

California Disability Insurance Coverage Overview

If there is any inconsistency between this summary and the official plan text, the plan text will prevail.

This summary includes important information about California disability insurance coverage and the action you may need to take. If you work in California, are a seagoing employee or an expatriate employee, you are required by California state law to have disability insurance coverage under **either** the Chevron California Voluntary Disability Insurance Plan (the voluntary plan) or the California State Disability Insurance Program (SDI). **You're already automatically covered under Chevron's Voluntary DIP.**

This summary and the California State Disability Insurance Program Pamphlet (DE2515) will help you understand the voluntary and state program so you can decide whether you want to participate in the Chevron Voluntary Disability Insurance Plan (DIP) or in California's State Disability Insurance (SDI) program. You're automatically covered under Chevron's voluntary plan, but if you would rather coverage under California's State Disability Insurance program (SDI), you will need to complete Form F-47 (included at the front of your package).

Overview

If you are a California employee, you must have disability insurance coverage under either Chevron California Voluntary Disability Insurance Plan (DIP) or the California State Disability Insurance (SDI) program. You cannot be covered by both plans. Your participation in one of these plans is required by state law. You are automatically enrolled in the Chevron Voluntary DIP unless you decide to waive that coverage and elect to be covered by the state's SDI program instead.

- If you are disabled, you can receive weekly disability benefits for up to **52 weeks**, as long as you continue to satisfy the state's definition of disability.
- If you take time off work to care for a seriously ill family member or bond with a new child, you can receive paid family leave insurance benefits for up to **six weeks**.

Who is Eligible?

You are eligible for California disability insurance if any of the following situations apply to you:

- You work in California.
- You are a seagoing employee.
- You are a U.S. payroll expatriate employee working in a non-U.S. location for a Chevron operating company based in California.

Date of Eligibility

Your date of eligibility is your date of employment, or your date of transfer into California, or your date of transfer into a non-U.S. location, whichever is applicable.

When Participation Begins

Since you are automatically enrolled in the Chevron Voluntary DIP, your participation begins on your date of eligibility. If you enroll in the SDI program within 31 days of your date of eligibility, your participation begins on your date of eligibility. If you elect to change plans at a later date, your participation begins on the first day of the next calendar quarter.

Contributions

You pay the same amount for your coverage, no matter which plan you choose.

- For **2018**, your total contribution is **1.0** of your taxable wages up to **\$114,967**.
- Both the maximum amount of taxable wages and the contribution percentage are subject to change.

When Disability Benefits Are Payable

Disability benefits are payable if you are disabled and unable to do your job because of an off-the-job sickness or injury, pregnancy, because of your participation in an approved alcoholism recovery or drug-free treatment program, or because of medically required quarantine. Benefits are payable only for the period of your disability, and they are subject to the provisions of exclusions and limitations listed under the **When Benefits Are Not Payable** section and all provisions of the official plan document.

- Generally, your eligibility for weekly payments begins on the eighth day of disability. See the **Comparison of Benefits** table below for more details.

Disability Benefit Amount

The benefit amount will be determined by your date of disability, your earnings in California and your service since your most recent hire date. For any portion of a week in which you are disabled, the benefits from either plan will be prorated (see the **Comparison of Benefits** table below for more details). By law, benefits under the Chevron Voluntary DIP can never be less than benefits under the state SDI program. Your off-the-job benefits from the Chevron Short-Term Disability Plan are reduced by the amount of Voluntary DIP or SDI benefits you receive so that disability income from all sources doesn't exceed your full regular pay. Benefits under either the SDI program or the Chevron voluntary DIP are generally non-taxable.

Chevron Voluntary DIP Participants

If your disability occurs after three months since your most recent hire date, you will receive **\$1,216** a week (or your full regular pay, if less than **\$1,216**) for a disability commencing in **2018**. You may choose to redirect a portion of your weekly benefit to cover all or part of the cost of employee-paid benefits (such as medical and dental coverage).

If your disability occurs during the first three months since your hire date, you will receive between **\$50** and **\$1,216** a week, provided you have met your minimum earnings requirement from which California State Disability Insurance taxes were withheld during a previous 12-month period (the "base period"). Benefit amounts will be based on your prior earnings in California.

State Disability Insurance Participants

If you are enrolled in the state program, you may receive between **\$50** and **\$1,216** a week, based on your earnings in California, provided you have met your minimum earnings requirement from which California State Disability Insurance taxes were withheld during a previous 12-month period (the "base period").

How Long Disability Benefits Are Paid

The maximum benefit under either plan is 52 times your weekly benefit amount - as long as you continue to satisfy the state's definition of disability.

When Disability Benefits Are Not Payable

You will not receive payments under either plan if:

- You would be disqualified from receiving unemployment benefits (for example, because you have made false statements or representations).
- You are ordered confined as an alcoholic, drug addict or sexual offender.
- You are incarcerated as a result of your conviction for a crime.
- Your disability results from your commission of a crime for which you receive a felony conviction.
- You are receiving or are entitled to receive unemployment benefits.

When Paid Family Leave (PFL) Insurance Benefits are Payable

PFL Insurance benefits may be payable when you take time off work to care for a seriously ill child, spouse, state-registered domestic partner or parent, sibling or to bond with a new minor child due to birth or adoption or foster care placement. Such time off is referred to as **family care leave**. PFL Insurance benefits for bonding claims are limited to the first year after the birth, adoption, or foster care placement of the child. Benefits are payable only for the period of your eligible family care leave, and they are subject to the provisions of exclusions and limitations listed under **When PFL Benefits Are Not Payable** section and all provisions of the official plan document.

- Generally, your eligibility for weekly payments begins after you meet the one-week vacation requirement. See the **Comparison of Benefits** table below for more details.
- Periods of family care leave for the same care recipient within a 12-month period are considered one benefit period and, therefore, require only one waiting period. Periods of disability for pregnancy and periods of family care leave for bonding associated with the birth of that child are considered one benefit period for the mother and, therefore, require only one waiting period.
- Chevron requires you to take one week of vacation for each claim prior to receiving PFL benefits. If you less than one week of vacation available, PFL benefits will begin after available vacation has been exhausted. If you don't have any vacation available, PFL benefits will begin on the first day of a Family Care Leave.
- PFL Insurance does not provide any leave rights or job protection; it simply provides partial wage replacement during a period of eligible family care leave.
- An employee who is entitled to leave under the Family and Medical Leave Act (FMLA) and the California Family Rights Act (CFRA) must establish his or her claim for PFL benefits concurrent with leave taken under those laws.

Paid Family Leave (PFL) Insurance Benefit Amount

Under either the Chevron Voluntary DIP or the state SDI program, you may receive between **\$50** and **\$1,216** a week in **2018**. The benefit amount will be determined by the date your family care leave begins and your earnings in California, provided you have met your minimum earnings requirement from which California State Disability Insurance taxes were withheld during a previous 12-month period (the "base period"). Benefits are subject to federal income tax, but not California state tax. For each day of a period of family care leave that is less than a full week, the benefits from either plan will be prorated (see the **Comparison of Benefits** table below for more details).

How Long Family Leave Insurance Benefits Are Paid

During any 12-month period, an eligible California employee may receive up to six weeks of PFL benefit payments.

When Paid Family Leave Insurance Benefits Are Not Payable

You will not receive payments under either plan for the same period of time in a day for which another family member is ready, willing, able, and available to provide the required care.

You will also not receive payments under either plan for:

- Any period for which you are eligible for unemployment insurance in any state or from the federal government.
- Any days for which you receive wages (however, wages plus benefits may be paid in an amount which does not exceed your regular weekly wage, exclusive of overtime, immediately prior to the commencement of the family care leave).
- Any period you are receiving or are entitled to receive benefits payable under a workers' compensation or employer liability law of any state or the federal government in an amount equal to or in excess of the weekly paid family leave benefit amount.
- Any period for which benefits are payable under a disability insurance act of any other state, or any company plan established in lieu of a state plan.

Termination of Eligibility

Your coverage ends under any of these situations, as applicable:

- At midnight on the date your employment with the company ends.
- At midnight on the date you cease to be a California employee.
- At midnight on the date you transfer to a company that is not a designated company under the plan.
- At midnight of the 15th day following the date you are on layoff or a leave of absence without pay.
- At the close of any calendar quarter in which you notify the company in writing of your election to stop participating in the plan.
- Upon withdrawal or termination of the plan. However, if you are disabled when coverage ends, your eligibility for benefits for that disability isn't affected.

Release of Claim Information

Chevron's Voluntary DIP is required by law to release your claim information to the Employment Development Department. As is the case with information collected in connection with administration of the state SDI program, any claim information released to the department is subject to legal release for the following purposes:

- To locate parents who are being sought for failure to provide support for minor children.
- To be used by other governmental agencies to determine eligibility for public social services.
- To be exchanged with other governmental departments and agencies both federal and state, which are concerned with any of the following: administration of an unemployment insurance program; collection of taxes which may be used to finance unemployment insurance or disability insurance; relief of unemployed or destitute individuals; investigation of labor law violations or allegations of unlawful employment discrimination; the hearing of workers' compensation appeals; or whenever necessary to permit a state agency to carry out its mandated responsibilities where the use to which the information will be put is compatible with the purpose for which it is gathered; when mandated by state or federal law.
- To be revealed to the extent necessary for the administration of public social services or to the Director of Social Services; claimant identity may be released to the Department of Rehabilitation.
- To be disclosed to law enforcement agencies as required by law.

Comparison of California Disability Plans

	Chevron Voluntary Disability Insurance Plan (DIP)	California State Disability Insurance (SDI) Program
Filing a Claim	Your claim is handled as part of the Chevron Disability Management process. A separate claim form is not required.	Claims are made directly with the state. A claim form is required, and it must be signed by your doctor. You must handle your claim directly with the state.
Benefit Payments	Benefit payments are included in your Chevron paycheck.	The state mails benefit payments directly to you. Expected benefits are deducted from your Chevron paycheck on a current basis. A delay could result in a lesser income until payment from the state is received.
Waiting Period	No waiting period if your disability is due to an accident. If your disability is due to sickness, your benefits may begin whichever day comes first: <ul style="list-style-type: none">• The day after a seven-day waiting period. This waiting period may be waived if the disability exceeds 14 days.• The first day of hospitalization, including certain <i>short-stay</i> facilities.	Your benefits may begin on the day after a non-waivable seven-day waiting period.
Benefit Amount	Maximum disability benefits are paid after three months of company service since your most recent hire date. Maximum benefits are \$1,216 a week for a disability commencing in 2018 , but not more than your full pay. Daily rates are the greater of one-fifth of the weekly rate for each scheduled workday or one-seventh of the weekly rate for each calendar day.	Benefits are based on your highest quarter of earnings in California during your base period, and are approximately 55 percent of your weekly pay during that quarter, up to a maximum of \$1,216 a week for a disability commencing in 2018 . Daily rates are one-seventh of the weekly rate for each calendar day.
Taxability of Contributions	Contributions are not deductible on your federal income tax return.	Contributions are deductible on your federal income tax return if you itemize deductions.