

two ways to save for your health expenses

All of Chevron's medical plans offer access to one of two tax-advantaged accounts, either the **Health Care Spending Account (HCSA)** or a **health savings account (HSA)**. The premise of these accounts is simple. You contribute money, and later you can use the money in your account to help pay for certain out-of-pocket health care costs. However, be sure to take a closer look. Their names sound similar, but they actually serve two very different purposes.



the health savings account (HSA) is exactly that, a savings account.

This account is designed for *long-term savings* so the focus is on putting in as much money as you can. This means there is no pressure to use the money in your account right away. If you want to pay for an expense out-of-pocket and keep the money in your account, you can. If you would rather use the money in your account, that's your choice too.



the health care spending account (HCSA) is a flexible spending account.

This account is designed for *short term spending*. The account only lasts for the calendar year, and any unspent and unclaimed money after the annual deadline will be forfeited. So the focus for this account is on setting aside a small amount of money and spending it all as soon as you can.

Enrolling in either health account is a voluntary choice, and the account you can use varies based on the medical plan you choose. In addition, you can't be enrolled in both accounts at the same time. **The side-by-side comparison on the following page highlights how they're similar and how they're different.**

chevron contributions to the benefitwallet HSA in 2018

To help you build your HSA savings in 2018, Chevron will once again contribute to the BenefitWallet HSA. Chevron's contribution amount is based on your medical coverage tier and is subject to certain requirements. If you don't currently have a BenefitWallet HSA, you'll need to act during open enrollment.

2018 Chevron contribution amounts to the BenefitWallet HSA

- | | | | |
|-------------------|-------|--------------------|---------|
| • You Only | \$500 | • You + Child(ren) | \$750 |
| • You + One adult | \$750 | • You + Family | \$1,000 |

The 2018 company contribution to your account is based on the coverage level you choose during open enrollment or when you make your new hire/rehire enrollment elections. Eligible employees hired/rehired on or after July 1, 2018 will receive half the applicable Chevron HSA contribution for 2018, subject to timely enrollment and BenefitWallet HSA account opening. If you do not enroll in a BenefitWallet HSA during open enrollment or during your 31-day new hire/rehire enrollment period, you will not be eligible to receive the 2018 company contribution. If you experience a qualifying life event that permits you to enroll in the HDHP or HDHP Basic, you will not be eligible to receive the 2018 company contribution. If you experience a qualifying life event that changes your existing HDHP or HDHP Basic coverage level, you will neither receive an additional company contribution, nor will you be required to return a portion of the company contribution.



health savings account (HSA)

An HSA is a personal account separate from your Chevron benefits.

Must enroll in a high deductible health plan to *open* or *contribute*.

- **High Deductible Health Plan (HDHP)**
- **High Deductible Health Plan Basic (HDHP Basic)**

You can choose an HSA from any institution that offers them, but open a BenefitWallet HSA and you can contribute via **pre-tax payroll deductions**.

Chevron contributes.

Chevron will contribute if you have an open BenefitWallet HSA and you're enrolled in the HDHP or HDHP Basic as of January 1, 2018. See Page 23

The IRS limits your annual contributions.

2018 IRS HSA limits:

Individual: **\$3,450** | Family: **\$6,900**

You are allowed to make an extra \$1,000 in catch-up contributions starting in the calendar year you turn age 55.

Any money you contribute to an HSA is yours.

It rolls over from year to year and you can use it to pay for qualified medical expenses now or at any time in the future, regardless of the medical plan you're enrolled in at the time.

You can invest the money in your account.

When you reach a certain balance, you can invest the money in your account among any of the investment choices offered by your HSA provider.

There is a one-time account opening requirement. **You do not need to re-enroll every year**, but you should monitor your contributions against annual IRS limits.

You can start, stop, or change your HSA contributions at any time.

If you retire or leave Chevron, you can take your HSA with you.



health care spending account (HCSA)

The HCSA is a flexible spending account plan offered as part of your total Chevron benefits package.

Cannot be enrolled in a high deductible health plan to participate. You can be enrolled in:

- **Medical PPO Plan**
- **Medical HMO Plans**

This is a benefit plan, so if enrolled, you'll contribute via **pre-tax payroll deductions**.

Chevron does not contribute.

The IRS limits your annual contributions.

As of this printing, the 2018 IRS limit is not yet available. For your reference, the 2017 IRS flexible spending account limit is **\$2,600**. There are no catch-up contributions.

This account does not roll over.

The money you contribute must be spent by December 31 and you have until June 30 of the following year to submit claims for qualified expenses. After that, any unspent and unclaimed money will be forfeited.

You cannot invest the funds in your account, and your account does not earn interest.

You must re-enroll every year during open enrollment to participate.

Your open enrollment election to participate and the amount you choose to contribute applies until December 31. It generally cannot be changed.

If you retire or leave Chevron, your HCSA will not go with you, unless you elect to continue it through COBRA.

how to receive a chevron contribution to your HSA

The first account funding cycle for 2018 will occur at the end of January. This means your employee contributions and any applicable 2018 company contribution will not appear in your account as of January 1, 2018. After the first payroll cycle of the year, contributions will appear in your account with less delay. Remember, you can reimburse yourself for qualified medical expenses at any time in the future, as long as the eligible expense occurred on or after your HSA effective date.

Currently participating?

If you already have a BenefitWallet HSA because you are currently participating in the Chevron HDHP or HDHP Basic, you don't have to do anything during open enrollment.

- You'll receive the company contribution as long as you remain enrolled in the HDHP or HDHP Basic and still have your BenefitWallet HSA on January 1, 2018.
- Your current employee contribution will automatically continue for 2018. You can change your employee contribution at any time from the Benefits Connection website, but open enrollment is always a good time to review your savings goals against the new IRS limits for 2018.

Not currently participating but want to start?

If you aren't currently participating in the BenefitWallet HSA but want the Chevron contribution in 2018, you must act during open enrollment, October 16 through October 27, 2017.

1. Enroll in the Chevron HDHP or Chevron HDHP Basic during open enrollment.

2. **Make an election to open the BenefitWallet HSA during open enrollment.** *Please note that Chevron does not contribute to another institution's HSA.* Remember, enrollment in the HDHP or HDHP Basic gives you the keys to open the BenefitWallet HSA, but it's your responsibility to determine if you're eligible. You should consult your tax advisor and read the full eligibility requirements in **IRS Publication 969** on www.irs.gov, but in general:

- You must be enrolled in an HSA-compatible plan, like the HDHP or HDHP Basic.
- You are covered by no other health coverage, unless it's an allowed plan, such as another high deductible plan, a dental plan, or a vision plan.
- You are not enrolled in or covered by a health flexible spending account – like the Health Care Spending Account (HCSA) – or an HRA. This means you can't be enrolled in Chevron's Health Care Spending Account (HCSA). It also means your spouse, if applicable, cannot be enrolled in a flexible spending account or HRA that could reimburse your expenses.

3. **Complete the required financial information as soon as possible.** If you are opening a BenefitWallet account for the first time, BenefitWallet will collect personal information — as required by federal banking regulations under the USA Patriot Act — that is needed to open a bank account. If you don't provide the requested information, your account will not be opened and you cannot receive the company contribution.

- If you **opened your account online** when prompted, you are typically done unless BenefitWallet contacts you. You'll receive a Welcome Kit in the mail in December.
- If you **did not agree to electronically open your account**, you'll receive a kit from BenefitWallet by mail, typically by December. Your contributions and the company contribution to your account will be delayed until you have returned the required information and your account opening is processed. You must complete your account opening by November 15, 2018 to receive the company contribution for 2018.



Contact BenefitWallet directly at 1-855-234-7722 with questions about your HSA account.



how to participate in the health care spending account in 2018

You must enroll in the Health Care Spending Account (HCSA) every year; coverage is not automatic. If you want to participate in 2018, you must enroll during open enrollment — October 16 through October 27, 2017 — even if you're already participating this year. If you don't make an election during open enrollment, you will not have coverage during 2018.

- If you enroll in the HCSA for 2018, your account can be used to reimburse eligible expenses you incur from **January 1 through December 31, 2018**. If you do not use all of your account funds to pay for eligible expenses during this period, money left unspent or unclaimed in your account will be forfeited.
- You have until June 30, 2019, to file a claim to be reimbursed for eligible expenses you incurred in 2018. Note that HCSA funds cannot be used for Dependent Day Care Spending Account (DCSA) expenses and DCSA funds cannot be used for Health Care Spending Account expenses. It's your responsibility to meet the December 31 and June 30 deadlines; be sure to add a reminder to your calendar to help you remember.
- The \$250 Wellness Credit deposit to the HCSA will not be offered in 2018. In 2018 the Wellness Credit is a premium reduction for qualifying Chevron-sponsored medical plans. See Page 20 for more information.

If you are enrolled in the HCSA, you cannot open or contribute to the BenefitWallet HSA. This means that if you change to the Chevron High Deductible Health Plan (HDHP) or High Deductible Health Plan Basic (HDHP Basic) mid-year in 2018 due to a qualifying life event, or if you return from an expatriate assignment and want to enroll in the HDHP or HDHP Basic, you cannot open and contribute to the BenefitWallet HSA if you have already elected to enroll in the HCSA for 2018.