

Résumé
PG&E/IBEW Local 1245
Quarterly Benefits Meeting
October 13, 2010

Representing the Company:

Kathy Price, Labor Relations
Susan Barrows, Benefits
Kevin Leach, Benefits
Francine Speer,
Robin Wythe, Benefits

Representing the Union:

Dorothy Fortier, Local 1245 Staff
Bryan Carroll, IBEW member
Cecelia DeLaTorre, IBEW member
Ron Moon, IBEW member
Mark Newman, IBEW member
Gracie Nunez, IBEW member

Open Enrollment

Open Enrollment will take place on the following dates:

- October 21 – November 4 Retirees
- November 5 – November 19 Active employees

Open Enrollment packets will be mailed in advance of Open Enrollment to all retirees and employees. Retirees and employees can also access Open Enrollment materials online.

The Company reviewed the Open Enrollment materials with the Committee. The Open Enrollment packets include the following:

1. What's New for 2011 Guide
2. Open Enrollment Guide
3. Health Savings Account Guide for active employees only
4. 2011 Medical Plan Comparison Chart
5. Supplement to Open Enrollment Guide (legally required information)
6. Personalized Benefits Enrollment Worksheet

The Company provided a demonstration of the Open Enrollment web site to the Committee.

Retiree Medical Savings Account (RMSA) Implementation

Employees who retired between September 1, 2009 and December 1, 2010 have the option to stay with the current Retiree Medical Employer Contribution (RMEC) plan or elect the new Retiree Medical Savings Account (RMSA) as negotiated in 2009.

The Company provided the following update:

- Approximately 5,000 employees are eligible to retire between September 2009 and December 2010.
- 952 employees retired between September 2009 and October 2010.
- The November and December data was not yet available. However, 250 employees have expressed interest in retiring during this time.
- Out of the 952 who retired between September 2009 and October 2010:
 - 587 (62%) sent back their medical election form.
 - 357 (60%) elected the RMSA option.
 - 230 (40%) elected the RMEC option.
 - The default for those who do not return their election form, will be to the RMEC.

Retirement Savings Plan

The RSP quarterly reports were not available for review. The Company receives them after the 15th of the month after the end of the Quarter. They will be forwarded to the Union.

The Company provided the following information:

- 48% of new employees sign up to participate in the 401k Plan. That is bottom of quartile for comparator groups. Last year it was at 35%.
- 80% of employees are participating at the full 6% Company matching level which is top of quartile for comparator companies.
- There is high employee participation in the Learning and Action which is in the top quartile compared to comparator companies.

The Union suggested the Company provide more time during New Employee Orientation for information on the 401k Plan. Kevin Leach, Benefits Manager, stated he is planning to attend a New Employee Orientation session and will view the benefits discussion.

The Company reviewed an upcoming roll out of an optional Financial Engines Professional Management program in 2011. The program is called "60 plus". This optional Financial Engines program will assist retirees in managing their portfolios to turn their 401k assets into an income stream.

1. 65% of the asset is put into bond funds with a conservative interest rate. This will give a retiree a target income floor of 4% to 4.5%. Financial Engines will sell some funds out of the 65% portfolio to provide a regular income stream.
2. 20% of the asset is set aside in diversified equity funds to provide an option to increase the floor.
3. 15% is set aside in bond funds, conservative interest yielding. When the retiree reaches age 80, the 15% can be turned into an annuity based on the expected life span at that time.

Financial Engines is a neutral third party and does not sell any products. Financial Engines will set the fees and provides special rates for larger employers.

Leave Management Process

The Company provided an overview of the leave management process that is handled by Hewitt.

- The leave management process was transitioned to Hewitt in June 2008.
- Hewitt provides a dedicated claims management team of experienced intake specialists and case managers who are available to employees Monday through Friday, 5:00 a.m. – 5:00 p.m.
- Hewitt provides automatic notification for supervisors updating them on leave and changes in leave status including follow up upon return to work so the claim can be closed.
- Regular feedback via a FMLA/Leave Satisfaction Survey is offered to employees at intake to rate their overall experience which has been 4.8 out of 5.
- Hewitt ensures a higher level of confidentiality for employee medical information.
- Ensures all leaves of absence are administered in consistently and in compliance with all laws, regulations and other standards.

Hewitt's responsibilities include:

- Receive employee requests for new leaves of absence via phone.
- Accurately determine eligibility and availability of benefits.
- Ensure thorough review and approval of medical certification forms.

- Receive employee call in on usage for all absences for pending and approved intermittent claims.
- Track employee usage and time remaining on eligible balances.
- Provide on-going certification of disability and remaining leave time.
- Provide appropriate written and verbal communications.
- Track and maintains documentation.
Ensure consistent management of all leaves of absence.

Overview of Leaves

- There are several types of leave available to employees under federal and state laws as well as Company programs. Each type of leave has specific provisions regarding the conditions under which it may be granted.
- Basic definitions can be found on the HR Intranet site on a comparison chart of all types of leaves of absence.
- Additional details can be found in the Summary of Benefits Handbook.

Kathy Price
Labor Relations

cc: Attendees