

RETIREE MEDICAL

Update subsidies to replace those currently being provided under Retiree Medical Employer Contribution (RMEC) and Retiree Medical Savings Account (RMSA)

Establish a Retiree Health Reimbursement Account (RHRA) to credit the new pre-Medicare and Medicare subsidy replacements as follows:

Pre-Medicare Retirees and Pre-Medicare eligible spouses - \$15,000 each per year

Medicare Retirees and Medicare eligible spouses - \$1,800 each per year

Current notional accounts to be updated (RMEC/RMSA) to eliminate balance (no grandfathering option) and set pre-Medicare and post Medicare subsidy levels with an automatic escalation (cost of living adjustment).

Improve retiree experience – concierge support for plan selection and enrollment. Expert, unbiased guidance from licensed benefit advisors.

Pensioners would pay premium directly to the carrier of the coverage they select instead of monthly pension check and be reimbursed through RHRA.

Eliminate PG&E sponsored retiree major medical options and leverage the marketplace to provide access to more cost-effective health plans.

Retiree Health Reimbursement Account (RHRA):

1. No RHRA funds accumulation limit.
2. Any HRA funds accumulated while active transfer to the RHRA upon retirement as long as the employee is eligible (age 55 with 10 Years of Service) until balance is depleted.
3. Prior RHRA funds balance maintained when retirees become Medicare eligible.
4. All IRS eligible expenses qualify for RHRA reimbursement.
5. Accumulated RHRA funds will be available to retirees whether or not they are enrolled in the PG&E selected Individual Insurance exchange.
6. Debit card to be provided to participants for qualified expenses payment – as long as administratively possible.
7. Automatic annual funding rate escalator of 3% for the Pre-Medicare RHRA subsidy amount.
8. Automatic annual funding rate escalator of 3% for the Medicare RHRA subsidy amount.
9. Funding level of \$15,000 for Pre-Medicare eligible retiree only/Pre-Medicare eligible spouse per year.
10. Funding level of \$1,800 for Medicare eligible retiree only/Medicare eligible spouse per year.
11. RHRA funds of annual funding amount available upon effective date of RHRA plan as long as the retiree is enrolled in the PG&E selected Individual Insurance Exchange.

12. RHRA funding once per year in January as long as the retiree is enrolled in the PG&E selected Individual Insurance Exchange.
13. If a retiree is Medicare eligible and has a RHRA eligible spouse who is not Medicare eligible, the spouse RHRA will be funded at the Pre-Medicare retiree rate while the retiree RHRA will be funded at the Medicare rate and vice versa.
14. In the event a retiree passes away with an eligible surviving spouse on their RHRA at the time of passing, the surviving spouse shall continue to have their RHRA funded annually as long as their eligibility for the plan continues.
15. Hearing Aid benefits provided in LA-13-68 shall continue to be available for retirees whether or not they are enrolled in the PG&E Exchange
16. In accordance with the Affordable Care Act, a participant who chooses to take the Affordable Care Act Premium Tax Credit would have any prior RHRA funds frozen and unavailable until such time as they choose to use the provided employer subsidy or becomes Medicare eligible

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