



Continue on Disability Leave or Retire?

Following is a chart of items to consider when deciding whether end your employment or remain on disability leave of absence without pay. While there are advantages to remaining on a leave of absence, each employee's circumstances are different. You will need to weigh all the factors, such as your age, years of service, eligibility for Social Security, severity of your disability, financial need and your spouse's earnings, when you make your decision.

For detailed information on your benefit plans, see the Summary Plan Descriptions (SPDs) on the Benefits Connection Web site at <http://hr2.chevron.com/spd/> or call the HR Service Center 1-888-TALK2HR (1-888-825-5247) to request a printed copy.

If you remain on Disability Leave of Absence

Leave of Absence	Pros to Consider	Cons to Consider
<p>Disability Leave can continue as long as you are eligible for Long-Term Disability (LTD) benefits (even if you do not receive payments due to Social Security or Workers' Compensation offsets.)</p> <p><i>Note: The leave will end and employment will terminate when you are no longer eligible for LTD for any reason.</i></p>	<p>Your employee benefits continue, including company-sponsored life insurance, medical, dental, Mental Health.</p> <p>You continue to accrue Benefit Accrual Service for the Chevron Retirement Plan (CRP). In general, your CRP accrued benefit becomes greater as your service increases.</p> <p>CRP benefits are discounted if they start before age 60 (or a later age if you have less than 45 points -- age plus Vesting and Eligibility Service (VES) -- at termination). You continue to accrue VES while you remain on Disability Leave, so you gain 2 points each year.</p> <p>You can log on to the Benefits Connection Web site at https://www.benefitsweb.com/chevron.html or call the HR Service Center 1-888-TALK2HR (1-888-825-5247) for estimates at different dates.</p> <p>You continue to accrue Health and Welfare Eligibility Service, so each year you gain 2 points toward eligibility for retiree medical and company contribution toward your retiree medical cost.</p>	<p>You cannot receive a full distribution from the Employee Savings Investment Plan (ESIP). (You may be able to make a withdrawal, including a disability withdrawal of before-tax contributions.)</p> <p>You cannot receive your benefit from the CRP.</p>

If you end your employment

Employment Ends	Pros to Consider	Cons to Consider
<p>You can choose to terminate employment and receive Employee Savings Investment Plan (ESIP) and/or Chevron Retirement Plan (CRP) distribution.</p> <p>You may be eligible for LTD benefits although employment ends if you were disabled before termination and you continue to qualify as disabled under the LTD Plan.</p>	<p>You can receive a distribution of all your plan accounts from the ESIP. Taking an ESIP distribution does not affect your LTD benefits.</p> <p>You can elect to receive your CRP benefit (lump sum or monthly); however, CRP benefits will be offset from your LTD Benefits (if you commence your CRP benefits on or after January 1, 2011).</p> <p>or</p> <p>You can choose to defer your CRP benefits and continue to receive LTD until age 65 (or any age before that) and elect CRP benefits then.</p> <p>Note: You can request CRP estimates using a current termination date and both current and future commencement dates. (You can log on to the Benefits Connection Web site at http://hr2.chevron.com or call the HR Service Center at 1-888- TALK2H (1-888-825-5247).</p> <p>You may be able to continue Supplemental Life Insurance, if currently enrolled.</p>	<p>If you're not eligible for retiree medical coverage, your coverage will stop. You can enroll in COBRA coverage (102% of total cost) for 18 months.</p> <p>(To be eligible for retiree medical coverage, you must be age 50 with 10 years service, or in a grandfathered population. Call the HR Service Center 1-888-TALK2HR (1-888-825-5247) to find out when you will be eligible.)</p> <p>If you are eligible for retiree medical coverage, you will pay higher retiree rates. Retiree company contributions are capped, so your share of the cost increases each year. Note: If you are eligible for Medicare, your retiree plan options may be different.</p> <p>Your company-paid life insurance plan coverage ends (unless you're in the grandfathered Texaco Term Life insurance plan).</p> <p>You stop accruing Benefit Accrual Service and VES for the Retirement Plan. If you choose to have your CRP benefit paid or start before age 65, the amount of your benefit may be discounted based on your points (age plus VES) at termination and the age you start your benefit. If you have 55 or more points, you may start an unreduced benefit at age 60.</p>

Questions to Consider

1. What benefits will I lose if I retire or terminate?
2. Am I eligible for retiree medical coverage? If not, how much longer do I need to be on a Leave of Absence before I am eligible? How many points do I have now? Am I eligible for Medicare?
3. Am I eligible for medical coverage under my spouse's plan? Will I be eligible if he or she retires or dies?
4. Am I receiving Social Security disability?
5. After offsets such as Social Security or Workers' Compensation, is my LTD benefit enough to be worth postponing the commencement of my CRP benefits? Will the future increase in the amount of my CRP benefits make it more sensible or worthwhile to postpone the commencement of my CRP benefits? Will my LTD benefits be fully offset if I commence my CRP benefit?
6. How much greater will my CRP benefit be if I wait until I'm 55? Until I'm 60?
7. Do I need to access my ESIP benefits (401k)?
8. Do I need life insurance? Do I have other life insurance if my Chevron Basic Life Insurance ends?
9. Do I need life insurance for my dependents?

Note: If you talk to a financial planner before deciding if retirement is the best option for you, make sure he or she understands all the impacts, not just the financial value of LTD payments vs. current ESIP and Retirement Plan payments.

Call the HR Service Center 1-888-TALK2HR (1-888-825-5247) with specific questions such as whether you are currently eligible for retiree medical coverage and what your cost would be as a retiree. Please note, however, that the HR Service Center cannot advise you.

Disclaimer: This is a brief summary and may not address all benefit plans or issues. It is neither a summary plan description nor a summary of material modification. If there are any discrepancies between this communication and legal plan documents, the legal plan documents will rule. Chevron, as the plan sponsor, reserves the right to amend, change or terminate these plans for any reason at any time; this summary should not be interpreted as a representation of your future benefits or their cost to you, or as legal advice.