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# U.S. Temporary Domestic Assignment Program

Up to 12 months (91-365 days)

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## Introduction

Congratulations on your new temporary domestic assignment (TDA). Chevron has designed the U.S. TDA program to provide financial assistance, professional services and ongoing administrative support throughout your temporary assignment. Please take the time to review and become familiar with the provisions outlined in this guide.

This program has been developed to help minimize the disruptions that may occur when living away from home for an extended period of time. The program also covers assignments of different duration. Whenever there is a difference in benefits, this will be noted in the appropriate benefit section.

As personal circumstances vary, these benefits may not cover all expenses and needs you may have while on your TDA. It is not the intent of this program to provide you with full reimbursement for all costs that may be associated with your TDA.

Chevron values the contributions and commitments to the organization that you are making as you undertake the responsibilities of a temporary assignment and we extend our best wishes for success in the new location.

To better help you understand your obligations during your TDA, you must complete a TDA questionnaire prior to the start of your assignment. The answers that you give will determine the benefits you will receive and the income tax obligations that are associated with your assignment expenses. Failure to complete the questionnaire or to answer the questions accurately may expose both you and the company to significant risk. Additional documentation of residence, such as a lease or a mortgage statement, may be required and can be requested at any time.

Cash payments in lieu of expressed program benefits are prohibited, except as noted in the program guide. Benefits cannot be swapped or exchanged for additional benefits, whether included in the program or not included in the program.

Chevron Human Resources Shared Services has the discretion to interpret, modify or terminate this program at any time. This program is not to be considered or construed as an employment contract and does not confer any rights to you for continued employment nor does it supersede any other employment administration practices.

## Definitions

We have provided the following definitions of frequently used terms within this program:

<b>Primary Residence</b>	The home in which you and your eligible family members reside in full time on the date of your TDA offer, identified as your homestead for real property tax, and principal residence for IRS tax reporting purposes. If you currently reside in a company recognized personal choice location (PCL) resulting from an international rotational assignment, please seek further guidance from your Brookfield TDA consultant.
<b>Duplicate Housing Obligation</b>	You will be required to provide current primary-residence documentation and work location information at the beginning of your TDA. In addition, you will need to recertify your primary residence annually or any time circumstances change. You must submit accurate information to mitigate tax compliance risk. You or your spouse/domestic partner must be the lease or mortgage holder on your primary residence. If your primary residence is sold, rented, subleased or otherwise occupied by anyone other than you, your spouse/domestic partner or your dependents who resided in your home prior to your TDA offer, you are considered not to have a duplicate housing obligation for the purpose of this program.

<b>Temporary Domestic Assignment (TDA)</b>	An assignment of planned limited duration from which it is anticipated that you will return to your same primary work location. The up-to-12 months TDA covers an assignment period that lasts between 91 days and one year (365 days).
<b>Brookfield Global Relocation Services (Brookfield GRS)</b>	Brookfield GRS is a relocation management company that administers Chevron's mobility programs, including the temporary domestic assignment program. Brookfield GRS will assign you a TDA consultant to assist you with all aspects of your TDA.
<b>Family Status</b>	You will be assigned a status for benefit purposes during the assignment: <ul style="list-style-type: none"> <li>• Single: You are unmarried and have no eligible dependents.</li> <li>• Unaccompanied: You are married or in a company-recognized domestic partnership in which your spouse/domestic partner remains at your original work location.</li> <li>• Accompanied: You are married or in company-recognized domestic partnership, with eligible dependents, in which any member of your family (one or all) is joining you at the TDA location.</li> </ul>
<b>Spouse/Domestic Partner</b>	If you have a domestic partner, he or she must be registered with Chevron Human Resources before any benefits are payable for him or her.
<b>Permanent Work Location</b>	Your current permanent U.S. domestic work location.
<b>Temporary Residence Address</b>	Your primary residence address at your TDA location.
<b>400-Mile Differential Calculation</b>	For purposes of this TDA program, whenever a benefit is based on a mileage differential of 400 miles, the term <i>difference between locations</i> will be used. It is the distance between your permanent primary residence address and your temporary TDA residence address using the most direct ground travel route.
<b>Incidental Expense Allowance (IEA)</b>	A monthly payment intended to assist with all non-reimbursable expenses that you may incur while on your TDA.
<b>Home Maintenance Allowance (HMA)</b>	A monthly payment intended to assist you with maintaining your primary residence while on TDA.
<b>Meal Per Diem</b>	Where referenced, meal per diems are provided as follows: \$30 for you, \$30 for your spouse/domestic partner and \$15 per dependent to assist with the costs of daily meals. Note that ongoing meal per diems are not paid while you are on your TDA.
<b>Major Capital Project (MCP)</b>	A project of specific and fixed duration, which is typically associated with a large capital outlay and engineering effort. MCPs are usually managed by Project Resources Company, but may also include employees from the business unit that owns the MCP or other business units, as necessary, to support the project.

## Summary of Temporary Domestic Assignment (TDA) Program Provisions - 91 Days to 180 Days

Provision	Summary of Provision
<b>Incidental Expense Allowance (IEA)</b>	<ul style="list-style-type: none"> <li>• A monthly payment intended to address all non-specific expenses that you will incur while on your TDA.</li> <li>• \$1,000 per month.</li> <li>• Tax assisted.</li> </ul>
<b>Housing at Permanent Work Location</b>	<ul style="list-style-type: none"> <li>• Chevron is providing your TDA housing, so <i>you are strongly encouraged to maintain your primary residence</i> in your permanent work location while on TDA.</li> <li>• Failure to maintain a permanent residence may change the taxability of your TDA benefits.</li> <li>• If circumstances do not permit you to maintain a permanent residence at your primary work location, your TDA benefits will be subject to applicable state federal, FICA and Medicare tax withholding.</li> <li>• If you are a homeowner in your permanent work location, and the home is your primary residence, you will receive a monthly home maintenance allowance (HMA) payment of \$370 to assist in the maintenance of your home at your primary work location.</li> <li>• Not tax assisted.</li> </ul>
<b>Housing at TDA</b>	<ul style="list-style-type: none"> <li>• Company coordinated and paid housing at TDA location billed directly to your TDA consultant.</li> <li>• If company provided housing is unavailable, your Brookfield TDA consultant will discuss with you other lodging options.</li> </ul>
<b>Set-Up Allowance</b>	<ul style="list-style-type: none"> <li>• Chevron will provide a one-time allowance of \$500 at the start of your TDA to assist you with miscellaneous expenses.</li> <li>• Tax assisted.</li> </ul>
<b>Travel to and from Temporary Assignment</b>	<ul style="list-style-type: none"> <li>• Reimbursement of mileage or airfare, reasonable lodging and meal per diem.</li> <li>• Airfare provided if distance between locations is 400 miles or greater.</li> </ul>
<b>Transportation</b>	<p>Chevron will provide one of the following:</p> <ul style="list-style-type: none"> <li>• Actual rental car expenses (based on off-airport rates) at your TDA location (per Chevron Policy 585 – Travel Policy and Principles) if distance between locations is 400 miles or greater.</li> <li>• \$200 transportation allowance per month (for unaccompanied and single status only), with duplicate housing obligation only.</li> </ul>
<b>Shipment of Personal Effects</b>	<ul style="list-style-type: none"> <li>• A reimbursement of up to \$250 (single/unaccompanied) or \$500 (accompanied) to ship your personal effects and clothing via excess baggage or by package delivery service to or from your TDA location.</li> <li>• No automobile shipment.</li> <li>• No automobile or goods storage is provided.</li> </ul>
<b>Return Travel to Primary Residence</b>	<ul style="list-style-type: none"> <li>• Single: One trip every four weeks</li> <li>• Unaccompanied: One trip every two weeks</li> <li>• Accompanied: None</li> </ul> <p>This is a guideline used to set maximum frequency of return travel. Actual return travel is approved based upon business need and requires the approval</p>

Provision	Summary of Provision
	of your direct supervisor or manager.
<b>Tax Assistance</b>	<ul style="list-style-type: none"> <li>• Provided on most taxable benefits unless specified otherwise in the tax assistance section of the program detail.</li> </ul>
<b>State Income Tax True-Up</b>	<ul style="list-style-type: none"> <li>• Provided, as needed, for Chevron sourced income.</li> </ul>

## Summary of Temporary Domestic Assignment (TDA) Program Provisions - 181 Days to 365 Days

Provision	Summary of Provision
<b>Incidental Expense Allowance (IEA)</b>	<ul style="list-style-type: none"> <li>• A monthly payment intended to address all non-specific expenses that you will incur while on your TDA.</li> <li>• \$1,000 per month.</li> <li>• Tax assisted.</li> </ul>
<b>Housing at Permanent Work Location</b>	<ul style="list-style-type: none"> <li>• Chevron is providing your TDA housing, so <i>you are strongly encouraged to maintain your primary residence</i> in your permanent work location while on TDA.</li> <li>• Failure to maintain a permanent residence may change the taxability of your TDA benefits.</li> <li>• If circumstances do not permit you to maintain a permanent residence at your primary work location, your TDA benefits will be subject to applicable state, federal, FICA and Medicare tax withholding.</li> <li>• If you are a homeowner in your permanent work location, and the home is your primary residence, you will receive a monthly home maintenance allowance (HMA) payment of \$370 to assist in the maintenance of your home at your primary work location.</li> <li>• Not tax assisted.</li> </ul>
<b>Housing at TDA Location</b>	<p>Chevron will provide one of the following:</p> <ul style="list-style-type: none"> <li>• Company coordinated and paid housing at your TDA location billed directly to your TDA consultant.</li> <li>• A housing budget based on a housing norm as established by Runzheimer International.</li> </ul>
<b>Set-Up Allowance</b>	<ul style="list-style-type: none"> <li>• Chevron will provide a one-time allowance of \$500 at the start of your TDA to assist you with miscellaneous expenses.</li> <li>• Tax assisted.</li> </ul>
<b>Rental Selection Trip and Temporary Housing</b>	<ul style="list-style-type: none"> <li>• Rental Selection Trip: reimbursement of actual transportation, three nights lodging, meal per diem, airport parking, rental car and dependent care. If your TDA will be on accompanied status, then your spouse/domestic partner is included.</li> <li>• If needed, 30 days of temporary lodging (including a meal per diem if kitchen facilities are unavailable).</li> </ul>
<b>Travel to and from Temporary Assignment</b>	<ul style="list-style-type: none"> <li>• Reimbursement of mileage or airfare, reasonable lodging and meal per diem.</li> <li>• Airfare provided if distance between locations is 400 miles or greater.</li> </ul>

Provision	Summary of Provision
<b>Transportation</b>	<p>Chevron will provide one of the following:</p> <ul style="list-style-type: none"> <li>• Actual rental car expenses (based on off-airport rates) at your TDA location (per Chevron Policy 585 – Travel Policy and Principles) if distance between locations is 400 miles or greater.</li> <li>• \$200 transportation allowance per month (for unaccompanied and single status only), with duplicate housing obligation only.</li> </ul>
<b>Shipment of Personal Effects</b>	<ul style="list-style-type: none"> <li>• A reimbursement of up to \$250 (single/unaccompanied) or \$500 (accompanied) to ship your personal effects and clothing via excess baggage or by package delivery service to or from your TDA location.</li> <li>• No automobile or household goods storage is provided.</li> </ul>
<b>Return Travel to Primary Residence</b>	<ul style="list-style-type: none"> <li>• Single: One trip every four weeks</li> <li>• Unaccompanied: One trip every two weeks</li> <li>• Accompanied: None</li> </ul> <p>This is a guideline used to set maximum frequency of return travel. Actual return travel is approved based upon business need and requires the approval of your direct supervisor or manager.</p>
<b>Lease Break at End of Assignment</b>	<ul style="list-style-type: none"> <li>• Up to the amount of two months' rent, if needed, for lease cancellation penalties.</li> </ul>
<b>Tax Assistance</b>	<ul style="list-style-type: none"> <li>• Provided on most taxable benefits, unless specified otherwise in the tax assistance section of the program detail.</li> </ul>
<b>State Income Tax True-Up</b>	<ul style="list-style-type: none"> <li>• Provided, as needed, for Chevron sourced income.</li> </ul>

## Program Administration

Chevron has partnered with Brookfield Global Relocation Services (Brookfield GRS) to administer this program and coordinate TDA services. Chevron will initiate services with Brookfield GRS upon your acceptance of a temporary assignment.

You will be assigned a TDA consultant who will generate your assignment letter and provide counsel on the TDA benefits and the expense reimbursement process. You are encouraged to read this program guide thoroughly and to direct any questions to your consultant.

Your TDA consultant will provide program guidance, such as contacting temporary accommodation providers, before you begin any aspect of your assignment, and help you understand program requirements. You will be responsible for any expenses that you incur outside the program that have not been approved in advance.

You must notify your TDA consultant immediately of any changes in your family status, assignment duration or residence status. Failure to do so may result in a change of your benefits taxation, which could result in IRS tax penalties to you and Chevron. Any IRS penalties assessed to you will not be reimbursed by Chevron. Additionally, Chevron may seek to recoup from you any penalties assessed to the company based on your failure to properly disclose or update your status while on TDA.

**Note:** It is important that you understand the full TDA program options prior to the start of your TDA. You will be required to make certain benefit selections at the beginning that will carry through to the end of your assignment, regardless if your circumstances change.

## Eligibility

A U.S. temporary domestic assignment is an assignment of planned limited duration, and it is anticipated you will return to the same work location. TDA benefits are calculated from your primary residence at your permanent work location to your TDA work location.

During your assignment you will be on one of the following status categories:

Single	Unmarried, no dependents
Unaccompanied	Married/domestic partner or unmarried where your spouse/domestic partner remains at your designated primary residence at permanent work location.
Accompanied (Family) status	Married/domestic partner or unmarried where one or more dependents will accompany you to the TDA location.

The U.S. TDA Program and associated benefits do not apply to temporary expatriate assignments, permanent domestic or international relocation, temporary domestic assignments in any country other than the United States, or assignments of 90 days or less. This policy does apply to U.S. payroll employees who transition from an international rotational assignment to a TDA within the United States.

**Critical Note:** If you currently reside in a company-recognized personal choice location (PCL) resulting from an international rotational assignment, please seek further guidance from your Brookfield TDA consultant.

The benefits in this TDA policy apply to employees repatriating to a TDA from an international rotational assignment. TDA benefits are not provided for employees on a domestic rotational work schedule. In general, the U.S. TDA policy should only be used for current employees. Any application of the policy for a new hire employee, except those in a defined development program, requires prior business unit, Human Resources and Global Relocation concurrence.

TDA's should never be used as a bridge to a permanent relocation. If you or your job might be permanently relocating to your TDA location in the future, you must inform your TDA consultant immediately before using any TDA benefits. Failure to do so may have severe income tax consequences for you and the company.

If it is determined that your TDA will transition to a full-time permanent position in your TDA location, you must inform your TDA consultant immediately. This applies to both the role that you are currently filling in your TDA and any new job role in your TDA location. Generally, TDA benefits will end 30 days from the date it becomes known that you will remain in the TDA location. You will transition to benefits provided under the U.S. domestic relocation program. Human Resources Shared Services is responsible for determining benefits for changes in assignments.

### Dependent Eligibility

Program benefits will be provided for your spouse/domestic partner, children and other household members who permanently reside in your home as of the date you are offered the temporary domestic assignment, if they:

- Will be going on the assignment with you.
- Are financially dependent upon you.
- Were claimed as dependents based on your previous year's IRS tax filing.
- Will be claimed as dependents in your current year's IRS tax filing.



## Residency /Duplicate Housing Obligation

When you are on a TDA of up to 12 months, *it is strongly encouraged that you retain your primary residence in your current permanent work location.*

### Break in Residency

Breaking residence in your primary work location will change the tax status of your TDA benefits on assignments of fewer than 365 days. You are strongly encouraged to maintain a primary residence and maintain a duplicate housing obligation at your permanent work location during the duration of your entire TDA. If at any time your primary residence is sold, rented, subleased or otherwise occupied by anyone other than your spouse/domestic partner or legal dependent(s), as identified on your most recent tax return and who were living with you at the time your TDA offer, you are not considered to have a duplicate housing obligation. Chevron will continue to reimburse any allowable TDA benefits, but will withhold applicable taxes, with the exception of the IEA and apartment set-up allowance.

You must notify your Brookfield TDA consultant and HR business partner, in writing, of any changes in your permanent resident address. Failure to do so could put you and Chevron at risk of income tax penalties. Failure to do so may result in overpayment of benefit and tax assistance to you and to the IRS by Chevron. Failure to notify your TDA consultant of any changes may result in repayment of any excess TDA benefits paid, as well as possible disciplinary action.

## Duration of Temporary Assignment

This Chevron U.S. temporary domestic assignment program applies to assignments generally expected to last between 91 days and 365 days. Shorter assignments will be treated as business trips.

### Vacation

The critical nature and duration of your TDA will require you to discuss any planned vacation time with your TDA Supervisor to ensure your ability to utilize your vacation entitlement. You should schedule your vacation for a time that will not adversely affect the scope of your work or the purpose and duration of your TDA.

### Health Care

While on TDA, you may be subject to changes in health care coverage under the company health plan. To be assured that you have suitable coverage for your personal and family situation, you should call the Human Resources Service Center at 1-888-825-5247 (610-669-8595 when calling from outside the United States).

## Expense Administration

All TDA expenses are processed by Brookfield GRS, who may pay suppliers directly, or you may pay for expenses and be reimbursed by Chevron through payroll. Within 30 days of incurring an eligible expense, you must fill out a *TDA Employee Expense Report Relocation (GO-1391)* form and submit it, along with original receipts (if required), to your Brookfield TDA consultant or send it to [ChevronExpense@BrookfieldGRS.com](mailto:ChevronExpense@BrookfieldGRS.com). It is your responsibility to gather and provide all original expense receipts and documentation to support TDA expenditures.

Your TDA consultant will advise you on the appropriate reimbursement forms and procedures. All questions about reimbursement of expenses should be directed to your TDA consultant. Business expenses, which are defined as expenses that are incurred as a result of normal work responsibilities, must be separated from TDA expenses and submitted as business expenses through the usual business expense reporting process (TEA).

**Critical Note:** You should *not* use your company credit card (travel card or P-card) for *any* TDA-related expenses, and under no circumstances should you use TEA for reimbursement. Failure to follow this

practice may result in unreported earnings and possible tax penalties to you. Chevron will not assist with any such penalties if incurred.

If you are informed that an expense related to your TDA is not reimbursable, you cannot re-submit it via TEA, even if your supervisor or manager approves. This will result in a misclassification of an expense as business-related and may result in tax penalties or disciplinary action for you or your supervisor.

## Incidental Expense Allowance (IEA)

To assist with incidental expenses while on your TDA, Chevron provides an incidental expense allowance (IEA) equal to \$1,000 per month. This allowance is intended for expenses not specifically covered by or that exceed the limits of this program. You do not need to provide documentation or receipts detailing the use of your IEA.

Your IEA is paid via Chevron payroll, and generally starts with your first pay period after the start of your TDA. This payment will be included in your Chevron income and will be tax assisted.

**Note:** If your TDA start date falls outside the start of a normal pay period, your IEA will be paid for the full payroll cycle. Should your IEA not be stopped at the conclusion of your TDA, overpaid funds will be deducted automatically from subsequent paychecks.

Examples of expenses typically covered by your IEA:

- Additional tax withholdings on your company-sourced income.
- Additional taxes you may incur due to your personal situation including non-company-sourced income, investments, and so forth.
- Pre-departure and post-arrival incidental living expenses, such as laundry, cleaning, telephone, tips and room service).
- Child care.
- New auto registration or driver's license fees.
- Increased health care premiums.
- Personal telephone calls.
- Airline change fees.
- Normal commuting expenses.
- All expenses associated with care and shipment of pets.
- All additional types of insurance or increased cost of insurance, such as medical, dental, renter's insurance, vacant home insurance, California Disability and homeowner dues.
- Appliance and utility connections or drapery cleaning.
- Storage of furnishings and personal effects.

## Housing

### At Your Permanent Work Location

You will be required to complete a TDA questionnaire prior to your assignment outlining your current housing situation and intention to retain or relinquish your permanent housing during your TDA.

- You are required to provide documentation to certify your primary residence and work location information at the beginning of your TDA.
- Annual recertification is required.
- You must notify your TDA consultant any time your housing circumstances change.

- Chevron relies on you to submit accurate information to mitigate IRS compliance risk. Failure to provide accurate information may lead to an overstatement or understatement of benefits and income tax.
- You or your spouse/domestic partner must be the lease or mortgage holder on your primary residence.
- If, at any time, your primary residence is sold, rented, subleased or otherwise occupied by anyone other than your spouse/domestic partner or legal dependent(s), as identified on your most recent tax return, and who resided with you in the home at the time you were offered a TDA, you are not considered to have a duplicate housing obligation.

**Home Maintenance Allowance (HMA)**

If you retained your home at your prior domestic work location, you qualify for a Home Maintenance Allowance. *No home sale assistance is provided while on temporary assignment.* Chevron provides \$370 per month to help with home expenses on your primary residence while you are on your TDA. You must prove home ownership to be eligible for the HMA. Once approved, you will not need to provide any further documentation detailing how the HMA is being used. The HMA is intended to cover items such as, but not limited to the following:

- Property management fees.
- Security systems, lawn care, snow removal, and similar home needs.
- Homeowner’s insurance premiums or rental management expenses.
- Any unapproved travel by you or family to and from your primary residence.

Should your home ownership status change during your assignment, you must notify your Brookfield TDA consultant. HMA payments will be taxed as normal income.

**At Your TDA Location**

Chevron will provide for furnished corporate housing. It is not the intent of this program to replicate the type or style of housing that you had in the departure location.

Furnished corporate housing will be set based on the following occupancy guideline:

Single/couple	One bedroom apartment
With one dependent	Two bedroom apartment
With two or three dependents	Three bedroom apartment
With four or more dependents	Four bedroom home – by exception approval

In addition to providing for rent, the following services and utilities are included:

- Utilities such as electricity, gas, water and waste disposal.
- Basic cable television.
- High speed Internet connection.
- Local phone service.

You are responsible for housekeeping, carpet cleaning, lawn maintenance, gardening, pet deposits/fees, rental housing damage and other costs not specifically listed as reimbursable.

Reasonable costs associated with securing rental accommodations will be reimbursed. These may include application fees and credit checks and, in areas where there is a shortage of rental housing, actual rental assistance fees up to \$750, to be arranged by your TDA consultant.

### **Apartment Set-Up**

Chevron will provide a one-time, tax assisted, set up allowance of \$500 to help you buy common household products needed to establish residence in your new TDA location.

### **Assignments of 91-180 Day Duration**

Your Brookfield GRS TDA consultant will arrange your furnished housing through a temporary accommodations provider. All approved monthly costs will be billed directly to Brookfield GRS if you maintain a duplicate housing obligation at your permanent work location. If you do not maintain a duplicate housing obligation, discuss your housing options with your Brookfield GRS TDA consultant. A rental selection trip is not provided.

### **Assignments of 181-365 Day Duration**

You will have two options to select your temporary accommodations. Please remember that once you have selected a housing option, no changes will be made during your TDA, unless the duration is extended by three or more months and into another policy tier.

#### *Option 1:*

Your Brookfield GRS TDA consultant will arrange your furnished housing through a temporary accommodations provider; therefore, no rental selection trip or temporary housing is warranted. If you maintain a duplicate housing obligation at your permanent work location, all approved monthly costs will be billed directly to Brookfield GRS.

#### *Option 2:*

If you prefer to secure TDA housing on your own, you will receive a reimbursement of your actual monthly furnished housing expense up to a designated amount as advised by your TDA Consultant at the beginning of your assignment. Your housing rental budget is established by Runzheimer International based on their metropolitan rental index in your TDA location. Unless restricted by management, you may rent anywhere within a reasonable commute of your new TDA work location. You will be responsible for any excess rental costs if you choose to rent a property at a rate above the established rental index.

**Note:** Your lease should reasonably match the duration of your TDA and should include a diplomatic clause allowing you to break the lease should your TDA be cut short. You are responsible for any expenses which you agree to in the lease that are deemed to not be standard and customary, or any lease break expenses in excess of the company-paid maximum of two months.

### **Rental Selection Trip and Temporary Housing**

Eligibility is limited to assignments of six months or longer. To assist in the selection of your rental housing, you are eligible for a rental selection trip benefit.

#### **Rental Selection Trip**

Chevron will reimburse the following costs for you and your spouse/domestic partner only:

- Actual driving mileage or airfare, if distance between locations is 400 miles or greater.
- Three nights of lodging based on reasonable lodging rates.
- Meal per diem.
- Rental car.
- Transportation to and from airport or for economy airport parking.
- Dependent care, if required, up to \$50 per day at your home or TDA location.

#### **Temporary Housing (if needed)**

- Up to a maximum of 30 days lodging reimbursement at your TDA location prior to moving into your long term accommodations.

- Meal per diem if your temporary lodging does not have kitchen facilities.

Your rental selection trip expenses and temporary lodging expenses are taxable income and will be tax assisted.

## Travel to and from Your Assignment

You will be reimbursed for actual and reasonable expenses for your first trip to your TDA location, and back to your primary residence at the conclusion of your assignment. You are expected to drive if the distance between the two locations is less than 400 miles. If the distance between locations is 400 miles or greater, you have the option to drive or fly to and from your TDA location.

If you drive, you will be reimbursed mileage, reasonable lodging, and meal per diem en route for you and your family based on traveling a minimum of 400 miles per day. If you choose to fly, *and your assignment is greater than six months (181 days)*, Chevron will arrange for the shipment of your personal vehicle, and you will be reimbursed for economy airfare to your new assignment. Airfare should be purchased through Chevron's designated travel provider and expenses must be in accordance with Policy 585 – Travel Policy and Principles. If you are using the online booking tool (GTL), you must call Chevron's travel provider, identify your travel as relocation, and pay for it with your personal credit card. The use of your company-provided credit card is not permissible for TDA expenses.

Chevron does not reimburse for the cost of vehicle storage or maintenance while you are on a TDA.

**Note:** Should you elect to reregister your vehicle at your TDA location, Chevron will reimburse your initial vehicle registration and vehicle sales taxes (if applicable). Expenses should be reported on the *TDA Employee Expense Report Relocation (GO-1391)* form and submitted within 30 days of occurrence. Driver's license and future vehicle registration fees are covered by your IEA. Chevron will not reimburse any vehicle registration expenses upon the end of your TDA.

## Transportation

If the distance between your permanent and TDA work locations is less than 400 miles, you will be reimbursed to drive your personal automobile to your new assignment.

### Assignments of 91-180 Day Duration

If the distance is over 400 miles you may drive your automobile or rent a vehicle at your TDA location. Due to the short nature of your assignment, no automobile shipment or storage will be provided. Only one rental car will be provided regardless of accompanied status.

### Assignments of 181-365 Day Duration

In addition to the above transportation options, you may choose to have an automobile shipped; provided that the distance to your TDA location is greater than 400 miles from your current work location.

If you ship an automobile, a maximum of \$500 reimbursement of actual car rental expense will be provided while awaiting the delivery of your personal automobile at your TDA location.

If you drive or ship your vehicle, have a duplicate housing obligation, and you are single or unaccompanied, you will receive a \$200 transportation allowance (per month) to assist you with the cost of car rental while you are on allowable return trips. If you neither ship or drive a personal automobile nor rent a car at your TDA location, you will receive a transportation allowance to assist with the cost of alternative transportation.

If you are on accompanied status, no transportation allowance is provided. You should bring your automobiles to your TDA location for you and your spouse/domestic partner or dependent family members.

**Note:** Expenses for personal transportation, such as gasoline, insurance, or repairs, at your TDA location are normal costs of ownership or commutation expenses and are not reimbursed.

Chevron provides shipment of vehicles based on the following provisions below. You will need to complete a *Request for Movement of Household Goods (GO-1405)* form and submit it to your TDA consultant.

- If the distance between locations is 400 miles or greater, you may ship a car based on your TDA status, as follows:

Single or unaccompanied status	Ship up to one vehicle
Accompanied status	Ship up to two vehicles

- Shipped vehicles must be operable, and you must have valid vehicle insurance at the time of shipment.
- Chevron will not ship or arrange to ship classic cars, vehicles with significant after market modifications (such as monster trucks) or motor homes.
- Vehicles are shipped on an open car carrier and must fit the standard dimensions of an open car carrier.
- Chevron will not reimburse mileage for self-towed vehicles, including trailers.
- Personal effects cannot be packed inside vehicles that are shipped. Neither Chevron nor the carrier will assume responsibility for any items left inside your vehicle.

Any transportation costs considered as taxable income, such as the monthly allowance, will be tax assisted.

### Shipment of Personal Effects

It is anticipated that you will secure fully furnished rental accommodations at your TDA location. If needed, Chevron will provide a very limited shipment of personal effects and clothing from your primary residence to your TDA residence. You will be responsible for coordinating the shipment using the most economical and practical method.

Shipping can be as excess airline baggage or by a package forwarder such as the U.S. Postal Service, Greyhound, UPS or FedEx (ground rates only). The cost for overnight, two-day or air shipment will not be reimbursed except with specific pre-approval for TDAs in Alaska or Hawaii.

Assignments of 91-180 days	Reimbursement of up to \$250
Assignments of 181-365 days	Reimbursement of up to \$500

No changes will be made during your TDA, unless the duration is extended by three or more months and into another policy tier.

Tax assistance will be provided.

### Storage

No storage of household goods is provided.

## Return Home Visits to Primary Residence

Return home visits apply only if you have a duplicate housing obligation.

Chevron provides a guideline for return home visits to your primary residence at reasonable intervals based on the status of your assignment as follows:

Single	Return trip not more than once every four weeks
Unaccompanied	Return trip not more than once every two weeks
Accompanied (Family status)	None

It is important to note that if you are either accompanied or family status, you or your dependents are not eligible for reimbursable return home visits. The frequency of your home visits may be altered by your business unit management depending upon factors such as work requirements, length of assignment, work time lost due to travel, and cost of travel. Return visits are defined as trips from your TDA location to your primary residence. Whenever possible, your return visits should be combined with business travel. Business trips back to your permanent work location are included in the frequency guideline for return home visits.

Reimbursed expenses covered include:

- Mileage, if driving, from your temporary living location to your primary residence address.
- Airfare (round trip/economy class/non-refundable/14-day advance purchase only) if the distance between locations is 400 miles or greater.

No other return home visit travel expenses are reimbursable. This includes, but is not limited to, parking, taxis, car rental, tolls, mileage to and from airport, or meals.

Airfare must be purchased through the designated Chevron designated travel provider and expenses are to be incurred in accordance with Chevron Policy 585 – Travel Policy and Principles.

Rather than using the online booking tool, you must call Chevron's designated travel provider, identify your travel as relocation and pay for it with your personal credit card. The use of your company-provided credit card is not permissible for TDA expenses.

### Spouse/Domestic Partner Travel

If you are on unaccompanied status, you may have your spouse/domestic partner visit you at the TDA location instead of a periodic home visit. Transportation costs to and from your TDA location will be reimbursed. During these visits to your TDA location, your spouse/domestic partner is expected to stay with you.

### Emergency Home Visits

Return home visits in emergency situations require management approval. Reimbursable expenses for an emergency home visit are limited to those required for the most practical and economical mode of transportation. Reimbursement is limited to round trip economy airfare and ground transportation to and from airports. Increased travel cost, above what would have been incurred from your primary residence, for emergency travel to any location other than your primary residence is reimbursable. Chevron will not pay for the full cost of travel to any location other than your identified primary residence.

## End of Assignment

### Notification Requirement

You must notify (by email) your Brookfield TDA consultant and your current Human Resources business partner of the end date of your TDA. Failure to do so will result in overpayment of benefits. You will be required to repay any overpayments made to you.

### **Lease Termination**

Lease termination expenses are not reimbursed for your primary work location residence at the start of a TDA because Chevron is providing housing or a cost of living allowance at your TDA location. If you vacate your apartment or rental home at your primary work location, you should manage your departure to minimize out-of-pocket expenses.

Lease cancellation fees will be reimbursed up to the equivalent of two month's rent at the end of your assignment. You should notify your landlord of your pending departure as soon as possible to avoid or minimize lease cancellation penalties. You must submit a *TDA Employee Expense Report Relocation (GO-1391)* form along with documentation of any penalty charges paid to the landlord to receive reimbursement. You will not be reimbursed for:

- Refundable security deposits.
- Forfeited security deposits due to damage or unpaid rent.
- Property damage and cleaning fees.
- Pet deposits.
- Repayable rental incentive discounts.

To limit your penalty obligation to the landlord, if you need to cancel your lease early, it is critical that you insert a transfer (diplomatic) clause in your lease agreement. Chevron recommends that you use the following, or similar, language:

*Tenant may terminate this lease agreement upon 60-day written notice in the event Tenant(s) are transferred by Chevron to another work location. Tenant agrees to provide Landlord documentation of such transfer and pay Landlord a maximum of 60 days lease penalty, with no further obligation for future rental payments in such situation.*

### **Voluntary Resignation or Termination for Cause**

If you resign or are discharged for cause while on a temporary assignment, Chevron will not provide any relocation or travel assistance. This includes paying to return you or your possessions to your primary residence.

### **Extension**

TDA extensions of up to three months within a policy tier will be allowed, provided that there is a business justification. Benefits during extensions of up to three months will remain the same. Extensions of more than three months, either singularly or cumulatively, will modify benefits to those of the applicable assignment duration if the extension crosses into a different TDA benefit tier.

Extensions to your TDA require the concurrence of Global Relocation and either business unit management or business unit Human Resources.

### **Taxability of TDA Expenses**

Based upon the individual circumstances of your TDA, certain benefits may be included in your taxable income, and your state/local tax withholding may change. It is Chevron's intent to minimize your tax liability by providing tax gross-up assistance, where noted, on certain TDA program benefits that will be categorized as taxable income and reported on your *W-2* form.



Under IRS guidelines, if an assignment is realistically expected to last more than 12 months (365 days) at its inception, most expenses are considered to be taxable income and must be added to your income. If your TDA is expected to last for less than 12 months (365 days) at its inception, but, in fact, exceeds 12 months (365 days), expenses up to the point at which the expected duration changes are non-taxable. Expenses thereafter are not.

All TDA expenses must be submitted via the *TDA Employee Expense Report Relocation (GO-1391)*, and must be received in the [ChevronExpense@BrookfieldGRS.com](mailto:ChevronExpense@BrookfieldGRS.com) expense mailbox by mid-November for expenses to be both reimbursed and factored into the current year's tax assistance calculation. You will be notified via email the second week of October of the actual cut-off date.

Chevron will withhold or pay the necessary tax amounts to the appropriate federal, state and local authorities in the tax year your benefits were reported or paid. Depending upon your individual circumstances, these withholdings may not be sufficient to cover your actual tax liability. Any additional tax liability is your responsibility.

Tax assistance is provided in two methods:

- **Tax Gross-Up:** Defined as company-paid tax assistance on TDA expenses, which are processed by Chevron Payroll, as it is reimbursed to you via your normal pay period or to the service provider on your behalf.
- **Tax True-Up:** Defined as the one-time annual re-adjustment of the tax assistance provided throughout the year to reflect total TDA expenses with Chevron sourced income.

### **Tax Gross-Up**

Unless otherwise indicated in this program guide, Chevron will pay the estimated federal, state, and Medicare tax liability (gross-up) resulting from the taxable portion of your company-reimbursed TDA expenses.

### **Break in Residency**

During the entire duration of your TDA *you are strongly encouraged to maintain a primary residence at your permanent work location*, by lease or by home ownership. If you fail to meet the duplicate housing obligation criteria in this policy, Chevron will provide TDA benefits, but will not provide tax assistance (with the exception of the IEA and set-up allowance) for any TDA benefits that would normally be tax assisted. You will be responsible for all tax implications of not maintaining a primary residence in your permanent work location.

### **Tax True-Up**

Chevron provides a tax true-up at the end of the tax year (December) to ensure that you receive the appropriate tax assistance for your taxable TDA reimbursements made throughout the year. Chevron works with Brookfield GRS to calculate and make any necessary tax adjustments to your TDA benefits. The true-up is based on statistical itemized deductions and takes into consideration family size, marital status, number of dependents and company-sourced income, which includes:

- Regular earnings.
- Supplemental earnings.
- Applicable TDA expense reimbursements.

401K and other pre-tax contributions are deducted from your Chevron sourced income calculation as they lower your annual taxable salary.

Chevron sourced income is limited to your Chevron *W-2* income and includes the income of your spouse if he or she is employed by Chevron. The income of a domestic partner employed by Chevron is not considered, because only federally recognized married individuals can file a joint Federal Tax Return.

Chevron sourced income does not include any other income you may have received during the tax year, including but not limited to income from a rental property, investments, trusts, inheritance or the income of your spouse if he or she does not work for Chevron.

All tax assistance and any additional tax true-up payments will be remitted by Chevron directly to the appropriate taxing agency and reported as withheld taxes on your *W-2 Wage and Tax Statement*.

**State and Local Income Taxes**

If you have a duplicate housing obligation, and you are assigned to work in a different work state during your TDA, Chevron will review your tax situation and assist with any excess state taxes over the amount you would have paid had you remained in your primary work location. If your TDA is located in a non-tax state, Chevron will continue to report TDA wages and relocation expenses in your prior work/resident state for appropriate tax handling/reporting. If you do not have a duplicate housing obligation, applicable state and local income taxes will be withheld from payments made to you, except as noted.

State and local income tax, if applicable, will be withheld from your paycheck at the host work location rates while you are on your TDA. Host location state income tax will generally offset your home state income tax liability. If you are on assignment in non-income tax states such as Florida, Tennessee or Texas, withholding of any home state or local income taxes will continue while you are on your TDA.

**Note:** In some situations the state laws may cause two withholdings for state income tax, one for the host location income tax and the second for the home location. This could result in a reduction in net (after tax) pay. You should consult with a professional tax advisor for specific guidance.

Excess state tax liability reimbursement, if applicable, is made by Chevron in the first quarter of the following tax year, after the year in which TDA-related compensation was earned. Your incidental expense allowance (IEA) will assist you in offsetting excess withholding liability until your excess state tax reimbursement is made. All Chevron sourced income, will be considered in your excess state tax liability.

**Tax Consulting Assistance**

Chevron provides you with one hour of professional tax consulting. Tax preparation services are not provided. You will be notified how to schedule a consultation in January of each year, if you are eligible for assistance. You may elect, at your own cost, to purchase additional consulting services or professional tax preparation services from Chevron’s designated tax consultant.

**TDA Tax Report**

Brookfield GRS will provide you with a TDA tax report, in January of the year following any TDA payments, which details all reimbursements, including any tax assistance paid by Chevron.

You should consult a licensed tax advisor or accountant for actual tax advice. Please note that fees paid to a tax advisor/accountant expenses are not reimbursed by Chevron. Additional information regarding the tax treatment of TDA expenses may be obtained directly from IRS Publication 521 at: <http://www.irs.gov/publications/p521/index.html>

**Tax Assistance Chart (with Duplicate Housing obligation)**

This chart applies only to employees with a duplicate housing expense during the entirety of their TDA.

Program Component (with duplicate housing expense)	Taxable	Tax Assisted
Incidental Expense Allowance	Yes	Yes
Home Maintenance Allowance	Yes	No

<b>Program Component (with duplicate housing expense)</b>	<b>Taxable</b>	<b>Tax Assisted</b>
Housing	No	Excludable business expense
Apartment Set-Up Allowance	No	Excludable business expense
Rental Search Trip	No	Excludable business expense
Temporary Housing	Yes	Yes
Travel to or From Assignment Location	No	Excludable but reportable
Transportation - Shipment of Personal Vehicles - Transportation Allowance	No Yes	Excludable but reportable Yes
Shipment of Personal Effects:	No	Excludable but reportable
Return Travel to Primary Residence	Yes	Yes
Lease Break (at assignment end)	Yes	Yes
Tax Consulting – One Hour	Yes	Yes

### **Tax Assistance Chart (With no Duplicate Housing Expense)**

This chart applies when an employee fails to maintain a duplicate housing expense during their TDA.

<b>Program Component (with no duplicate housing expense)</b>	<b>Taxable</b>	<b>Tax Assisted</b>
Incidental Expense Allowance	Yes	Yes
Home Maintenance Allowance	Yes	No
Housing	Yes	No
Apartment Set-Up Allowance	Yes	Yes
Rental Search Trip	Yes	No
Temporary Housing	Yes	No
Travel to or From Assignment Location	No	Excludable but reportable
Transportation - Shipment of personal vehicles - Transportation Allowance	No Yes	Excludable but reportable No
Shipment of Personal Effects: - Shipment of personal effects	No	Excludable but reportable

Program Component (with no duplicate housing expense)	Taxable	Tax Assisted
Lease Break (at assignment end)	Yes	No
Tax Consulting – One Hour	Yes	No

## Updating Your Personal Information

You are responsible for making all changes in your HR record to reflect your current resident address.

If you retain a duplicate housing obligation at your current work location:

- Update only your *mailing address* in SAP with your new temporary address at your TDA location.
- Do not change your pre-assignment Permanent Resident Address.

If you do not retain a duplicate housing obligation at your current work location:

- Update your permanent resident address in SAP with your new address in your TDA location.
- Remember that when you make a change to your permanent residence address, it may affect the choices you have for medical and dental benefits providers.

To make changes, contact the Human Resources Service Center at 1-888-TALK2HR (1-888-825-5247).