



good to know

retirement benefit when you leave

human energy. yours.™

When you leave Chevron, you'll need to decide how to manage your retirement benefits. This information is a general overview intended to cover some but not all situations. Not all of the benefits discussed here will apply to you and not all discussions will apply to your specific situation. If there are any discrepancies between this communication and legal plan documents, the legal documents will prevail to the extent permitted by law. You should consult the retirement summary plan descriptions for information and rules that apply specifically to your plan. The enclosed, personalized *Estimate of Retirement Plan Benefits* provides more information specific to the benefit for which you're eligible.

Chevron Employee Savings Investment Plan (ESIP) participants

This document discusses Retirement Plan information only. If you have an ESIP account, you will receive a final distribution package from Fidelity under separate cover. The ESIP package will describe the choices you have and actions you may need to take when you leave the company. If you have any questions or do not receive this information, contact the HR Service Center.

included in this overview:

where to find information	2
choose how to receive your benefit. lump sum or annuity?	3
decide if you want to submit actual social security earnings	4
understand your annuity starting date	5
file your election forms	6
timing of payment	7

where to find information

HR service center

Contact the HR Service Center for questions not addressed in this package.

Benefits Connection website:

- While still an employee: hr2.chevron.com; choose the **Benefits Connection** link.
- After you've left Chevron: hr2.chevron.com/retiree; choose the **Benefits Connection** link.

Phone:

- 1-888-825-5247

summary plan descriptions (SPDs)

You can also review retirement summary plan descriptions (SPDs). SPDs provide specific details, such as eligibility and benefit formulas, for your retirement benefit. You can access retirement SPDs on the internet. Note that there are two different SPDs posted, so be sure to review the one that applies to you: *Retirement Plan (Hired Before 1/1/2008)* or *Retirement Plan (Hired on or After 1/1/2008)*. If you don't see your plan listed, contact the HR Service Center.

- While still an employee: hr2.chevron.com
Click the **Your Benefits** section to get started.
- After you've left Chevron: hr2.chevron.com/retiree
Click the **Retirement and Savings** section to get started.

Plan ahead. Completing your paperwork can take considerable time.

Be sure to review all your election materials right away. The election forms are complex and you may need to request information or documents from other sources before you can complete your election. Remember, your Annuity Starting Date could be affected if your election is not complete enough to be considered *filed*.

choose how to receive your benefit. lump sum or annuity?

You can elect different forms of payment for your retirement benefit. Your enclosed *Estimate of Retirement Plan Benefits* provides more information about the forms of payment for which you're eligible. In general, you can choose between:

- **A series of monthly payments.** This is called an annuity. Your plan offers a number of different types of annuity options. Most annuity options provide a death benefit payable to the joint annuitant or beneficiary that you designate should you predecease him or her. See your enclosed *Estimate of Retirement Plan Benefits* or your plan's SPD for annuity options that apply to your benefit and how they work. Complete the enclosed *Election of Monthly Annuity* form if you want to elect a monthly annuity.

Important

If your joint annuitant is *not* your spouse and if you are more than 10 years older than your joint annuitant, the amount of his or her monthly annuity *will be less than* the monthly joint and survivor percentage shown in the enclosed *Estimate of Benefits*. If this situation applies to you, call the HR Service Center to ask for a revised estimate of the annuity amounts.

- **Payment in one lump sum.** If you are eligible to take a lump sum, you can take it as cash, roll over the full amount, or choose a combination of both cash and rollover. You can roll over your lump sum to an individual retirement account (IRA) or to another employer's plan that accepts rollovers. Also, if you have a balance in the Chevron Employee Savings Investment Plan (ESIP) at the time the rollover is processed, you can roll over your lump-sum distribution into your ESIP. If you choose this option, it must be processed as a **direct rollover**. (In other words, a Retirement Plan lump sum made payable to you is not eligible for rollover into the ESIP.) Complete the *Election of Lump Sum Benefit* form if you want to receive your Retirement Plan benefit as a lump sum. If you are married, your spouse must consent in writing, which must be notarized, to this form of distribution. If you elect a lump sum, no further benefits will be payable to you or your beneficiaries.

How is my benefit calculated? Your benefit is calculated according to the formula for which you're eligible. For more details about the calculation of your benefit, see your plan's SPD.

Are you disabled and receiving Chevron Long-Term Disability (LTD) Plan benefits?

If you commence your Retirement Plan benefits on or after January 1, 2011, your LTD benefits can continue, but they will be offset (reduced) by your Chevron Retirement Plan benefits as follows:

- If you elect a lump sum, the amount as calculated under the single life annuity option will be subtracted from your LTD benefit payments.
- If you elect any monthly annuity option, the actual monthly amount you receive will be subtracted from your LTD benefit payments.

For example, if your LTD benefits are \$1,000 a month, and your retirement plan pension (or single life annuity equivalent, if you elected a lump sum) is \$900 a month, then your LTD benefits will be \$100 a month. If your retirement plan benefits are greater than your LTD benefits, then you will not receive any LTD benefits.

decide if you want to submit actual social security earnings

This information is applicable only if you were hired *before* January 1, 2008.

Your retirement benefit formula uses a Social Security offset when calculating your benefit. The offset is a reduction of your gross retirement benefit that reflects the fact that Chevron has already paid for part of the benefit you'll get from Social Security. The company estimates your Social Security earnings by using an IRS approved method.

You have the option to submit documentation of your actual Social Security earnings history for Chevron to use when calculating your benefit. Use of your actual Social Security wage history may work to your benefit, may work to your detriment or may not make any difference. The result varies from case to case depending upon how your actual Social Security earnings compare with Chevron's estimates. **When you provide your actual Social Security earnings history, Chevron is obligated by law to use it — even if it will result in a smaller Retirement Plan benefit for you.** Chevron cannot run a test calculation to determine if actual earnings will help or hurt you. It's entirely up to you whether or not you provide this information to Chevron.

In general, if your actual Social Security earnings are greater than those used in Chevron's estimated benefit, your Social Security offset will likely be greater – and your Retirement Plan benefit smaller – than if Chevron's estimate of your Social Security earnings is used. Keep in mind that earnings in excess of the annual Social Security wage base are not used in the calculation of your Primary Social Security benefit.

If you decide to submit your actual Social Security wage history, you must either provide it before the first day of the month your benefit is to be paid or begin, **or** six months after you leave Chevron (whichever is later). Once your actual Social Security earnings are received, your benefit will be recalculated (even if your benefit has already been paid). If your original payment was understated, an additional payment will be made. If your original payment was overstated, you must repay the overage.

how to provide actual social security earnings

You can provide Chevron with an original of the annual *Your Social Security Statement*. The SSA has suspended the mailing of these statements, but you can get yours online at www.ssa.gov/mystatement/. If you don't have access to the internet you can file a *Request for Social Security Statement (SSA-7004)* by calling 1-800-772-1213 and have a statement mailed to you. It usually takes about two to four weeks to receive the information in the mail, so plan ahead. You can also visit your local field office for a statement.

See the *Retirement Plan (Hired Before 1/1/2008) SPD* for a more detailed description of Social Security Earnings and your retirement benefit.

understand your annuity starting date

This date is important, even if you take a lump-sum distribution.

The date you elect to receive or commence your retirement benefit is called the **Annuity Starting Date** (even if you take a lump-sum distribution). Your Annuity Starting Date is determined by two events: the date your employment ends *and* the date the HR Service Center receives a valid election form (and other required forms).

why does my annuity starting date matter?

The factors that are in effect on your Annuity Starting Date will be the factors used to calculate your final retirement benefit. Some of these factors, like age and interest rate, are variable and may have an effect on the amount of your retirement benefit. Therefore, you should be aware that the date your employment ends and the date you file your election form may affect the amount of your benefit.

If you file a valid election form ...

Then your annuity starting date is ...

Before your employment ends ...

The first of the month following your termination date.

Within 60 days
after your employment ends ...

Either the first of the month following your termination date, **or** the first of the month following the date you filed a valid election form. It's your choice which date to use.

More than 60 days
after your employment ends ...

The first of the month following the date you file a valid election form.

Consider discussing your options with a tax adviser

Because of tax and investment implications, your retirement benefit choice is a major financial decision. It's recommended that you discuss your options and elections with a qualified tax adviser.

file your election forms

The appropriate form(s) must be completed and returned in order to initiate your retirement benefit. Your election form is considered *filed* on the date that your valid election form is received by the HR Service Center. Make sure that all the necessary portions of the form(s) are complete and correct. Failure to do so may cause a delay in paying your retirement benefit - or even invalidate your election in some situations. If you need help in completing your election form, call the HR Service Center. Remember:

- **The election forms contained in this package are valid for 90 days.** Your form lists the exact expiration date. You must request new form(s) if expired.
- You may file your election form **no more than 90 days before your Annuity Starting Date.** If you file too early, your election form is invalid.
- An election form that is **missing key information** will generally be considered invalid. For example, your form may be invalid if it's missing the information and legal requirements needed to properly execute your election or perform the calculation of your benefits.
- Your form is invalid if a **printed provision on the form has been altered in any way.** For example, if any provision was crossed out or changed or if additions have been made.
- **If you make a mistake,** ask the HR Service Center for a new form.

Proof of age

If Chevron doesn't have a **proof of age** on file, you'll be asked to submit a document showing proof of age. In some cases, you may need to request this document from a government agency, which can take additional time. Your benefit cannot be paid until you provide proof of age. And if you choose a joint and survivor annuity, you also must provide proof of age for your joint annuitant.

If you submit an invalid election form, you will receive a denial letter and a new election form will be sent to you under separate cover. An invalid form will not be recorded as filed, which means you may not get the Annuity Starting Date that you intended. The date that you subsequently submit a valid election form will be the date it will be considered as filed for purposes of determining your Annuity Starting Date and the date you actually receive your benefit payment.

If your election form is missing minor information that is not required in performing the calculation of your benefits (such as information regarding your IRA account) it will not *usually* change your Annuity Starting Date, but it may cause a delay in payment. If a delay occurs, your payment will include interest to recognize the delay in payment. You will receive a denial letter and a new election form will be sent to you under separate cover.

timing of payment

Although your benefit will be calculated as of the first of the month, payments are not mailed or processed until the end of the month. This means that:

- **If you elect a lump sum**, your first check will include interest through the end of the month.
- **If you elect a monthly annuity**, your first check will be paid at the end of the month.

Normally, the HR Service Center will pay your lump sum or begin your annuity during the month after you submit a valid election form. However, during busy periods, it can take up to 60 days from the time your election form is received to pay or begin your benefit. In this case your payment will include an interest adjustment to recognize the delay in payment. **Therefore, if you want to ensure that your benefit is paid or begins during the month following your termination, be sure to file your election form at least 60 days before the end of that month.**

This communication provides only certain highlights of benefits provisions for U.S.-payroll employees. Some benefit plans and policies described in this document may be subject to collective bargaining and, therefore, may not apply to union represented employees. This document is not intended to be a complete explanation. If there are any discrepancies between this communication and legal plan documents, the legal documents will prevail to the extent permitted by law. This is not a plan text or a summary plan description. There are no vested rights with respect to Chevron health care plans or any company contributions toward the cost of such health care plans. Rather, the plan sponsor and Chevron reserve 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 previously was subject to a grandfathering provision.