



Update to Health Rewards

Update to the Summary Plan Description

Effective January 1, 2017

All changes described in this SMM are effective January 1, 2017 unless otherwise indicated.

This enclosed newsletter serves as an official summary of material modification (SMM) for the plans referenced herein. Please keep this information with your other plan documents for future reference. This communication provides only certain highlights about changes of benefit provisions. It is not intended to be a complete explanation. If there are any discrepancies between this communication and the legal plan documents, the legal plan documents will prevail to the extent permitted by law. There are no vested rights with respect to Chevron health care plans or any company contributions towards the cost of such health care plans. Rather, Chevron Corporation reserves 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. Some benefit plans and policies described in this document may be subject to collective bargaining and, therefore, may not apply to union-represented employees.

You can access the summary plan descriptions for your benefits on the Internet at **hr2.chevron.com** or by calling the HR Service Center at 1-888-825-5247 (610-669-8595 if you're outside the U.S.), option 2.

This SMM applies to the following summary plan description:

- **January 1, 2014 Wellness Programs Summary Plan Description** (both the individual SPD posted online and the Your Chevron Health Benefits Summary Plan Description for U.S.-Payroll Employees compilation available in print.)

wellness credit

*This section generally describes the Chevron Corporation policy as of **January 1, 2017**, regarding its Wellness Credit, which is a reduction to the cost of a participant's Chevron medical coverage as described below. This section is not a plan text, a summary plan description or a summary of material modification because the amount of the company contribution and how it is determined is not itself part of a medical plan. Nevertheless, if it should be determined to be part of a medical plan, this document shall constitute the applicable plan provision and summary plan description. There are no vested rights with respect to Chevron medical plans or any company contributions toward the cost of such medical plans. Rather, Chevron Corporation reserves 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 was previously subject to a grandfathering provision. Some benefit plans and policies described in this document may be subject to collective bargaining and, therefore, may not apply to union-represented employees.*

What is the Wellness Credit?

The Wellness Credit is a premium reduction of up to \$750 annually on qualifying Chevron-sponsored medical plan coverage premiums from **January 1** through **December 31** of the applicable **Wellness Credit Period**.

Wellness Credit Period

The **Wellness Credit Period** is the period of time in which qualifying participants will receive the Wellness Credit. Wellness Credit Periods for the Health Rewards program are as follows:

- **2018 Wellness Credit Period**
January 1 – December 31, 2018 (Deadline to qualify, October 27, 2017)

Who is Eligible to Receive the Wellness Credit?

Review the **Eligibility** section in the **Health Rewards** chapter of this SPD for information.

How to Qualify for the Wellness Credit

Review the **How to Qualify** section in this **Health Rewards** chapter for information.

How the Wellness Credit Works

Eligible Wellness Credit recipients will receive a premium reduction of up to \$750 annually on qualifying Chevron-sponsored medical plan coverage premiums from January 1 through December 31 of the applicable Wellness Credit Period, as long as you remain an eligible employee enrolled in a qualifying Chevron-sponsored medical plan during the Wellness Credit Period.

Here's how the Wellness Credit works:

- If you are eligible to receive the Wellness Credit on January 1, the applicable premium reduction will automatically be applied to your paycheck. No additional action to start the premium reduction is required from you.
- Your applicable premium reduction will be taken in equal installments during the Wellness Credit Period, or for as long as you remain an eligible employee enrolled in a qualifying Chevron-sponsored medical plan, whichever comes first.
- Your applicable premium reduction will be applied toward the employee contribution portion of the monthly premium of a qualifying Chevron-sponsored medical plan.
- The premium reduction applies only to qualifying Chevron-sponsored medical plan coverage premiums. The premium reduction does not apply to dental, the Vision Plus Program, mental health and substance use disorder coverage, COBRA coverage, any of the Chevron retiree health coverage options, or any non-Chevron-sponsored medical plan coverage.
- Eligible Wellness Credit recipients will continue to be responsible for actual medical services and charges including (but not limited to) copayments, coinsurance, deductibles and other out-of-pocket expenses.
- You cannot receive the Wellness Credit in cash or any other form to be used toward medical or other personal out-of-pocket expenses.
- The Wellness Credit is not prorated based on the number of points earned; you must earn the required points each year to qualify for the Wellness Credit. In addition, no additional premium reduction is available for earning *more than* the required points.

Qualifying Chevron-sponsored employee medical plan

A qualifying active employee medical plan under the Omnibus Health Care Plan (referred to hereafter as "qualifying Chevron-sponsored medical plan") currently includes:

- Chevron Medical PPO Plan
- Chevron High Deductible Health Plan (HDHP)
- Chevron High Deductible Health Plan Basic (HDHP Basic)
- Chevron Medical HMO Plans
- Global Choice Plan (U.S.-Payroll Expatriates)

Basis of annual premium reduction amount

If eligible for the Wellness Credit, your applicable premium reduction amount will be based on your qualifying Chevron-sponsored medical plan option, coverage level, cost and enrolled dependents on January 1 of the applicable Wellness Credit Period, as follows:

- The premium reduction applies to any of the available **coverage level** choices: You Only, You + One Adult, You + Child(ren), You + Family.
- The qualifying Chevron-sponsored medical plan in which you are enrolled on January 1, of the applicable Wellness Credit Period will be used to calculate your premium reduction amount.
- If you are not enrolled in a qualifying Chevron-sponsored medical plan on January 1 of the applicable Wellness Credit Period, you are ineligible to receive the Wellness Credit, even if you earned the required points by the deadline.

The annual premium reduction amount for eligible Wellness Credit recipients is determined as follows:

- If the employee share of the annual premium cost of your elected, qualifying Chevron-sponsored medical plan costs **less than \$750**, you'll only receive up to the annual employee share amount of the cost of your elected plan. For example, if the annual employee cost of your elected plan is \$600, you will receive an annual premium reduction of up to \$600. You will not receive the \$150 difference in cash or in any other form.
- If the employee share of the annual premium cost of your elected, qualifying Chevron-sponsored medical plan costs **more than \$750**, you'll only receive up to the \$750 maximum premium reduction amount. For example, if the annual employee cost of your elected plan is \$4,000, you will receive an annual premium reduction of up to \$750. You will be responsible for paying the remaining \$3,250 in annual employee cost.

Please note: Remember, if you qualify, the premium reduction will not take effect until January 1 of the applicable Wellness Credit Period. As is the course of standard business in the health care industry, monthly employee medical premiums for the new year will not be available until the open enrollment period each fall. Your open enrollment communications will provide additional details about the monthly amount of the premium reduction for those who qualify, including how to review the amount of your premium reduction.

Chevron Couples

If both you and your spouse or domestic partner or child(ren) are Chevron U.S.-payroll employees, you can **each** qualify for the Wellness Credit if you meet the eligibility requirements **to participate**. However please note:

- If each of you are **primary** – in other words, enrolled separately – in your own qualifying Chevron-sponsored medical plan coverage then each of you must qualify *separately* for the Wellness Credit. If you each qualify, you are each eligible for the Wellness Credit that is applied toward each of your separate medical plans, respectively.
- If one of you is primary and the other(s) is covered as your **dependent** in a qualifying Chevron-sponsored medical plan, then only you, as the primary, are eligible for the Wellness Credit. You, the primary, must meet the eligibility requirements to receive the Wellness Credit. If you qualify, you are eligible for only one Wellness Credit that is applied toward your qualifying Chevron-sponsored medical plan. In this situation, the dependent – although an eligible employee – cannot receive a Wellness Credit because they are enrolled as a dependent.

Mid-Year Changes

If you experience a qualifying life event between January 2 and December 31 of the applicable Wellness Credit Period that permits you to make a change to your qualifying Chevron-sponsored medical plan coverage, the Wellness Credit is affected as follows.

Eligible to receive the Wellness Credit on January 1 of the applicable Wellness Credit Period:

- If you **continue to participate** in a qualifying Chevron-sponsored medical plan, you will continue to be eligible to receive the Wellness Credit, as long as you remain an eligible employee for the duration of the applicable Wellness Credit Period.
- If you **continue to participate** in a qualifying Chevron-sponsored medical plan, the amount of your annual premium reduction may be increased or decreased, depending on the plan and coverage level you choose. See the **Basis of Annual Premium Reduction Amount** above for more information.
- If you **stop participating** in a qualifying Chevron-sponsored medical plan, you are no longer eligible to receive the Wellness Credit and you forfeit the remainder of your annual premium reduction amount for the Wellness Credit Period effective the date your coverage ends. You will not be paid the balance of the annual premium reduction you were potentially eligible to receive in cash or in any other form.

Not eligible to receive the Wellness Credit on January 1 of the applicable Wellness Credit Period:

- If you experience a qualifying life event that permits you to **start participating** in a qualifying Chevron-sponsored medical plan *and* you were not previously enrolled in a qualifying Chevron-sponsored medical plan, you are not eligible to start receiving the Wellness Credit, even if you earned the required points by the deadline of the previous year. This is because you did not meet the eligibility requirement of being enrolled in a qualifying Chevron-sponsored medical plan on January 1 of the applicable Wellness Credit Period.

When you leave Chevron

If you **leave Chevron** between **January 2** and **December 31 of the applicable Wellness Credit Period** – whether due to retirement or for any other voluntary or involuntary reasons – and you were previously eligible to receive the Wellness Credit, then you are no longer eligible to receive the Wellness Credit. You will forfeit the remainder of your annual premium reduction amount for the Wellness Credit Period effective the date your coverage ends as an eligible employee. You will not be paid the balance of the annual premium reduction you were potentially eligible to receive in cash or in any other form.

how to qualify for the wellness credit

How to Qualify

To qualify for Health Rewards and the Wellness Credit you must:

- Meet the **eligibility requirements** to participate in Health Rewards.
- Register on the **WebMD Healthy Heart Program website** to complete and log qualifying activities for points. *All points must be logged on the WebMD website during the current qualifying period.*
- Each time you complete and log a **qualifying wellness activity**, you'll earn points.
- **Accumulate 1,000 points** during the applicable qualifying period by the stated deadline.
- Meet the additional **Wellness Credit eligibility requirements**.

Remember, U.S. payroll employees who are eligible for Chevron's health plans may earn points; however, you must *also* meet the Wellness Credit eligibility requirements at the time you receive credit *and* for the duration of the Wellness Credit Period.

Note that each year, after the qualifying period deadline has passed, the **health rewards** section on the **WebMD website** will be temporarily unavailable until a new qualifying period is opened.

Qualifying Period

The **Qualifying Period** is the set period of time in which eligible employees can complete qualifying wellness activities to earn points toward the Wellness Credit. Qualifying Periods for the Health Rewards program are as follows:

- **January 1 – October 27, 2017**
Qualifying period for the 2018 Wellness Credit

Qualifying Activities and Points

The list of qualifying activities and their associated point value may change from year to year. The complete list of qualifying activities, requirements and available points are posted each qualifying period online on the **Health Rewards** section of **hr2.chevron.com/wellness** as well as on the health rewards section of the **WebMD Healthy Heart Program website**.

Many of the activities require advance scheduling and time to complete, so allow plenty of time to accumulate the required points before the deadline. **Points do not roll over from year to year.**

If you have a health condition and don't think you can meet a standard for qualifying for health rewards and the Wellness Credit, you might be eligible for an opportunity to earn the same reward by different means. Send an email to **heart@chevron.com** and we will work with you to find alternative activities that are right for you considering your health status.

confirmation of wellness credit

For current instructions about how to view a confirmation of your Wellness Credit, or if you believe you are eligible for a Wellness Credit and are not receiving it, visit the **Health Rewards** section on hr2.chevron.com.