Voluntary Plan: Topics Page

Page 1	• Voluntary Plan Overview and Qualifying Events
Page 2	• Voluntary Plan (VP) At-a-Glance
Page 3	• Disability Insurance At-a-Glance
Page 4	• Paid Family Leave At-a-Glance
Pages 5-6	• 2018 State Plan versus Voluntary Plan comparison

Hint: Use page # hyperlinks to quickly get to the topic page of your choice

Voluntary Plan Overview and Qualifying Events

Overview—Voluntary Disability and Paid Family Leave Benefit Plan (Voluntary Plan)

As part of PG&E's commitment to the health and safety of our employees, we're providing all eligible California union-represented, Management, Administrative & Technical and Security Utility employees with a new Voluntary Disability and Paid Family Leave Benefit Plan ("Voluntary Plan") – effective January 1, 2018.

California law requires that California employees participate in either the Voluntary Plan or the State Disability Insurance (SDI) and Paid Family Leave (CA PFL) Plan (collectively, "State Plan"). A Voluntary Plan must provide all the benefits of the State Plan, at least one benefit that is better, and it cannot cost employees more.

As a California Utility employee, who is eligible to contribute to the State Plan, you are automatically eligible for coverage under PG&E's Voluntary Plan beginning January 1, 2018.

For information about how your choice affects your overall disability and paid family leave benefits, please review the benefit comparison charts and leave scenarios on mypgebenefits.com or the company's intranet that describe Voluntary Plan benefits coordinated with PG&E's wage continuation benefits.

Important

No action needed to remain covered under the Voluntary Plan.

During Open Enrollment, you have the option to reject coverage under the Voluntary Plan prior to its effective date on Jan. 1, 2018.

Anyone who completes their rejection is required to continue participation in the State Plan and will be required to pay the State Plan contributions and file claims with the State. Visit www.ca.edd.gov for details about the State Plan benefits.

Disability Benefits Cover Lost Earnings If:

- You are unable to perform your regular or customary work for more than 7 days due to your own illness or injury, including pregnancy and pregnancy-related conditions.
- These 7 days have to be consecutive and due to your own medical condition/disability.
- You are under the care of a medical provider during the first 8 days of your disability and stay under a medical provider's care while receiving VPDI benefits.

Paid Family Leave Benefits Cover Lost Earnings If:

- You must take time off to care for a seriously ill family member, including your child, spouse, parent, grandparent, grandchild, sibling, parent-in-law, or registered domestic partner; or
- You take time off to bond with your new child or the child of your registered domestic partner, within one year of the child's birth, adoption or foster care placement.

Voluntary Plan (VP) At-a-Glance

Voluntary Plan Disability Insurance (VPDI) and Voluntary Paid Family Leave Insurance (VPFL)

DO EMPLOYEES CONTRIBUTE TO THE VP?

Yes. Employees will pay the same amount to the VP as is paid today to the State Plan. In 2018, this will be 1.0% of wages each pay period up to an annual maximum of $1,149.67. It's required that employees pay into either the VP or State Plan.

WHAT IS THE WEEKLY BENEFIT AMOUNT?

60%* of employee's weekly basic wage rate. There is no cap to this amount. If the State calculates a higher benefit than the VP, employee receives the greater benefit amount.

WHO IS ELIGIBLE TO BE COVERED UNDER THE VP?

California Utility employees are immediately eligible for coverage upon hire and regardless of whether contributions were previously made into the fund.

WHAT IS THE MAXIMUM BENEFIT DURATION?

- VPDI: 52 weeks
- VPFL: 8 weeks

VP benefits run concurrently with federal, state and local leave laws and company leave policies.

* **Interns, Hiring Hall, Temporary Additional and non-regular status intermittent**: eligible for 55% VPDI/VPFL benefit

Voluntary Plan Disability Insurance At-a-Glance

Voluntary Plan Disability Insurance (VPDI) benefits

WHAT IS A QUALIFYING VPDI EVENT?

You are disabled by any mental or physical illness or injury, including pregnancy, childbirth, or related medical conditions and are unable to perform your regular or customary work for at least eight consecutive days AND suffer a wage loss as a result of your condition.

IS THERE A WAITING PERIOD?

Yes. VPDI benefits are payable after 7 consecutive calendar days of absence due disability. The waiting period may be waived in cases of hospital confinement or treatment in a surgical unit/ clinic.

I HAVE SICK PAY, AM I ELIGIBLE FOR VPDI BENEFITS?

Maybe. All sick pay* needs to be used and exhausted first. If your sick pay ends and you remain off work due to disability, you may be eligible for VPDI at that time.

DO I NEED TO BE UNDER A DOCTOR's CARE?

Yes. You have to be under the care of a medical provider during the first 8 days of your disability and stay under a medical provider's care while you're getting VPDI benefits. Same as state requirements.

* Capped Sick and Regular Sick pay. This does not apply to Incidental Sick pay.

Voluntary Plan Paid Family Leave At-a-Glance

Paid Family Leave (VPFL) benefits

WHAT IS A QUALIFYING VPFL EVENT?

You take time off to care for a seriously ill family member or to bond with your new child or the child of your registered domestic partner, within one year of the child's birth, adoption or foster care placement.

HOW CAN THE LEAVE BE TAKEN?

Employees can take the leave in intermittent or continuous blocks of time.

Example: Leave to bond with your child can be taken in 2 week increments or time to care for a family member on a reduced schedule, so long as there is wage loss.

IS THERE A WAITING PERIOD?

There is no benefit elimination period for VPFL benefits. Benefits will be payable on the first day of an eligible and approved absence.

HOW IS FAMILY MEMBER DEFINED?

Child (of any age), spouse, parent, grandparent, grandchild, sibling, parent-in-law, or registered domestic partner.

Go to topics page

2018 State Plan versus Voluntary Plan comparison

PLAN FEATURE	2018 STATE PLAN	2018 PG&E VOLUNTARY PLAN (VP)
Wage replacement percentage and Maximum Weekly Benefit Amount for both Disability and Paid Family Leave	▪ 60% of eligible base period earnings, divided by 13 for a weekly amount, for individuals who earned 1/3 or more than the state's average quarterly wage, up to a weekly maximum of $1,216, whichever is less[1] ▪ $1,216/week is the max for 2018 ▪ Disability benefits are non-taxable ▪ Paid Family Leave benefits are federally taxable	▪ Regular, casual, probationary and regular-intermittent California employees: o 60% of your weekly Basic Wage Rate on the date of Disability with **NO weekly maximum** ▪ Hiring hall, outage, temporary additional, probationary intermittent, interns and summer hire California employees: o 55% of your weekly Basic Wage Rate on the date of Disability with **NO weekly maximum** ▪ **At no time will your weekly benefit amount under the VP be less than what the state would have otherwise provided** ▪ Disability benefits are non-taxable ▪ Paid Family Leave benefits are federally taxable
Earnings used to determine weekly benefit	**Base Period** earnings (highest quarterly earnings during 12 months; look back as far as 18 months prior to the start of your disability/ paid family leave)	**Basic Wage Rate** at time of disability/paid family leave starting (current earnings generally are higher than your "Base Period" earnings)
Waiting Period	**Disability**: Seven (7) consecutive calendar days **PFL**: No waiting period	**Disability**: Seven (7) consecutive calendar days Waived if: • hospital confined; or • treated in a hospital surgical unit/ clinic and are disabled due to the treatment for a period of at least eight (8) days **PFL**: No waiting period

[1] For individuals who earned 1/3 or less than the state's average quarterly wage, benefits are 70% of eligible base period earnings, divided by 13 for a weekly amount, up to a weekly maximum of $1,216, whichever is less—this weekly benefit is likely to apply to minimum wage earners and not likely to impact PG&E employees. Amounts are for periods of disability commencing on or after January 1, 2018, but before January 1, 2022. After which time, the weekly benefit amount is scheduled to change back to 55%.

Go to topics page

2018 State Plan versus Voluntary Plan comparison

PLAN FEATURE	2018 STATE PLAN	2018 PG&E VOLUNTARY PLAN (VP)
Eligibility	▪ Must have earned at least $300 during an eligible quarter from which SDI deductions were withheld ▪ Must be employed or actively looking for work at time disability/family leave begins ▪ Must have lost wages	• Upon hire • Must be employed with PG&E at time disability/paid family leave begins • Must have lost wages
Paid Family Leave	Up to **6** weeks of benefits	Up to **8** weeks of benefits
Cost to Employees	1.0% of first $114,967 of annual earnings, up to a maximum annual conntribution amount of $1,149.67	The **same cost** as the State program; adjustments will be made in accordance with adjustments to the State program
Claim filing	▪ Apply for leave with Sedgwick ▪ Apply for disability/paid family leave benefits through the State EDD via their website or submit paper claim form ▪ Benefits paid through EDD debit card	▪ Apply for both leave and disability/paid family leave through Sedgwick's website, viaOne Express, or by phone ▪ Benefit payments made through PG&E's payroll on your regular pay cycle date Note: voluntary plan benefits will be issued on your regular pay date, just on a separate paycheck/direct deposit from other pay
Certification	▪ Required for periods of disability and PFL claims for care of a family member; additional supporting information may be required ▪ Supporting documentation for the birth, adoption or foster placement of a child required	Same requirements as the State program

Note: Contributions to the State fund can be deducted as state income taxes on your federal tax return if you itemize your deductions. Contributions to the Voluntary Plan are not deductible as state income taxes on your federal tax return. For additional information on how this may impact you, please contact your tax professional.