

Human Energy. Yours.™



Human Energy®

# U.S. Domestic Relocation Summary

For GOP Employees Moving Within the U.S.  
October 2015

Shared Services

## Introduction

If you are an experienced exempt global offshore payroll (GOP) employee in the United States, this document provides a summary of relocation benefits. It does not constitute a guarantee and benefit eligibility may depend on individual circumstances. To avoid jeopardizing certain relocation benefits, please do not begin any aspects of your relocation program prior to discussions with your Brookfield Global Relocation Services (Brookfield) relocation consultant. In particular, please do not contact a real estate agent for assistance in your old or new work location.

The following is a brief summary of the benefits included in your relocation program which are effective 1/1/2015. Relocation services and benefits cannot begin until you are within 90 days of your effective start date with Chevron. Refer to full program document for details.

## Topics Covered in this Summary

- Repayment Agreement
- Allowance Payments
- Departure Services and Benefits
- Destination Services and Benefits
- Additional Relocation Services

## Repayment Agreement

Prior to receiving any relocation benefits you are required to sign a one-year relocation payment agreement. The repayment schedule is 100 percent repayment if you voluntarily leave Chevron from your effective payroll transfer.

## Allowance Payments

### Miscellaneous Expense Allowance (MEA)

You will receive a one-time payment equal to 1½ months' salary (capped at \$15,000), less taxes, to cover any non-specific miscellaneous expenses that you might incur as a result of your relocation. No receipts are required.

### Relocation Allowance

Together with your MEA you will receive an additional payment specifically intended to cover the anticipated costs of your house hunting, interim living and return trips to your former location, based on the following:

- House Hunting: lodging, meals and transportation
  - Homeowner: six nights / seven days
  - Renter: three nights / four days
- Interim Living: lodging for 30 days plus a one-time \$500 interim living setup
- Return Trips: homeowner: two trips / renter: one trip

## Departure Services and Benefits

### Homeowner – Home Sale Program

Chevron provides an industry leading home disposition assistance program for the sale of your home in your current work location. The provisions of the program are:

- Administered by Chevron's designated relocation services provider, Brookfield.
- A comprehensive marketing assistance program with scheduled listing restrictions.
- Required placement of listing referral with a real estate agent through Brookfield.
- Assistance in contract negotiation.
- Equity Advance or Equity Loan to allow for new home purchase prior to the sale of your current home.
- Home sale closing management.
- Payment of all normal and customary home selling closing costs.

GOP Employee Moving within the U.S.

October 2015

You must complete all relocation benefits within one year of your effective date of payroll transfer.

- Appraisals and inspections ordered as authorized.
- If you are unable to sell your home during the required marketing period, and it meets certain eligibility guidelines, Chevron will provide you with a Guaranteed Buyout Offer, based upon appraisals completed using the Employee Relocation Counsel (ERC) parameters.
- As a foreign resident in the United States (non-passport holder/non-green card holder), you may be subject to taxation for the sale of residence while in the United States. Chevron does not cover any taxes related to the IRS withholding requirement for sale of property.

### **Caution: Notice of homeownership in the United States for non-resident employees**

If you are not a U.S. citizen or a U.S. green card holder, and you purchase a home in the United States you may be subject to IRS required tax withholding, depending upon your residency status in the United States at the time of your property sale. Purchasing a home in the United States is a financial decision that you should research thoroughly, and be comfortable with the risks of homeownership. While Chevron supports the purchase of a home in the U.S for GOP eligible homeowners, it does not constitute an obligation on Chevron's behalf that if or when you leave the United States that you will be provided a guaranteed value purchase (as outlined in the U.S. Domestic Relocation Program - USExemptDetail document), if your residence status is in question

### **Home Selling Incentives**

Chevron provides the following incentives to assist you in selling your home prior to accepting the Guaranteed Buyout Offer, if you follow the Home Sale Program criteria:

- **Home Sale Incentive** - You will receive a two percent incentive payment, less taxes, based on the sales price, if you sell your home prior to acceptance of the Guaranteed Buyout Offer.
- **Home Marketing Incentive** – Chevron provides a one percent incentive to assist you in selling your home to either complete recommended cosmetic repairs to effectively market your home or offer as a selling concession to the Buyer at time of sale.
- **Below Guaranteed Buyout Offer Sale** - You can sell your home to 95 percent of the Guaranteed Buyout Offer, and still receive 100 percent of the Guaranteed Buyout Offer for your home, plus the home sale and home marketing incentives.

### **Home Sale Loss Assistance (LOS)**

- If you incur a loss on the sale of your home, from the original purchase price paid, Chevron provides loss assistance designed to lessen the financial impact.
- The first 5 percent of loss in the value of your home is your responsibility, to account for depreciation and typical market fluctuations.
- After the initial 5 percent has been deducted, Chevron will pay loss assistance on the following schedule:
  - \$150,000 maximum payment based on acceptance of Guaranteed Offer.
  - \$200,000 maximum payment based on sale prior to acceptance of the Guaranteed Offer.

### **Home Retention Allowance (HRA)**

- If you wish to retain or are unable to sell your home in the old work location, you may opt take a one-time payment of 7 percent, less taxes, of your home value in lieu of the various Home Sale Program benefits, based on the following criteria:
  - Completion of appraisal(s) obtained by Brookfield.
  - Certain guidelines apply related to the timing and payment of the HMA and eligibility for any or all of the other Home Selling Services benefits.
- Please consult your Brookfield Consultant for guidance.

### **Renter - Lease Cancellation**

If you are a renter and incur lease cancellation penalties on your rental house or apartment, you will be reimbursed for the equivalent of up to two months' rent.

## Destination Services and Benefits

### Home Finding Services

- Chevron provides destination services to assist you in finding a new primary residence in your new work location. These services are administered by Brookfield and participation is required in order for you to receive certain future relocation benefits.
  - Required placement of home purchase referral with real estate agent through Brookfield.
  - Assistance with home purchase negotiation and contract review prior to submission of your offer.
- If you are a renter, Chevron will reimburse you up to \$750 for professional rental finding assistance.

### Chevron Approved Lender Program

- Chevron has agreements with several preferred mortgage lenders. The benefits of using these approved lenders are:
  - Competitive mortgage rates.
  - Direct bill of loan closing costs.
  - Negotiated mortgage costs.
- If you are receiving certain high housing costs benefits (as outlined below), you are required to use one of the approved lenders for your new loan.
- Your ability to borrow mortgage funds in the United States is based solely your financial credit worthiness and the decision of the lender to accept financial risk. Chevron does not guarantee that the approved lenders are required to provide you a mortgage loan.

### New Home Purchase Closing Costs

If you were a homeowner and purchase a home in your new work location, Chevron will pay your normal and customary home purchase closing costs including pre-purchase inspections; subject to restrictions.

### Duplicate Housing

After your initial 30-day interim living benefit, as provided in your relocation allowance, Chevron provides an additional 90 days assistance with your housing costs, in your old location, while you market your home for sale. You are reimbursed for:

- Interest, taxes and insurance on your former residence.
- Property maintenance.
- Two return trips (airfare/mileage) to your former location (limited to one trip every 30 days).

### Homeowner - High Housing Cost Benefits

If you move into a new work location designated by Chevron to be a high or very high cost housing area, you are eligible for one or more of the benefits described below:

- Basic Housing Differential (BHD)
- Supplemental Housing Assistance (SHA)
- Chevron uses an independent, industry-leading company to provide the cost of housing index used as the basis to determine your eligibility for these benefits.
- Benefit eligibility is based on the housing index differential between your current and new work locations.
- Your ability to utilize some of these benefits may be affected by mandatory lender guidelines and your creditworthiness.
- You must use one of Chevron's approved lenders.

### Basic Housing Differential (BHD)

- The BHD is a one-time payment, less taxes, provided to help defray the increased housing costs in your new work location.
- Your benefit eligibility is based on the calculated housing index differential, and the payment is made based on the following schedule:
  - Standard or high cost areas from \$0 to \$22,000.
  - Very high cost areas from \$0 to \$40,000.

### Supplemental Housing Assistance (SHA)

SHA is a dollar-based mortgage interest rate subsidy, used to reduce the interest rate on your new home primary mortgage for up to five years, based on the following schedule:

Year 1 – 30%	Year 4 – 15%
Year 2 – 25%	Year 5 – 10%
Year 3 – 20%	Year 6 – 0%

- Your benefit eligibility is based on the calculated housing index differential, and the payment is made based on the following schedule:
  - High cost areas from \$0 up to \$7,500
  - Very high cost areas from \$0 up to \$40,000
- The SHA benefit is taxable income and is tax assisted at time of payment. Interest paid in the SHA program may be claimed as an itemized deduction on your personal income tax filing. Adjustment to your SHA tax assistance may be made in the year-end tax true up..

### Renter- High Cost Renter's Assistance (HCRA)

- The HCRA is a one-time payment, less taxes, provided to renters to help defray the increased housing costs in your new work location.
- Benefit eligibility is based on the calculated index differential, and the payment is made based on the following schedule:
  - High Cost areas from \$0 up to \$3,750.
  - Very High Cost area from \$0 up to \$15,000.

## Additional Relocation Benefits

### Final Move Trip

- Chevron will reimburse the cost for reasonable lodging, per diem meals and transportation for you and any eligible family members while in transit to the new work location.
- You are expected to drive to your new work location and you may be eligible to receive mileage reimbursement for up to three vehicles. If, however, you are unable to drive, you will receive reimbursement for airfare provided the distance is greater than 400 miles.
- Reimbursement of up to \$350 towards shipping of two household pets.

### Household Goods

- Chevron provides you with a full-service move including packing, shipping, and unpacking your household goods and personal effects from your departure residence to your destination residence.
- If your move is greater than 400 miles, two vehicles may be shipped.
- 60 days of storage.
- \$100,000 replacement value insurance is provided while your goods are in transit or storage.

GOP Employee Moving within the U.S.

October 2015

You must complete all relocation benefits within one year of your effective date of payroll transfer.

### **Spousal/Partner Employment Search and Family Assistance**

Chevron provides up to \$2,500 in spouse/partner employment search and family assistance benefits. These benefits include:

- Employment Search:
  - Career counseling.
  - Development of a personalized individual job search strategy/action plan.
  - Coaching/training on essential job search skills, such as networking, interviewing, and negotiating job search offers and salary.
  - Resume and cover letter development and interview/networking preparation.
- Family assistance services:
  - School or child care sourcing for children or dependant parents
  - Heath care provider search.
  - Sports, activity, hobby group search.
  - Area information and community networking.
  - Other personalized services.
- Alternately, you may seek direct reimbursement of up to \$2,500 for such expenses as:
  - Job placement service.
  - Relicensing/recertification fees/education for a job in which your spouse/partner was previously licensed in your state of origin.

### **Educational Assistance**

In certain circumstances, Chevron may provide educational assistance for each of your dependent children in elementary through secondary school (K-12) up to a cap established by Chevron for U.S. private schools located in Chevron U.S. domestic work locations. You will be advised of this allowance if it is applicable to your situation.

### **Tax Assistance**

- Assistance with state and federal taxes is provided by Chevron on certain taxable relocation payments. A year-end tax true-up is completed to validate the previous tax assistance payments and to provide for any needed adjustments.
- Chevron provides annual tax preparation services through KPMG.