

Benefits:

Questions and Answers

HRA

1. **What is an HRA?** Answer – An HRA is a Healthcare Reimbursement Account. It is made up of notional money that is put in by PG&E.
2. **What does notional money mean?** Answer- Notional money is money that is guaranteed for the employee's use but controlled by the Company. The money can't be used for any purpose not specified in the agreement, and does not become part of the employee's estate.
3. **What can I use HRA funds for?** Answer- In 2013 HRA money can only be used for medical deductibles and medical out of pocket expenses. In 2014 and beyond, HRA money can be used for eligible dental, vision or medical expenses (see IRS section 213(d) for full list). In addition, HRA funds can be used by retirees if enrolled in a PG&E retiree medical plan.
4. **How much HRA money will I get?** Answer- the amount of "seed money" or PG&E contribution amount put into your account on Jan 1st of 2013 and again on Jan 1st 2015 will be \$750 individual/\$1500 family. Some additional money may be put into your HRA by PG&E if you take a health screening, take a tobacco screening or if you test positive for nicotine, after you complete a tobacco cessation program. Total potential seed money for employee HRAs over the three years is \$3000/individual and \$6000/family, plus premium holidays. Please see chart below.

	2013	2014	2015	3 year total
HRA Contribution	\$750 / \$1,500	\$0	\$750 / \$1,500	\$1,500 / \$3,000
Health Screening	\$500 / \$1,000	\$500 / \$1,000	N/A	\$1,000 / \$2,000
Tobacco Free or Cessation	\$250 / \$500	\$250 / \$500	N/A	\$500 / \$1,000
Premium Holiday (Screening)	N/A	N/A	YES	2mo. / 1mo.
Premium Holiday (Tobacco)	N/A	N/A	YES	2mo. / 1mo.
Use HRA for all expenses?	NO	YES	YES	
Max HRA	\$1,500 / \$3,000	\$750 / \$1,500	\$750 / \$1,500	\$3,000 / \$6,000

5. **What happens to HRA money when I retire? How does HRA money work with the RMSA money when I retire?** Answer- HRA money can be used for any medical expenses covered under IRS section 213(d) , however once you are Medicare eligible the HRA money can be used for premiums and medical expenses.. HRA money and RMSA money are separate. The RMSA money is only used for retiree medical plan premiums. .
6. **What is on IRS section 213(d)?** Answer- list available at [http://www.usu.edu/hr/files/uploads/213\(d\)eligiblemedicalexpenses.pdf](http://www.usu.edu/hr/files/uploads/213(d)eligiblemedicalexpenses.pdf)
7. **Do HRA funds earn interest?** Answer- HRA money is notional and does not earn interest, however it will accrue and roll over each year if there is money in the account.
8. **Are HRA funds taxable?** Answer- Since the HRA money is notional it is not taxable.

9. **What happens to HRA money if an employee terminates employment (including resignation, retirement, lay-off, termination or death) For example, if you have dependents and pass away while active or retired, can the dependents still use the HRA funds?** The Answer is “yes” if the dependents continue coverage under COBRA – the HRA funds in the account at the time of the member’s death remain with the dependents. At the beginning of each plan year, the dependents also get whatever additional HRA money active employees get into their accounts as long as they remain covered by COBRA. HRA funds are not to be used for COBRA premiums but can be used for deductibles and out-of-pocket medical expenses.
10. **Can we still use HCRA (Health Care Reimbursement Account) and DCRA (Dependent Care Reimbursement Account)?** Answer – YES all employees can still use the HCRA and DCRA.
11. **How do the HRA funds/contributions work if both member and spouse work for PG&E? Do you get two accounts? Can you get double the contributions in one account?** Answer- No, if one union member is covering another union member as a dependent, they are treated as one family unit and get one family HRA contribution. If both union members enroll in separate plans as employees, they will each get an HRA. (Example, he covers himself in Kaiser, she covers herself and the children in Anthem. He gets the single HRA amount of \$750 and she gets the family HRA amount of \$1500 (and both can earn more incentives).

Screenings

12. **What is in a Health Screening?** Answer- Health screenings will consist of: measurements for Body Mass Index (BMI), blood pressure check and a finger prick blood test to check glucose and cholesterol levels.
13. **Do I have to “pass” the Health Screening to get HRA money?** Answer- NO. There is no “pass or fail” for the health screenings. Just taking the screening is all that is required to receive the HRA account money.

14. **Where are the health screenings?** Answer- Health screenings can be conducted on-site at many PG&E work locations, a network of contracted labs, or your primary care provider.
 15. **What are the tobacco screenings?** Answer- Tobacco screenings will be a test for nicotine in your body. Commonly a saliva swab technique is used for this test, however the specific methodology for this screening will be determined later between the Union and PG&E.
 16. **Do I have to pass my tobacco screening to get HRA money?** Answer- You do not have to pass the tobacco screening to get HRA money but if you test positive for nicotine, you will need to take a free tobacco cessation program in order to get the HRA money.
 17. **Will they test me for drugs during health or tobacco screening?** Answer- NO
 18. **Will my spouse or dependents have to take a health screening?** Answer- NO, spouses and dependents are not eligible for health screenings.
 19. **Will my screening info remain private?** Answer- Individual results are provided only to the enrolled employee and are kept completely confidential.
 20. **Where will all this medical data go and what will be done with it?** Answer- No individual results will be shared with PG&E. Results will be collected in a third party data warehouse and be shared in aggregate (total population health) with a joint Union and Company committee to assist with on-going health and wellness program planning.
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Life Insurance

21. **What are the new Life Insurance rates?** Answer- Effective 1/1/2013 see chart below.

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

Employees will still have \$10,000 in basic life insurance at no cost.

22. **Do we have Accidental Death and Dismemberment (AD&D)?** Answer- All employees will have a Company paid Basic AD&D policy with \$10,000 coverage. Employees can elect to purchase supplemental AD&D at the rate of \$.02/\$1000 a month for employees and \$.03/\$1000 a month for employee, spouse + children.
23. **I have Supplemental Life Insurance coverage now, what happens in 2013?** Answer- In 2013, optional supplemental life insurance amounts will vary between 1x and up to 6x yearly base wage. If you currently have 1.5x yearly base wage you can choose to move to 1x or 2x without a "statement of health". If an employee wants to go above 2x base yearly wage coverage, they will need to fill out a health questionnaire.

Cash Balance

- 24. **What is the “cash balance plan”?** Answer- The “cash balance plan” is a defined benefit plan that has a retirement income platform that would annually credit each employee with a percentage of base pay based on a point system which will accumulate with interest (@ average 30 year Treasury rate) during employment.

- 25. **Do we still have our defined benefit pension?** Answer- YES we still have a defined benefit pension. The “cash balance plan” would only be for new hires and people who volunteer to freeze their current pension and move to the new “cash balance plan”.

- 26. **Who would be on the new “cash balance plan”?** Answer- New employees hired after 1/1/2013 and those existing employees who elected (in 2013) to participate in the “cash balance plan” in 2014.

- 27. **How do I earn “cash balance” money?** Answer- An employee will earn credits based on a combination of years of service and age. Credits are a percentage of yearly base wages. See table below.

<i>Annual pay credits based on age and service:</i>	
<i>Fewer than 40 points</i>	<i>5.00%</i>
<i>40-49 points</i>	<i>6.00%</i>
<i>50-59 points</i>	<i>7.00%</i>
<i>60-69 points</i>	<i>8.00%</i>
<i>70 or more points</i>	<i>9.00%</i>

28. **How long will it take to become 100% vested in the “cash balance plan”?** Answer- Employees will be 100% vested after 3 years of service. Under the current defined benefit pension plan, 100% vesting comes after 5 years of service.
29. **What is changing in the 401k plan?** Answer- For existing employees who are staying in the defined benefit pension plan there will be no change to the 401k plan. Employees who are hired after 1/1/2013 or existing employees, who elect to move over to the “cash balance plan”, will have the option to receive a PG&E match of \$.75 on up to 8% of their contributions.
30. **When do existing employees need to decide if they want to join the “cash balance plan”?** Answer- They would have a one -time choice in 2013 to join the “cash balance plan” which will be effective 1/1/2014
31. **What happens with my “cash balance” money if I die before I retire?** Answer- In the “cash balance plan”, if you die before you retire, and your account has vested your spouse or named beneficiary would receive the entire balance of the account.
32. **What happens with my “cash balance” money if I die after I retire?** Answer- It depends on if you elected an annuity or if you elected to take a lump sum. If you elected an annuity you will have survivor benefit options for your spouse or other named beneficiary. If you elected to take a lump sum the funds are a part of your estate.
33. **What happens with my “cash balance” money if I leave PG&E before I retire?** Answer- Under the cash balance formula, you will be eligible to receive the full balance paid to you in a lump sum, or an actuarially equivalent monthly lifetime benefit, as long as you are fully vested in the plan. A lump sum or the monthly benefit amount would be subject to income tax. Also any early withdrawals could involve federal or state penalties unless you roll your account balance to an IRA or some other tax-sheltered plan.

34. ***In 2013 an employee elects to freeze their defined benefit pension and elects to transition in 2014 to the new Cash Balance Pension. Will the employee's defined pension benefit be reduced if the employee works until 55 years of age and has at least 30 years of service.*** Answer- No, for the purposes of the Early Retirement Reduction Factor, total service will be recognized. In other words, as long as the employee is at least 55 years old with at least 30 years of service or more there is no reduction for early retirement.
35. ***When would an existing employee electing "cash balance" have a vested right to a benefit if he has only 3 years service as of 12/31/2013?*** Answer- The employee must have 5 years of service to vest in the frozen defined benefit pension but only a total of 3 years of service to vest in the "cash balance plan".

Medical Plans and Plan designs

36. ***What medical plans are gone?*** Answer- Health Net and Blue Shield HMO's and the HSA plan administered by Anthem will no longer be offered as of 1/1/2013
37. ***What happened to the HSA plan?*** Answer- The HSA plan will end as of 12/31/12.
38. ***Will I still have my same doctor?*** Answer- It is possible that a few members will need to change doctors, however, Anthem Blue Cross and Kaiser will ensure 97% access to physicians that currently enrolled employees and dependents use. If a member's doctor is not currently with Anthem, they can have their doctor apply to become part of the Anthem network.
39. ***Is this medical change all because of the Affordable Care Act?*** Answer- NO this change was collaboration between the Union and PG&E to end the usual practice of simply shifting the cost of medical premiums from corporations to employees. The free preventive care, incentives and even the increased out of pocket amounts are designed to lower the constant 8-10% yearly premium increases that are ultimately taken out of wages.

40. **What is the worst-case scenario/what is the most I would have to pay “out of pocket”?** Answer- In any single calendar year, the most any employee would have to pay in any “worst case scenario” is \$2400 individual/\$4800 family, but these out of pocket amounts can be offset or significantly reduced by using the funds in your HRA account.
41. **What is coinsurance?** Answer-Coinsurance is a percentage of the service charge that your health plan calculates for you, after you've met your deductible. Example; Once your deductible is met, if a doctor's visit is \$100 and you have a 20% coinsurance, you will pay the doctor \$20 and your health plan will pay the doctor \$80. Starting in 2013 both Kaiser and Anthem Blue Cross will have a coinsurance plan design.
42. **What are co-pays?** Answer- Co-pays are a set dollar amount paid for at the time of the service. Example; you pay \$10 for each doctor visit and the plan pays the rest.
43. **How many free visits to the doctor do I get?** Answer- each covered member will receive 4 free visits to their primary care provider (General or Family Practice, Internal Medicine, Pediatrics, Family Nurse Practitioner, OBGYN).
44. **If I have 4 people in my family do we each get 1 free visit each?** Answer- NO. Each covered member will receive 4 free visits to their primary care provider.
45. **What are the chronic care conditions that are “free”?** Answer- There are 9 chronic conditions where free preventive medication and routine lab work will be provided. They are: Diabetes, Coronary Artery Disease, Asthma, Chronic Obstructive Pulmonary Disease, Congestive Heart Failure, Hypertension, Hyperlipidemia (high cholesterol), Osteoarthritis and Gastroesophageal Reflex Disorder (GERD)

46. **What medicines are free?** Answer- There is a large list of free medications. This list includes the free generic drugs that current Anthem NAP/CAP members are eligible for. In addition the list includes free medications for any of the 9 chronic conditions listed earlier, all immunizations (except for flu shots which are available at no cost on-site at PG&E, using your Medco card at a pharmacy or through Kaiser., Lastly there is a large list of preventive medications (generics and some brands) provided by Anthem and Kaiser.
47. **Are flu shots/immunizations free?** Answer- YES
48. **Contraceptives are preventative, are they free?** Answer- YES
49. **If I get a physical does that count as one of my free visits?**
Answer- YES. It would count as one of your 4 free visits.
50. **If maternity and well-baby visits are free, is the delivery free too?** Answer- NO. While maternity and well baby visits (up to age 2) are free, the delivery would be covered at 80% and be subject to deductible.
51. **Are chiropractic care & acupuncture still covered?** Answer- YES. Both are still covered. The first 5 visits will be covered at 90% and all visits over 5 will be covered at 80%.
52. **Are OBGYN covered at 10%/primary care or 20%/specialist?**
Answer- If your OBGYN visit is one of your first 4 visits then it is free. After that it would be at 10% coinsurance. OBGYN is not considered a specialist in the new plan design.
53. **What do we have to pay for medications?** Answer- For medications that are not free for the 9 chronic conditions or on the list of free preventive medications, the coverage is: Retail drugs (up to three-30-day fills) 85% for generics/ 75% for brand. Mail order 90% generic /80% for brand.

54. **Do they cover test strips for diabetics for free?** Answer- Yes. Test strips for diabetics are covered at no cost.
55. **How much will medical premiums increase in 2013?** Answer- Medical premiums for Anthem Blue Cross and Kaiser Plans will be the same (or lower) than they were in 2012.
56. **What if I'm on vacation in Hawaii and get hurt. Is that out of network?** Answer- For Anthem Blue Cross, the out of network provisions are the same as the network provisions. If you end up in the hospital after your deductible is met, you would pay 20% up to the max out of pocket. For Kaiser it is the same coverage you would have in-network but they only cover Emergency, Post-Stabilization and Out of Area Urgent Care.
57. **What does "subject to deductible" or "not subject to deductible" mean?** Answer- If the service is "subject to deductible" then the member will have to pay the charge with either their HRA funds or out-of pocket funds until the deductible is met. If a service is "not subject to deductible" the claim is paid as if the deductible does not exist
58. **How can I find out how much Anthem or Kaiser charge for doctor visits?** Answer- for Anthem Blue Cross, members can log onto www.anthem.com/ca/pge and look for Compare Facility Cost and Quality. Kaiser members can check with Kaiser at www.kaiserpermanente.org

Dental, Vision and Hearing aids

59. **Will dental implants be covered?** Answer- Implants will now be covered as a Major Care item in the dental plan are, at 85% coinsurance.
60. **What are dental implants?** Answer- A dental implant is a "root" device, usually made of titanium, used in dentistry to support restorations that resemble a tooth or group of teeth to replace missing teeth.

61. **What is the difference between VSP Choice (plan for 2013>) and VSP Signature (current plan)?** Answer- VSP Plan benefits are not changing, however there will be fewer access points (40,000 vs. 42,500) and a lower discount on non-covered lens options (20-25% vs. 35-40%) The new benefit will be better than the current benefit if you go to a non-VSP provider. (i.e. Costco)
62. **Is there any coverage for hearing aids?** Answer- Hearing aids will be covered at 80% under active and retiree medical. (one for each ear at a three year frequency)

Q&A prepared by IBEW Local 1245