All Employees

Your PG&E Benefits
Glossary of Technical Terms

Medical Plan Terms

Acute medical condition
A medical condition that involves a sudden onset of symptoms due to an illness, injury or other medical problem that requires prompt medical attention and that has a limited duration.

Allowed amount
The maximum charge allowed by the plan for covered services from health care providers. Often, this amount is based on reasonable and customary charges as determined by the plan administrator. If an out-of-network provider charges more than the plan's allowed amount, you'll be responsible for paying the difference. Network providers always charge within the plan's allowed amount.

Example: If an out-of-network hospital charges $1,500 for an overnight stay and the allowed amount is $1,000, you'll be responsible for paying the $500 difference. This $500 difference doesn't apply to the deductible or out-of-pocket maximum. Network providers always charge within the plan's allowed amount.

Balance-billed charges
Amounts you're responsible for paying if you incur expenses that exceed that plan's allowed amount. These amounts don't count toward the deductible or out-of-pocket maximum. You can avoid balance-billed charges by using network providers.

Example: If an out-of-network provider charges $100 more for an office visit than the plan allows, you'll be responsible for paying the extra $100.

Chronic condition
A physical or mental condition that requires long-term monitoring or management to control symptoms and influence the course of the disease.

Coinsurance
Your share of the cost for a covered service, calculated as a percentage of the allowed amount for the service.

Copayment or copay
A set dollar amount you pay at the time of service, such as $10 per visit. There are no copayments under the new Health Account Plan (HAP).

Covered charges	Services and charges covered by the plan. Covered charges are always for eligible expenses, up to the allowed amount.
Deductible	The amount you're responsible for paying out of pocket each calendar year before the plan pays benefits for eligible expenses that aren't already free. Your health insurance deductible works the same as your car insurance deductible. You pay a set amount of the cost before your insurance pays.
Eligible expense	For the **medical plan,** this is an expense that is covered by the plan. Eligible expenses are those that the plan considers medically necessary and within reasonable and customary cost levels. For the **Health Account** and **Health Care Flexible Spending Account (FSA)**, expenses eligible for reimbursement must meet specific IRS guidelines. The IRS limits expenses that are eligible for reimbursement from these accounts because these accounts are not taxed. Check with your account administrator or visit **www.irs.gov** and view *IRS Publication 502, Medical and Dental Expenses*, for details.
Flexible Spending Account (FSA)	A type of spending account that allows you to set aside money on a before-tax basis to pay for qualified expenses. You can use the Health Care FSA to pay for qualified health care expenses incurred by you and your eligible dependents. You can use the Dependent Care FSA to pay for qualified dependent care expenses you incur to care for children and elderly dependents while you work. The IRS requires that you forfeit unused amounts at the end of the plan year.
Formulary	A list of Food and Drug Administration (FDA)-approved, brand-name and generic prescription drugs that are proven to be effective and covered by the plan.
Generic	Generic drugs have the same active ingredients as brand-name drugs, and they are subject to the same FDA standards. Generic drugs cost less because they may use less expensive coatings or colors.
Health Account **Also called a Health Reimbursement Account or Health Reimbursement Arrangement (HRA)**	A type of spending account funded by PG&E. You can use this account to pay for qualified health care expenses incurred by you and your eligible dependents. The credits in the account are notional, which means they have no cash value, earn no interest, and aren't taxed. Any credits you don't use will roll over into the next year as long as you're enrolled in a PG&E medical plan. The PG&E Wellness Account is an HRA, too (see the *Frequently Asked Questions* for details about how Wellness Account balances will be transitioned to the Health Account in 2013).

In-network or network providers	Licensed health care providers (doctors, hospitals, pharmacies, facilities) that charge lower rates negotiated by the health plan. Network providers sign a contract with a network administrator and agree to accept as payment in full that network's allowed amount for services and treatment.
Non-formulary	The most expensive prescription drugs. These drugs tend to be the latest, most heavily marketed brand-name drugs.
Out-of-network or non-network providers	Licensed health care providers (doctors, hospitals, pharmacies, facilities) that have not signed a contract with a network administrator to provide services at a reduced rate. Out-of-network providers may charge more than the plan's allowed amount, and plan members who use out-of-network providers are responsible for the difference in cost. Charges over the plan's allowed amount do not count toward the annual deductible or annual out-of-pocket maximum.
Out-of-pocket maximum	The most you'll be responsible for paying in a calendar year before the plan pays 100% of remaining eligible expenses for that year. The out-of-pocket maximum includes amounts you're responsible for paying toward the deductible.
Premium	The amount charged for health care coverage. Both you and PG&E share the cost of medical coverage. Your contributions for medical coverage are deducted from your pay before taxes are calculated, reducing your taxable income and saving you money.
Premium cost share	The cost you and the company share for medical coverage. **Example:** In 2013, your share of the cost for medical coverage is 7.5% of the cost and PG&E's is 92.5%.
Preventive care	Care that focuses on disease prevention and health maintenance, including early diagnosis of health problems.
Primary care	Basic or general health care provided when a person first seeks care from a doctor. Under the HAP, primary care can be provided by general or family practitioners, doctors of internal medicine, pediatricians, family nurse practitioners, OB/GYNs, and urgent care facilities.
Provider	Licensed health care professional or facility.
Serious chronic condition	A medical condition due to a disease, illness, or other medical problem that is serious in nature and that persists without full cure; worsens over time; or that requires ongoing treatment to maintain remission or prevent deterioration.

Transitional care

A program that ensures medical plan members get ongoing care when they're newly enrolled in a plan or when their treating doctors aren't in the plan's network. Typically, transitional care is for a plan member who is in an active course of treatment for an acute medical condition such as pregnancy or chemotherapy. Transitional care usually lasts until the treatment is finished or until another network doctor takes over, whichever occurs first.

Life and Accident Terms

Basic Accidental Death & Dismemberment (AD&D)

Pays a benefit if you die as the result of an accident or if you lose sight, hearing or speech; lose a limb through paralysis or dismemberment; or fall into a coma as the result of an accident. PG&E automatically provides $10,000 of Basic AD&D to eligible PG&E employees at no cost to the employee.

Basic Life

Pays a benefit if you die. PG&E automatically provides $10,000 of Basic Life insurance coverage to eligible PG&E employees at no cost to the employee.

Dependent Life

Optional life insurance coverage you can buy for your spouse or registered domestic partner and your children in amounts up to $100,000 for your spouse and $25,000 for each child. Coverage amounts are limited to 50% of your total employee coverage (Basic and Supplemental combined).

Premium

The amount charged for insurance coverage. Your contributions for elected life and accident insurance will be deducted from your pay after taxes have been calculated.

Supplemental Life

Additional life insurance coverage you can buy, from a flat $50,000 to amounts ranging from one to six times your annual pay, up to a maximum of $4 million.

Voluntary AD&D (VAD&D)

Additional AD&D coverage you can buy in an amount ranging from one to six times your annual pay, up to a maximum of $4 million.

Retirement Program Terms

401(k) plan
A tax-qualified retirement plan to which you can contribute before- or after-tax dollars. 401(k) plans are defined contribution plans. PG&E's Retirement Savings Plan (RSP) is a 401(k) plan.

Annuity
A type of retirement benefit that is a continuing payment with a fixed total annual amount. Most annuities are paid once a month for the lifetime of the recipient unless otherwise stated.

Cash balance plan
A defined benefit pension plan that credits your account with annual pay credits and interest over your entire career. When you retire or terminate employment, you can receive your benefit as a one-time, lump-sum payment or as a monthly annuity.

Defined benefit plan
A pension plan where the benefit is defined by a formula and where the employee will receive a guaranteed amount regardless of the performance of underlying plan investments. The PG&E Retirement Plan, including the cash balance formula, is a defined benefit plan.

Defined contribution plan
An account-based retirement plan where the contribution is defined but where the benefit will vary based on how well the account holder's investment funds perform. The PG&E Corporation Retirement Savings Plan (RSP) is a defined contribution plan, as are all 401(k) plans.

Formula
The mathematical calculation that determines how much of a benefit will be payable by a defined benefit pension plan. Cash balance and final average pay are different formulas offered through the PG&E Retirement Plan.

Pension plan
A type of retirement plan where an employer makes contributions toward a pool of funds set aside for an employee's future benefit. Most pension plans are defined benefit plans.

Qualified retirement plan
A plan that meets IRS requirements to receive tax benefits.

Vesting
The way you accrue non-forfeitable rights to your retirement benefits. "Fully vested" means you have a non-forfeitable right to your benefit.