rates adjusted based on age of employee. (Currently \$0.37 per thousand dollars of coverage for all employees and scheduled to increase to \$0.40 per thousand dollars of coverage in 2013)

Employee Supplemental Life Rates per \$1,000 of covered benefit			
Age	Current	Rates	
< 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
- Adding dependent life insurance as an option
- Adding Basic accidental death and dismemberment
- Adding Supplemental accidental death and dismemberment
- Elimination of 1.5X coverage level option.(Employee can go down to 1X or up to 2X without completing Evidence of Insurability Form)
- Employees may purchase up to 6X of their annual salary