company contributions to health benefits

supplement to the summary plan description (SPD) effective january 1, 2017

The **Company Contributions to Health Benefits Supplement** generally describes the Chevron Corporation Policy regarding its contribution to the cost of health benefits that are eligible for a Chevron company contribution. This is not a plan text, a summary plan description or a summary of material modification because the amount of the company contribution and how it is determined is not itself part of a health plan or the Retiree HRA Plan. Nevertheless, if it should be determined to be part of a health plan, the Supplement, as modified herein, shall constitute the applicable plan provision and summary plan description. There are no vested rights with respect to Chevron medical plans or any company contributions toward the cost of such medical plans. Rather, Chevron Corporation reserves all rights for any reason and at any time to amend, change or terminate these plans or to change or eliminate the company contribution toward the cost of such plans. Such amendments, changes, terminations or eliminations may be applicable without regard to whether someone previously terminated employment with Chevron or was previously subject to a grandfathering provision. Some benefit plans and policies described in the Supplement may be subject to collective bargaining and, therefore, may not apply to union-represented employees.

table of contents

benefit contact information

Chevron Benefits HR2 Website

Why access this website

- Access summary plan descriptions (SPDs).
- Access benefit information and documents.
- Get other benefit phone numbers and websites that may not be referenced in this summary plan description.

Website information

- You don't need a password to access the information posted on this website.
- Active Employees: **hr2.chevron.com**
- Retirees: **hr2.chevron.com/retiree**

Human Resources Service Center (HR Service Center) *and* Benefits Connection Website

Why contact this administrator

- For questions about the amount of your company contribution to health benefits.

Phone information

- 1-888-825-5247 (inside the U.S.)
- 610-669-8595 (outside the U.S.)

Website information

- **Benefits Connection** website for personal information and conduct certain transactions.
- Active Employees: Go to **hr2.chevron.com** and click the **Benefits Connection** link from the top banner.
- Retirees: Go to **hr2.chevron.com/retiree** and click the **Benefits Connection** link from the top banner.

Towers Watson OneExchange (OneExchange)

Why contact this administrator

- For questions about how the Chevron Corporation Post-65 Retiree Health Reimbursement Arrangement Plan (Retiree HRA Plan) works, how the account is funded, and how to submit a claim for reimbursement.

Phone information

- 1-844-266-1392 (Inside the U.S.)
- 1-801-994-9805 (Outside the U.S.)
- 5 a.m. - 6 p.m. Pacific time (7 a.m. - 8 p.m. Central time)

Website information

- Go to **hr2.chevron.com/retiree** and click the **OneExchange** link from the top banner.
- You can also go directly to **https://medicare.oneexchange.com/chevron**.
- On this website you can manage your Retiree HRA Plan account and reimbursement claims and also access individual health coverage information and decision-making support tools.

Summary Plan Descriptions

Summary Plan Descriptions (SPDs) provide detailed information about your Chevron benefit plans such as eligibility, claims and participation.

- **For active employee health benefits**, go to **hr2.chevron.com** and click the **Your Benefits** tab for a complete listing of SPDs available for each plan.
- **For pre-65 retiree health benefits**, see the **Chevron Pre-65 Retiree Health Benefits** summary plan description on **hr2.chevron.com/retiree**.
- **For post-65 retiree health benefits**, see the **Chevron Post-65 Retiree Health Benefits** summary plan description on **hr2.chevron.com/retiree**.
- You can also call the HR Service Center to request that a copy be mailed to you, free of charge.

contributions to employee medical coverage

Chevron Corporation determines the total cost of the various medical plans it offers. In general, Chevron Corporation has an 80/20 cost-sharing approach with respect to such total cost. With this approach, Chevron typically pays **80 percent** of the premium for your health care plan or a set **maximum company contribution**, whichever is less. You pay the remaining amount.

- The **maximum company contribution** is based on 80 percent of the current total premium of the Medical PPO Plan.
- If your plan's total premium costs *less* than the maximum company contribution, Chevron will generally pay 80 percent of the cost of your plan.
- If your plan's total premium costs *more* than the maximum company contribution, Chevron will pay up to the current maximum company contribution.

Calculation Examples
Company Contribution to Employee Medical Coverage

Important: All amounts displayed in this example are based on rates for the 2017 Plan Year. These rates are subject to change each year.

Maximum Company Contribution – Sample Calculation
January 1 through December 31, 2017
Sample calculation for *You + Family* coverage level

- Medical PPO Plan (You + Family) Total Premium = $1,749
- $1,749 x 80% = $1,400
- **2017 Maximum Company Contribution for You + Family Coverage is $1,400**

The maximum company contribution for all coverage levels for the 2017 Plan Year are:

Coverage Level	Maximum Monthly Company Contribution
You Only	$518
You + One Adult	$1,036
You + Child(ren)	$881
You + Family	$1,400

		Monthly Cost You + Family Coverage*		
Plan Name	**Total Premium**	**Company Contribution**	**Employee Contribution****	**Company Contribution Percentage**
Medical PPO Plan	**$1,749**	**$1,400**	**$344**	**80%**
High Deductible Health Plan[1]	$1,478	$1,400	$74	95%
High Deductible Health Plan Basic[1]	$1,428	$1,400	$23	98%
Global Choice Plan[2] (U.S.-Payroll Expatriates)	$1,260	$1,008	$247	80%

**These rates do not include the tobacco surcharge, if applicable.*

***The employee contribution in the table above is actually slightly less than 20% due to actuarial projections used to estimate the annual total premium.*

*[1] The total premium for this plan is **greater** than the maximum company contribution ($1,400) so the company contribution is $1,400.*

*[2] The total premium for this plan is **less** than the maximum company contribution ($1,400) so the company contribution is 80% of the total premium for this plan ($1,260 x 80%).*

contributions to pre-65 retiree health benefits

The information in this section assumes you are a Chevron retiree and you're eligible for both Chevron pre-65 retiree health benefits and the company contribution to retiree health benefits. See the **Chevron Pre-65 Retiree Health Benefits** summary plan description on **hr2.chevron.com/retiree** for eligibility information.

Pre-65 Retiree Medical

If you're a pre-65 eligible retiree, the company currently continues to share the cost of your medical coverage. For pre-65 eligible retirees, the company contribution is automatically factored into your monthly medical premium for your Chevron pre-65 retiree group medical coverage. Chevron Corporation reserves all rights for any reason and at any time to amend, change or terminate the medical plans or to change or eliminate the company contribution toward the cost of such medical plans. If you're a pre-65 eligible retiree, your company contribution to pre-65 retiree group medical coverage is currently determined as follows:

Pre-65 Company Contribution Formula	
$	Your **starting company contribution amount** is based on the maximum company contribution amount for *active* employees for the applicable plan and coverage level in the calendar year in which you retire. See the **Contributions to Employee Medical Coverage** section in this supplement for information about how the maximum company contribution amount for active employees is calculated.*
times %	Your starting company contribution amount is then **prorated** based on the applicable percentage that corresponds to your points at retirement. See the **Proration of Starting Company Contribution Amount** chapter later in this supplement for additional details. *Please note that the total premium cost of retiree group medical coverage is usually greater than the maximum company contribution, so even if you have enough points to receive 100 percent of the starting company contribution, you will still have to pay for your pre-65 retiree group medical coverage.*
equals $	Your **final company contribution amount** to pre-65 retiree group medical coverage generally doesn't change until you turn age 65, *unless* your coverage level changes during a subsequent open enrollment or as a result of a qualifying life event. Your contribution amount will be recalculated based on the new coverage level in this situation.

**Chevron limits future increases to the applicable pre-65 company contribution to no more than 4 percent each year, applied to the starting company contribution amount.*

The company contribution for post-65 participants is different. See the **Contributions to Post-65 Retiree Health Benefits** section in this supplement for more information.

Example Calculation for Company Contribution to Pre-65 Retiree Group Medical Coverage

Important: This is an example only. All amounts displayed in this example are based on rates for the 2017 Plan Year. These rates are subject to change each year.

$1,400	**Starting company contribution** amount is based on the maximum company contribution amount for *active* employees for the applicable plan and coverage level in the calendar year in which you retire. Example employee retires in 2017 with: • High Deductible Health Plan (HDHP). • You + Family coverage. • Maximum company contribution for active employee coverage for You + Family coverage in the HDHP in 2017 is $1,400.
times 95%	Your starting company contribution amount is then **prorated** based on the applicable percentage that corresponds to your points at retirement. Example employee is eligible for the 80-point scale and retires in 2017 with: • 78 points at retirement. • Proration is 95% of the starting company contribution amount.
equals $1,330 per month	Your **final company contribution amount** to pre-65 retiree group medical coverage generally doesn't change until you turn age 65, *unless* your coverage level changes during a subsequent open enrollment or as a result of a qualifying life event. Your contribution amount will be recalculated based on the new coverage level in this situation.

Mixed pre-65 and post-65 families

Effective January 1, 2017, if you have a combination of pre-65 and post-65 eligible participants in your family, the company contribution is calculated and applied according to age. For pre-65 participants, the contribution is calculated as described in this section and applied to your monthly premium for pre-65 retiree group medical coverage. For post-65 participants, the contribution is calculated as described in the **Contributions to Post-65 Retiree Health Benefits** section in this supplement and applied to the Retiree HRA Plan account for each eligible post-65 participant. For this reason, your 2017 benefit statements from the HR Service Center may display a different amount than in previous years if you have both pre-65 and post-65 participants in your family.

Medicare eligible due to disability

The company contribution amount toward pre-65 retiree group medical coverage is different if you are Medicare-eligible due to disability. Contact the HR Service Center for more information if these situations apply to you.

If you are rehired

If you're a pre-65 eligible retiree and are subsequently rehired, when you retire again, your company contribution to pre-65 retiree group medical coverage is currently determined as follows:

- Your **starting company contribution amount** continues to be based on the maximum company contribution amount for active employees for the applicable plan and coverage level in the calendar year in which you first terminated/retired.

- Your starting company contribution amount is then **prorated** based on the applicable percentage that corresponds to your points. You are eligible for the better of:
  - The percentage that corresponds to your points based on the date your *first* terminated/retired.
  - The percentage that corresponds to your points based on the date of your *second* termination/retirement.

  See the **Proration of Starting Company Contribution Amount** chapter later in this supplement for additional details. *Please note that the total premium cost of retiree group medical coverage is usually greater than the maximum company contribution, so even if you have enough points to receive 100 percent of the starting company contribution, you will still have to pay for your pre-65 retiree group medical coverage.*

- Your **final company contribution amount** to pre-65 retiree group medical coverage generally doesn't change until you turn age 65, *unless* your coverage level changes during a subsequent open enrollment or as a result of a qualifying life event. Your contribution amount will be recalculated based on the new coverage level in this situation.

Pre-65 Retiree Dental

If you're eligible for pre-65 retiree group dental coverage, the company currently continues to share the cost of your dental coverage. If you're eligible for pre-65 retiree group dental coverage and the company contribution, the contribution to retiree group dental coverage is based on a fixed dollar amount for each coverage tier. You pay the difference between the company's contribution and the total premium cost. Chevron Corporation reserves all rights for any reason and at any time to amend, change or terminate the dental plans or to change or eliminate the company contribution toward the cost of such dental plans.

Pre-65 Mental Health and Substance Abuse

The company currently contributes 100 percent of the total cost for Mental Health and Substance Abuse (MHSA) Plan premiums for pre-65 eligible retirees and pre-65 eligible dependents. You do not pay a premium for the MHSA Plan. (As a reminder, retirees and covered dependents are not eligible for the MHSA Plan if they are eligible for Medicare.) Chevron Corporation reserves all rights for any reason and at any time to amend, change or terminate the MHSA Plan or to change or eliminate the company contribution to the MHSA Plan.

Pre-65 Retiree Medical Coverage Example Scenarios

Here are some examples to help you understand how points and company contribution amounts are currently determined. These examples assume that the individuals are eligible for pre-65 retiree group medical coverage, the company contribution to retiree medical coverage, and met all enrollment milestone requirements. **They are estimates in which the age, Health and Welfare Eligibility Service ("service"), and points are rounded for purposes of the illustration only.** Actual age plus years of service point calculations performed by the HR Service Center upon an employee's retirement extend to four decimal points, and service is currently counted until the end of the month in which the employee terminates Chevron employment. See the **Proration of Starting Company Contribution Amount** chapter in this supplement for point scale tables and information.

Chris, a Chevron employee leaving under the 90-point scale

Chris is 36 years old with seven years of service when he leaves Chevron.
Chris is eligible for the 90-point scale.

Chris' points

Chris has 43 age plus years of service points (36 years old plus seven years of service). However, Chris is not eligible for retiree health benefits because he doesn't meet the eligibility requirement of 50 years old with 10 years of service.

If Chris doesn't leave Chevron until he turns age 50, Chris would have 71 age plus years of service points (50 years old plus 21 years of service). This means he would be eligible for a 61 percent proration of the starting company contribution for retiree medical coverage.

Chris' eligibility for the 100 percent of the starting company contribution

To be eligible for 100 percent of the starting company contribution to retiree medical coverage, Chris would have to remain an eligible employee until he has 90 age plus years of service points.

Pat, a Chevron employee grandfathered under the 80-point scale

Pat is grandfathered under the grandfathering provision — age 50 or older with 10 years of service on December 31, 2004. Pat is 56 years old with 16 years of service when she leaves Chevron.

Pat's points

Pat has 72 age plus years of service points (56 years old plus 16 years of service). This means she would be eligible for 80 percent proration of the starting company contribution for retiree medical coverage.

Pat's eligibility for the 100 percent of the starting company contribution

To be eligible for 100 percent of the starting company contribution to retiree medical coverage, Pat would have to remain an eligible employee until she has 80 age plus years of service points.

*See the **Proration of Starting Company Contribution Amount** chapter in this supplement for information about grandfather rules and provisions.*

Robert, a former Chevron employee

Robert is a former Chevron employee, grandfathered under former Chevron rules. Robert is 58 years old with 28 years of service when he retires.

Robert's points

Robert has 86 age plus years of service points (58 years old plus 28 years of service). Robert is grandfathered under the former Chevron rule because he had at least 20 years of continuous service or 65 points on June 30, 2002, and when he retires he has at least 25 years of health and welfare eligibility service or at least 75 points.

Robert's eligibility for 100 percent of the starting company contribution

Because he is eligible for the grandfather rule, Robert is eligible for 100 percent of the starting company contribution to retiree medical coverage.

*See the **Proration of Starting Company Contribution Amount** chapter in this supplement for information about grandfather rules and provisions.*

Maria, a former Texaco employee

Maria is a former Texaco employee, grandfathered under the former Texaco rules, because she was age 45 or older on October 1, 1999. Maria is 60 years old with 16 years of service when she leaves Chevron.

Maria's points

Maria has 76 age plus years of service points (60 years old plus 16 years of service). Maria is grandfathered under the former Texaco rule because she was age 45 or older as of October 1, 1999, and is retiring at age 55 or older with 10 years of health and welfare eligibility service.

Maria's eligibility for 100 percent of the starting company contribution

Because she is eligible for the grandfather rule, Maria is eligible for 100 percent of the starting company contribution to retiree medical coverage.

*See the **Proration of Starting Company Contribution Amount** chapter in this supplement for information about grandfather rules and provisions.*

Terry, a former Unocal employee

Terry is a former Unocal employee.
Terry is 59 years old with 26 years of service when he leaves Chevron.
Terry is eligible for the Chevron 90-point scale.

Terry's points

Terry has 85 age plus years of service points (59 years old plus 26 years of service).

- Terry is eligible for 85 percent proration of the starting company contribution for retiree medical coverage under the Chevron 90-point scale.
- Terry is grandfathered under the former Unocal rule because he is retiring after July 1, 2006 at age 55 or older with 10 or more years of service, and he has 20 or more years of service after age 35 as of December 31, 2007. This means he would be eligible for 100 percent of the starting company contribution for retiree medical coverage under the Unocal transition scale.
- Under the Unocal grandfather rule, Terry is eligible for the *greater* starting company contribution proration percentage from the Chevron 90-point scale (85%) or from the grandfathered Unocal transition scale (100%). Therefore, Terry is eligible for **100 percent** of the starting company contribution for retiree medical coverage.

Terry's eligibility for 100 percent of the starting company contribution

Because he is eligible for the Unocal grandfather rule and the Unocal transition scale company contribution proration percentage is greater, Terry is eligible for 100 percent of the starting company contribution to retiree medical coverage.

*See the **Proration of Starting Company Contribution Amount** chapter in this supplement for information about grandfather rules and provisions.*

Mike, a former Unocal employee

Mike is a former Unocal employee.

As of December 31, 2007, Mike was age 54 with 20 years of service. For this reason, Mike is not eligible for the Unocal grandfather rule because he did not satisfy the age requirement (at least age 55 with 10 or more years of health and welfare eligibility service) as of December 31, 2007. Therefore, when he retires, Mike will be eligible for the Chevron 90-point scale.

Mike's eligibility for 100 percent of the starting company contribution

Mike will be eligible for 100 percent of the starting company contribution to retiree medical coverage if he remains an eligible employee until he earns 90 age plus years of service points.

*See the **Proration of Starting Company Contribution Amount** chapter in this supplement for information about grandfather rules and provisions.*

contributions to post-65 retiree health benefits

> The information in this section assumes you, the retiree, are eligible for both Chevron post-65 retiree health benefits and the company contribution to retiree health benefits. See the **Chevron Post-65 Retiree Health Benefits** summary plan description on **hr2.chevron.com/retiree** for eligibility information.

Post-65 Retiree Medical

If you're a post-65 eligible retiree and eligible for Medicare, the company currently continues to share the cost of your medical coverage. Post-65 eligible retirees and/or their post-65 eligible dependents will receive the company contribution through a health reimbursement arrangement (HRA). The Chevron Corporation Post-65 Retiree Health Reimbursement Arrangement Plan **– Retiree HRA Plan –** is the health reimbursement arrangement that Chevron sponsors for post-65 eligible retirees and their post-65 eligible dependents to receive their company contributions to retiree health coverage. This is a *reimbursement* account. This means you'll pay premiums for coverage directly to your insurance carriers and submit claims to OneExchange for reimbursement from your HRA. Chevron Corporation reserves all rights for any reason and at any time to amend, change or terminate the Retiree HRA Plan or to change or eliminate the company contribution to the Retiree HRA Plan. If you're a post-65 eligible retiree, your company contribution to post-65 retiree individual medical coverage is currently determined as follows:

Post-65 Company Contribution Formula

$	All post-65 eligible retirees receive the same **starting company contribution amount**, regardless of your year of retirement.*
times %	Your starting company contribution amount is then **prorated** based on the applicable percentage that corresponds to your points at retirement. See the **Proration of Starting Company Contribution Amount** section later in this supplement for additional details.
minus $	Minus an allocation to the Chevron Supplemental Catastrophic Prescription Drug Benefit. This is a flat rate for all eligible participants.
equals $	Your **final company contribution** to the health reimbursement arrangement (HRA) for post-65 eligible participants.**

**There may be a different amount for certain legacy company retirees or other grandfathered groups.*

*** Chevron's contribution for post-65 participants who are eligible for retiree dental coverage with a company contribution may be added to this amount. See the Post-65 Retiree Dental heading later in this section for more information.*

If you and your post-65 eligible dependent are eligible for the HRA, you and your dependent will each have a separate HRA account based on the HRA of the eligible retiree. See the **Chevron Corporation Post-65 Retiree Health Reimbursement Arrangement Plan** *chapter of the summary plan descrip*tion for more information about the Retiree HRA Plan, including important eligibility and enrollment rules.

The company contribution for pre-65 participants is different. See the **Contributions to Pre-65 Retiree Health Benefits** section in this supplement for more information.

Example Calculation for Company Contribution to Post 65 Retiree HRA Contribution for 2017

This is an example only. All amounts displayed are effective for the 2017 Plan Year and may be subject to change in the future. Your numbers may be different based on your situation.

$96.20*	All post-65 eligible retirees receive the same **starting company contribution amount**, regardless of your year of retirement.*
times 100%	Your starting company contribution amount is then **prorated** based on the applicable percentage that corresponds to your points at retirement. Example employee is eligible for 100% of the starting company contribution.
minus $6.28	Minus an allocation to the Chevron Supplemental Catastrophic Prescription Drug Benefit. This is a flat rate for all eligible participants.
equals $89.92** per month	Your **final company contribution** to the health reimbursement arrangement (HRA) for post-65 eligible participants. This example retiree medical amount would be applied to the HRA each month for this sample retiree and all post-65 eligible dependents in the family.

**There may be a different amount for certain legacy company retirees or other grandfathered groups.*

*** Chevron's contribution for post-65 eligible who are eligible for retiree dental coverage with a company contribution may be added to this amount. See the Post-65 Retiree Dental heading later in this section for more information.*

Mixed pre-65 and post-65 families

Effective January 1, 2017, if you have a combination of pre-65 and post-65 eligible participants in your family, the company contribution is calculated and applied according to age. For pre-65 participants, the contribution is calculated as described in the **Contributions to Pre-65 Retiree Health Benefits** section in this supplement and applied to your monthly premium for pre-65 retiree group medical coverage. For post-65 participants, the contribution is calculated as described in this section and applied to the Retiree HRA Plan account for each eligible post-65 participant.

If you are rehired

If you're a post-65 eligible retiree and are subsequently rehired, when you retire again, your company contribution to post-65 retiree individual health coverage is currently determined as follows:

- All post-65 eligible retirees receive the same **starting company contribution amount**, regardless of your year of retirement or if you were rehired.*
- Your starting company contribution is then **prorated** based on the applicable percentage that corresponds to your points. You are eligible for the better of:
  - The percentage that corresponds to your points based on the date you *first* terminated/retired.
  - The percentage that corresponds to your points based on the date of your *second* termination/retirement.

  See the **Proration of Starting Company Contribution Amount** chapter later in this supplement for additional details.

** There may be a different amount for certain legacy company retirees or other grandfathered groups.*

Post-65 Retiree Dental

If you're eligible for dental coverage and a company contribution to retiree dental coverage, the company's contribution to retiree dental coverage is currently a fixed dollar amount. Post-65 eligible retirees and/or their post-65 eligible dependents will receive the dental company contribution through the Chevron Corporation Post-65 Retiree Health Reimbursement Arrangement Plan **– Retiree HRA Plan.** The Retiree HRA Plan is the health reimbursement arrangement that Chevron sponsors for post-65 eligible retirees and their post-65 eligible dependents to receive their company contributions to retiree health coverage. This is a *reimbursement* account. This means you'll pay premiums for coverage directly to your insurance carriers and submit claims to OneExchange for reimbursement from your HRA. Please see the **Chevron Corporation Post-65 Retiree Health Reimbursement Arrangement Plan** chapter of the summary plan description for important eligibility and enrollment rules. Chevron Corporation reserves all rights for any reason and at any time to amend, change or terminate the Retiree HRA Plan or to change or eliminate the dental company contribution to Retiree HRA Plan.

Post-65 Retiree Medical Coverage Example Scenarios

Here are some examples to help you understand how points and company contribution amounts are currently determined. These examples assume that the individuals are eligible for post-65 retiree individual medical coverage, are eligible for the company contribution to the Retiree HRA Plan, and met all enrollment milestone requirements. **They are estimates in which the age, Health and Welfare Eligibility Service ("service"), and points are rounded for purposes of the example only.** Actual age plus years of service point calculations performed by the HR Service Center upon an employee's retirement extend to four decimal points, and service is currently counted until the end of the month in which the employee terminates Chevron employment. See the **Proration of Starting Company Contribution Amount** chapter in this supplement for point scale tables and information.

Chris, a Chevron employee leaving under the 90-point scale

Chris is 66 years old with 23 years of service when he leaves Chevron.
Chris is eligible for the 90-point scale.

Chris' points

Chris has 89 age plus years of service points (66 years old plus 23 years of service). This means he would be eligible for a 97 percent proration of the starting company contribution to retiree medical coverage. If Chris is eligible for the Retiree HRA Plan and meets the enrollment requirements when he retires, the final company contribution amount will be applied to his Retiree HRA Plan account.

Chris' eligibility for the 100 percent of the starting company contribution

To be eligible for 100 percent of the starting company contribution to retiree medical coverage, Chris would have to remain an eligible employee until he has 90 age plus years of service points.

Pat, a Chevron employee grandfathered under the 80-point scale

Pat is grandfathered under the grandfathering provision — age 50 or older with 10 years of service on December 31, 2004. Pat is 67 years old with 16 years of service when she leaves Chevron.

Pat's points

Pat has 83 age plus years of service points (67 years old plus 16 years of service). This means she is eligible for 100 percent of the starting company contribution to retiree medical coverage. If Pat is eligible for the Retiree HRA Plan and meets the enrollment requirements when she retires, her final company contribution amount will be applied to her Retiree HRA Plan account.

Pat's dependent eligibility for the company contribution

Pat's spouse, Casey, is 68 years old and never worked at Chevron or a legacy company. As long as Casey remains Pat's eligible dependent and both meet all the eligibility and enrollment requirements when Pat retires, both Pat and Casey would receive the same final company contribution amount in their own separate Retiree HRA Plan accounts.

*See the **Proration of Starting Company Contribution Amount** chapter in this supplement for information about grandfather rules and provisions.*

Terry, a post-65 retiree with pre-65 dependents

Terry is currently 67 years old.

Terry retired from Chevron with over 90 age plus years of service points. This means Terry is eligible for 100 percent of the starting company contribution amount to retiree medical coverage. Terry met all eligibility and enrollment requirements and her final company contribution amount is currently being applied to her Retiree HRA Plan account.

Terry's spouse, Drew, is 55 years old. Terry's step-son, Jason, is 25 years old. Drew and Jason are covered as Terry's dependents in pre-65 retiree group medical coverage because both are under age 65. The company contributes to Drew and Terry's group medical coverage through a premium reduction each month.

See the **Contributions to Pre-65 Retiree Health Benefits** section in this supplement for more information about those company contributions.

Maria and John, a post-65 Chevron couple

Maria is 66 years old and still working at Chevron. John retired from Chevron 9 years ago. Maria currently covers John as a dependent on her Chevron employee group health coverage.

- John is 69 years old and retired from Chevron with over 90 points; therefore, John is eligible for 100 percent of the starting company contribution amount to retiree medical coverage. As long as John meets the enrollment requirements, he's eligible to receive his final company contribution amount to his own Retiree HRA Plan account when he enrolls in post-65 Chevron retiree medical coverage.
- Maria will have 87 points when she retires next year; she will be eligible for a 91 percent proration of the starting company contribution amount to retiree medical coverage. As long as Maria meets the enrollment requirements, she's eligible to receive her final company contribution amount to her own Retiree HRA Plan account when she retires and enrolls in post-65 Chevron retiree medical coverage.

Maria's retirement from Chevron will trigger an enrollment milestone for *both* Maria and John.

- For Maria, the enrollment milestone is *retirement from Chevron*.
- For John, the enrollment milestone is *losing employer group health coverage*.

Because they are a Chevron couple, John and Maria need to keep the following Chevron couples rule in mind regarding their company contribution: *If you and your spouse are both post-65 Chevron eligible retirees, each separate HRA account will be based on whether you are listed as a dependent or the primary retiree when you enroll in post-65 individual medical coverage with OneExchange.*

John and Maria's choices are:

- John can become the primary retiree and Maria the dependent. Both John and Maria would receive John's final company contribution amount (based on 100 percent of the starting company contribution) to their own separate Retiree HRA Plan accounts.
- Maria can become the primary retiree and John the dependent. Both John and Maria would receive Maria's final company contribution amount (based on 91 percent proration of the starting company contribution) to their own separate Retiree HRA Plan accounts.
- John and Maria can each enroll as individual participants since they are both former eligible employees who qualify as eligible retirees. In this scenario, John would receive his final company contribution amount (based on 100 percent of the starting company contribution) to his Retiree HRA Plan account. Maria would receive her final company contribution amount (based on 91 percent proration of the starting company contribution) to her Retiree HRA Plan account.

proration of starting company contribution amount

Your applicable starting company contribution amount may be prorated based upon your **points** at retirement. Points represent the sum of your **age** plus **years of health and welfare eligibility service (“service”)** when you leave the company. Each point level corresponds to a percentage, which represents the percentage of the starting company contribution for which you are eligible. In general, the longer you work, the more points you can accumulate, resulting in a higher percentage and, therefore, a higher company contribution amount toward retiree medical coverage.

In general, if you retired on or after July 1, 2002, one of the following point scales is used to determine the amount of company contribution you receive:

- The **90-point scale** applies to retirees eligible for retiree medical who terminate or retire on or after January 1, 2005, unless a grandfather rule applies to you.

- The **80-point scale** applies to retirees eligible for retiree medical who retired between July 1, 2002 and December 31, 2004, and to employees who were age 50 or over with at least 10 years of service on December 31, 2004 (as determined under the applicable rules in effect on December 31, 2004), and who retire after that date, unless a grandfather rule applies to you.

The following chart indicates the company contribution under the 80-point scale and the 90-point scale:

Age *plus* **Years of Health and Welfare Eligibility Service Points**	**Company Contribution under the:**	
	80-Point Scale	**90-Point Scale**
60	50%	50%
61	52.5%	51%
62	55%	52%
63	57.5%	53%
64	60%	54%
65	62.5%	55%
66	65%	56%
67	67.5%	57%
68	70%	58%
69	72.5%	59%
70	75%	60%
71	77.5%	61%
72	80%	62%
73	82.5%	63%
74	85%	64%
75	87.5%	65%
76	90%	67%
77	92.5%	69%
78	95%	71%
79	97.5%	73%
80	100%	75%
81		77%
82		79%
83		81%
84		83%
85		85%
86		88%
87		91%
88		94%
89		97%
90		100%

Grandfather Rules

There are some exceptions to the company contribution amount you may receive. Some retirees are eligible for retiree health care coverage at 100 percent of the maximum company contribution under the rules of former Chevron, former Texaco or former Unocal plans. In these cases, retirees have been protected, or grandfathered, under old or alternate rules. These grandfather rules are described below:

- A former Chevron employee is a person who otherwise qualifies as an eligible employee and who was employed by Chevron immediately prior to its merger with Texaco Inc. and who has not been terminated and rehired by Chevron since the merger with Texaco Inc.

- A former Texaco employee is a person who otherwise qualifies as an eligible employee and who was employed by Texaco Inc. immediately prior to its merger with Chevron Corporation and who has not been terminated and rehired by Chevron since the merger with Texaco Inc.

- A former Unocal employee is a person who otherwise qualifies as an eligible employee, who was employed by Unocal immediately prior to its merger with Chevron Corporation, and who has not been terminated and rehired by Chevron since the merger with Unocal.

- Whether an employee meets the conditions to have a grandfather rule (including the 80-point scale) apply is determined under the rules in place as of the time the grandfather rule became effective. For example, a change to the Health and Welfare Eligibility Service, effective January 1, 2012, does not affect the amount of service the employee had on December 31, 2004 for purposes of whether the 80-point scale applies. (However, if the 80-point scale applies to an employee without regard to the additional service, the additional service would count toward the employee's points on the 80-point scale).

If you're a former Chevron, or former Caltex or former Texaco employee and meet one of the following grandfathering requirements, you receive 100 percent of the company's contribution toward your medical coverage when you retire, subject to the 4 percent limit on future increases to the company contribution for pre-65 eligible retirees:

- You're a former Chevron or former Caltex employee employed by the company on June 30, 2002, and you meet all of the following criteria:

  — You must have had at least 20 years of continuous service or 65 points (age plus years of continuous service) on June 30, 2002, (as determined under the applicable rules in effect on June 30, 2002).

  — You have at least 25 years of health and welfare eligibility service or at least 75 points (age plus years of health and welfare eligibility service) when you retire.

  — You have not been rehired since July 1, 2002.

- You're a former Texaco employee employed by the company on June 30, 2002, and on October 1, 1999, you were a Texaco employee who was age 45 or older and you retire at age 55 or older with at least 10 years of health and welfare eligibility service.

If you're a former Unocal employee employed by the company on June 30, 2006, you may be eligible for a company contribution percentage based on the grandfathered Unocal transition scale. If you retire on or after July 1, 2006, at age 55 or older with 10 or more years of health and welfare eligibility service, and you meet the age and service requirements by December 31, 2007, (as determined under the applicable rules in effect on December 31, 2007), you will be eligible for the *greater* (that is, the greater company contribution percentage) of the Chevron 90-point scale or the grandfathered Unocal transition scale shown below:

Grandfathered Unocal Transition Scale

Years of Service After Age 35	Company Contribution Percentage
10	50.0%
11	55.0%
12	60.0%
13	65.0%
14	70.0%
15	75.0%
16	80.0%
17	85.0%
18	90.0%
19	95.0%
20	100.0%

about health and welfare eligibility service

Definition of Health and Welfare Eligibility Service

Your health and welfare eligibility service is used to determine your eligibility for vacation, service awards, Short-Term and Long-Term Disability plans and retiree health care benefits. The following applies to an individual who is an employee on or after January 1, 2012. Different rules apply to an individual who terminated employment prior to January 1, 2012.

Health and welfare eligibility service is generally the period of time you're employed by Chevron or by any other member of the Chevron affiliated group, and may include periods when you're not an eligible employee for U.S. pay and benefits.

Health and welfare eligibility service includes all the time you are on an approved Disability Leave for which you are receiving benefits under the Chevron Long-Term Disability Plan. Under special rules, it may also include the time you are on certain other approved leaves of absence. Special rules apply if you do not timely return to active work with a participating company or if you terminate your employment while on an approved leave of absence. Health and welfare eligibility service may also include the time you have been providing services as a “leased employee” on or after July 1, 2002 to a member of the Chevron affiliated group (at the time the services are performed) and you become an employee after providing service as a leased employee, as determined by Chevron Corporation in its sole discretion. If you believe one of these special rules apply to you, contact the HR Service Center for further information.

If you leave Chevron after July 1, 2002, and are rehired within 365 days, your service will include the time you were away. If you’re gone longer than 365 days and you haven’t had a permanent service break as a result of your absence, your service before you left will be added to your service after you’re rehired.

If you left Chevron and were rehired, your service before you left will be added to your service after you’re rehired unless you incurred a Permanent Service Break. If you have service with an acquired company prior to the date of the acquisition of that company by Chevron, special rules may apply — contact the HR Service Center for more information.

Note on grandfathering rules: The definition of health and welfare eligibility service has changed over time, and sometimes it has changed to include additional service that was not previously included. This will not change whether you are subject to a grandfather rule in effect prior to the change. This is because whether an employee meets the conditions to have a grandfather rule apply is determined under the rules in place as of the time the grandfather rule was effective.

Definition of a Permanent Service Break

You will not have a permanent service break if you leave Chevron with more than five years of health and welfare eligibility service. You will, however, have a permanent service break if you leave Chevron before you have five years of health and welfare eligibility service and you’re not rehired within five years. If you left employment with Chevron before January 1, 2012, the applicable rules at the time of your termination will apply to whether you had a permanent service break.

glossary

Former Atlas Employee
A person who otherwise qualifies as an eligible employee and who was employed by Atlas immediately prior to its merger with Chevron Corporation (or was employed by Chevron Northeast Upstream Corporation after the merger and on or before October 1, 2011) and who has not been terminated and rehired by Chevron or its affiliates.

Former Caltex Employee
A person who otherwise qualifies as an eligible employee and who was employed by Caltex immediately prior to its merger with Chevron Corporation and who has not been terminated and rehired by Chevron or its affiliates.

Former Chevron Employee
A person who otherwise qualifies as an eligible employee and who was employed by Chevron immediately prior to its merger with Texaco Inc. and who has not been terminated and rehired by Chevron since the merger with Texaco Inc.

Former Texaco Employee
A person who otherwise qualifies as an eligible employee and who was employed by Texaco Inc. immediately prior to its merger with Chevron Corporation and who has not been terminated and rehired by Chevron since the merger with Texaco Inc.

Former Unocal Employee
A person who otherwise qualifies as an eligible employee and who was employed by Unocal immediately prior to its merger with Chevron Corporation and who has not been terminated and rehired by Chevron since the merger with Unocal.