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Update to the Summary Plan Description
Effective January 1, 2015

All changes described in this SMM are effective January 1, 2015 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/retiree** 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 Your Chevron Benefits for Retirees 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.)

2015 Plan Changes

This section describes the changes to your benefits that take effect on January 1, 2015.

This section of the newsletter serves as an official summary of material modification (SMM) to the summary plan description (SPD) book(s) for the plans referenced herein. **Please keep this information with your other plan documents for future reference.** This SMM provides only certain information about changes of benefit provisions. It is not intended to be a complete explanation. If there are any discrepancies between this SMM and the legal plan documents, the legal plan documents will rule 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 get the summary plan descriptions for your benefits in two ways:

- **Online.** Visit **hr2.chevron.com/retiree** and choose the **Health and Welfare** tab.
- **By phone.** To request a printed free copy by mail, contact the HR Service Center at 1-888-825-5247 (inside the U.S.) or 610-669-8595 (outside the U.S.) and select Option 2.

Prescription Drug Changes

Changes for Medicare-Eligible Retirees

If you are enrolled in the **Medicare Plus Plan, the Medicare Standard Plan** or the **Senior Care Plan**, you should have already received your Annual Notice of Changes for Express Scripts Medicare® (PDP) in the mail. This government-required mailing gives details about the changes to the prescription drug coverage through the Medicare Part D program administered by Express Scripts. It also includes the following documents:

- **The Express Scripts Medicare (PDP) Drug Formulary.** This document provides information about the drugs covered under your Medicare prescription drug coverage, including tier assignments.
- **The Express Scripts Medicare (PDP) Evidence of Coverage.** This document provides details about your Medicare prescription drug coverage.

Be sure to review these documents carefully to understand if there are any changes to your prescription drugs that might affect your costs. For example, prescription drug copayments will generally remain the same in 2015, but if the tier status of your drug has changed, your costs may change. Keep these documents to reference them throughout the year. Copies are also available online at **hr2.chevron.com/retiree**.

Changes for Retirees Not Eligible for Medicare

If you are enrolled in the **Medical PPO Plan** or the **High Deductible Health Plan (HDHP)**, you automatically have prescription drug coverage through the Prescription Drug Program with Express Scripts. The changes described below take effect on January 1, 2015. For additional details, contact Express Scripts Member Services at 1-800-987-8368, or review the documents and links available from **hr2.chevron.com/retiree**. Choose the **Open Enrollment** link to get started.

New National Preferred Formulary

A formulary is a list of drugs that are covered by your plan. It includes commonly prescribed medications that have been selected based on their clinical effectiveness, safety and opportunities for savings. Effective January 1, 2015, your plan will switch to the National Preferred Formulary. While many of the same drugs will continue to be covered, there are approximately 65 drugs that will no longer be covered. See below for the list of drugs that will no longer be covered. If you continue to use any of these drugs, you will pay the full retail price when you refill that prescription starting January 1. If you are taking one of the drugs that will no longer be covered, Express Scripts will notify you starting in October. You will receive a personalized list of alternatives that are available on the formulary, so you can discuss them with your doctor and change your prescription in advance of January 1. An updated Medicare formulary is available on the **Open Enrollment** page of the **hr2.chevron.com/retiree** website. An updated formulary for retirees not eligible for Medicare is available by calling Express Scripts Member Services at 1-800-987-8368.

Excluded Medications and Products Effective January 1, 2015

Abbott (FreeStyle, Precision)
Abstral
Alvesco
Apidra
Aranesp
Axert
Bayer (Breeze, Contour)
Beconase AQ
BenzaClin Gel Pump
Betaseron
Bravelle
Breo Ellipta
Cetraxal
Cimzia
Duexis
Edarbi/Edarbyclor
Epogen
Euflexxa
Fentora
Flovent Diskus/HFA
Follistim AQ
Fortesta
Frova
Gel-One
Hyalgan
Incivek
Jentadueto
Kadian
Kazano
Levitra
Nesina
Nipro (TRUEtest, TRUEtrack)
Novolin
NovoLog
Nutropin/Nutropin AQ
Omnaris
Omnitrope
Pancreaze
PegIntron
Pertzye
Proventil HFA
Roche (Accu-Chek)
Saizen
Simponi
Staxyn
Stendra
Subsys
Supartz
Tanzeum
Testim
Testosterone 1% Gel
Teveten HCT
Tev-Tropin
Tradjenta
Ultresa
Veltin
Veramyst
Victoza
Vimovo
Vogelxo
Xeljanz
Xopenex HFA
Zetonna
Zioptan
Zohydro ER

Breast Cancer Risk-Reducing Medications

In accordance with the Health Care Reform law, your plan will provide network coverage at 100 percent with no deductible for certain breast cancer risk-reducing medication such as Tamoxifen and Raloxifene. You're eligible for the 100 percent coverage if you meet all of the following requirements:

- You are a woman age 35 or older.
- You do **not** have a prior history of a diagnosis of breast cancer, ductal carcinoma in situ (DCIS), or lobular carcinoma in situ (LCIS).
- You are being prescribed tamoxifen or raloxifene for the purpose of primary prevention of invasive breast cancer because you are deemed high risk.
- You are post-menopausal, if prescribed raloxifene (this does not apply to a woman prescribed tamoxifen).

Breast cancer risk-reducing medications that are covered are:

- Generic tamoxifen
- Generic raloxifene
- Brand Soltamox (tamoxifen liquid*)

* *Tamoxifen liquid will be covered at 100 percent with no deductible if the prescriber provides information that the patient meets all other criteria and cannot swallow or has difficulty swallowing tamoxifen tablets*

Coverage at 100 percent is not automatic. If you meet the eligibility criteria above, you or your provider must request the $0 copayment/coinsurance within 30 days of the prescription being filled (pre- or post-fill). To request the $0 copayment/coinsurance, follow these steps:

- You or your prescriber contacts Express Scripts Customer Service at 1-800-987-8368.
- Customer service will explain the procedure for contacting the Coverage Review Department through mail, fax, or a direct call transfer.
- You will submit your request through mail, fax or telephone.
- Your prescriber is contacted through a fax form to determine if you meet the eligibility criteria.
- Copayment review decision is then made.
- You and your prescriber are notified of decision.

New Prior Authorizations

The Prescription Drug Program covers some drugs only if they're prescribed for certain uses or only up to certain quantity levels. For this reason, some medications must be approved in advance before you can receive plan benefits. The following drugs will require prior authorization effective January 1, 2015:

- Lovaza
- Vescepa (fish oil)

Compound Medications Not Covered Without Prior Authorization

According to the FDA, compounding is the practice in which a licensed pharmacist combines, mixes or alters ingredients in response to a prescription to create a medication tailored to the medical needs of an individual patient. Individual active ingredients within the compound might be FDA approved, but the FDA does not approve the quality, safety and efficacy of a compound with multiple active ingredients. Express Scripts has identified 10 commonly used bulk powder ingredients (if submitted as the primary ingredient) that have limited or no medical studies for topical use. These bulk powders are:

- Gabapentin
- Fluticasone
- Ketoprofen
- Ketamine
- Diclofenac
- Meloxicam
- Haluronic Acid
- Flurbiprofen
- Mometasone
- Nabumetone

Beginning January 1, 2015, if you are using a compound medication in which the primary ingredient is one of the bulk powders listed above, the medication will no longer be covered without a Prior Authorization. Approval for a Prior Authorization will require clinically sound studies proving the efficacy of the medication. Express Scripts recommends that you contact your physician to try a commercially available, FDA-approved alternative. For a few of the powders, there are commercially available products that don't require a compounded product. Only your medical provider and you can determine a suitable alternative since it is often difficult to determine the condition for which a compounded medication is being prescribed. If you continue to use the affected compounded medications without an approved Prior Authorization, you will pay the full retail price if you refill that prescription starting January 1. Express Scripts will continue to monitor this class of medications closely.

Preferred Step Therapy Program Updates

Certain drugs are covered by the Prescription Drug Program only if preferred drugs – which include generics – are tried first. This is called Preferred Step Therapy (PST). The following are new additions to PST that will require you, when clinically appropriate, to try the preferred drug before Express Scripts will authorize coverage for the use of non-preferred drugs:

- **Gabapentin** (anticonvulsant and analgesic - pain relief - drugs): Lyrica, Horizant, Neurontin, Gralise
- **HMG** (statin drugs/cholesterol lowering drugs): Altoprev, Caduet, Lescol/Lescol XL, Lipitor, Livalo, Mevacor, Pravachol, Zocor
- **Beta Blockers** (blood pressure drugs): Bystolic, Sectral, Tenormin, Kerlone, Zebeta, Coreg, Coreg CR, Trandate, Lopressor, Toprol XL, Corgard, Levatol, Inderal, Inderal LA, InnoPran XL, Tenoretic, Ziac, Lopressor HCT, Corzide, Inderide, Dutoprol

Medical and Dental HMO Plans

An HMO option may be available to you in your area. The personal enrollment worksheet included in this open enrollment package will list any HMOs available to you next year. All existing HMO plans will continue to be offered in 2015.

- **If you participate in an HMO offered by Chevron,** note that your provider or other plan features, like monthly premiums, copayments or prescription drug coverage could still change.
- **Even if your current HMO will be available in 2015,** that doesn't guarantee that it is still available to you. Each year, the HMOs review the ZIP codes and counties in which they have providers. An HMO may choose to discontinue coverage to residents of certain areas.
- **Your HMO provider may have changed.** Remember that HMOs require you to use doctors, dentists and hospitals that are part of their provider network. Contact your medical or dental HMO directly to find out if your current providers continue to be in the network. If they aren't, you will need to change providers or choose a new plan to ensure that your medical and dental services continue to be covered.
- **Copayment and other changes** in your current HMO coverage may apply because of state filings, compliance with the Health Care Reform law provisions, or to make them more closely align with Chevron's standard benefit design. You'll be able to view more information about HMO plan changes, if any, in the 2015 Evidence of Coverage document available for each plan. Contact the HMO directly to request a copy. You can find contact information on hr2.chevron.com/retiree.
- Chevron's Medicare HMOs continue to include prescription drug coverage. **If you enroll in a Chevron Medicare HMO, you should not enroll in a separate Medicare prescription drug plan, because you cannot be enrolled in more than one Medicare Part D prescription drug plan.**
- Chevron's Medical HMOs continue to include **mental health coverage**, whether or not you or your dependents are eligible for Medicare. These services are offered through the HMO, not ValueOptions.
- **Remember, if you're Medicare-eligible, you can't enroll in a Chevron Medicare HMO unless you have both Medicare Part A and Part B.** If you aren't enrolled in Part B, you'll need to enroll during the Medicare Part B general enrollment period from January 1 through March 31, 2015. To enroll in Medicare, contact Social Security at 1-800-772-1213. Your Part B coverage will become effective July 1, 2015. If you are newly eligible for Part B benefits, you should contact Social Security for information regarding how to enroll and the specific deadline that applies to you. More information about Medicare is available online at **www.medicare.gov** or 1-800-MEDICARE (1-800-633-4227). Contact the HMO directly with questions about your coverage.

Medical PPO–Option 1 and Option 2

Option 1 Deductibles*

Medical

You Only	**$300**
You + One Adult	**$600**
You + Child(ren)	**$600**
You + Family	**$900**

Prescription Drugs

You Only	**$320** ↑
You + Family	**$640** ↑

Mental Health and Substance Abuse (MHSA) Plan

$0 There is no deductible for covered mental health and substance abuse services.

Option 2 Deductibles*

Medical

You Only	**$600**
You + One Adult	**$1,200**
You + Child(ren)	**$1,200**
You + Family	**$1,800**

Prescription Drugs

You Only	**$320** ↑
You + Family	**$640** ↑

Mental Health and Substance Abuse (MHSA) Plan

$0 There is no deductible for covered mental health and substance abuse services.

* *For Option 1 and Option 2, each covered individual has a maximum deductible equal to the You Only deductible amount. For the You + One Adult, You + Child(ren) and You + Family coverage category levels, there is an overall maximum deductible amount for all covered participants that corresponds to the coverage category elected. No more than the You Only deductible amount can be applied toward the family deductible for any one person to satisfy the You + One Adult, You + Child(ren) or You + Family deductible.*

Option 1 Out-of-Pocket Maximum**

Medical and Mental Health, Combined†

You Only	**$2,300**
You + One Adult	**$4,600**
You + Child(ren)	**$4,600**
You + Family	**$6,900**

Prescription Drugs

You Only	**$1,800** ↓
You + Family	**$3,600** ↓

Option 2 Out-of-Pocket Maximum**

Medical and Mental Health, Combined

You Only	**$3,000** ↓
You + One Adult	**$6,000** ↓
You + Child(ren)	**$6,000** ↓
You + Family	**$9,000** ↓

Prescription Drugs

You Only	**$1,800** ↓
You + Family	**$3,600** ↓

** *Generally includes your annual deductibles, copayments and coinsurance.*

† *The medical and mental health out-of-pocket maximums listed for Option 1 represent an increase for 2015 with respect to mental health services.*

Mental Health Coverage Reminder

When you and any of your covered dependents enroll in the **Medical PPO Plan**, mental health coverage is automatically provided by the Chevron Mental Health and Substance Abuse (MHSA) Plan administered by ValueOptions. When you or any of your enrolled dependents become eligible for Medicare, mental health coverage with the MHSA Plan will stop for that person because Medicare provides this benefit. However MHSA coverage will continue for other participants as long as they aren't eligible for Medicare and continue to be enrolled in the Medical PPO Plan. For more information about MHSA coverage, contact ValueOptions at 1-800-847-2438.

Medical PPO – Option 3

The Medical PPO – Option 3 plan choice will no longer be offered in 2015. That's because this plan is being replaced by the new Chevron High Deductible Health Plan (HDHP) option. The Medical PPO – Option 1 and Medical PPO – Option 2 will continue to be offered to eligible retirees in 2015.

If you are currently enrolled in the Medical PPO – Option 3, you will be automatically enrolled in the new Chevron High Deductible Health Plan starting January 1, 2015. If you would rather choose another plan, you must make an election during open enrollment, October 20 through October 31, 2014. Open enrollment is your only opportunity to change your 2015 medical coverage, unless you experience a qualifying life event later during the year.

Make sure the HDHP is the right plan for you.

The new HDHP plan generally covers the same services as your current Medical PPO – Option 3 plan; however, there are important differences between your current plan and the HDHP that change how you will pay for your medical, prescription drug and mental health benefits in 2015. It's important that you pay attention to the differences and take the time to learn about the HDHP to ensure it's the right choice for you. Open enrollment is your only opportunity to change your 2015 medical coverage, unless you experience a qualifying life event later during the year. Be sure you don't miss this opportunity to learn, decide and act. See Page 21 to learn more about the HDHP.

High Deductible Health Plan (HDHP)

New Plan Choice Starting January 1, 2015

The Chevron HDHP is a new plan choice that will be offered in 2015. It is available to retirees and their dependents who are not enrolled in Medicare. The HDHP is a preferred provider organization (PPO) health plan that includes medical coverage with UnitedHealthcare, prescription drug coverage with Express Scripts, and Mental Health Substance Abuse coverage with Value Options. In addition, if you enroll in the HDHP, you're also automatically enrolled in the Vision Program for basic vision coverage with VSP. You can choose to see any provider you want; however, higher benefits are paid when go to a network provider.

With this plan you pay a low monthly premium in exchange for a high deductible. Participants enrolled in the HDHP may also be eligible to open and contribute to a health savings account (HSA).

How the HDHP is Similar to Other Choices

Just like your other retiree medical options, Chevron currently shares the monthly cost of coverage – the premium – with you. This plan offers comprehensive coverage for the **same major medical services** you'd expect, including office visits, emergency services, hospital care, lab services, outpatient care, pregnancy and newborn care and rehabilitative services. It also includes **100 percent coverage with no deductible** for certain **preventive care services** as specified by the Affordable Care Act when you see a network provider. (100 percent of allowable charges for an out-of-network provider.) Additional preventive screenings and services may be covered, depending on factors such as your age and gender. If you are enrolled in the HDHP, you automatically have prescription drug coverage through the Prescription Drug Program with Express Scripts. (See Pages 12 for information about 2015 changes to the Prescription Drug Program.) For additional summary information about the new HDHP, such as benefits, copayments, deductibles, coinsurance and plan contact information, review the plan's Summary of Benefits and Coverage. (See Page 6.)

Go to the Benefits Connection website (see Page 7) or review the enclosed personal enrollment worksheet to see the 2015 monthly premium costs for this and the other health plans that apply to you.

One Combined Deductible

Chevron's other medical plan choices typically require you to satisfy two deductibles before the plan pays its share of benefits: one for medical services and one for prescription drugs. The HDHP has only **one combined deductible** for medical, prescription drugs (both retail and mail-order), and mental health and substance abuse. And, it's a much higher deductible than your other Chevron medical plan choices. This means you'll have to pay the full cost for covered services and supplies until you reach the deductible for the year.

After you meet the deductible, coinsurance or copayments will apply. For example, this means you will pay the full cost for these covered services (and other covered services) until you meet your annual deductible:

- Retail prescriptions.
- Mail-order prescriptions.
- Visits to a mental health practitioner.
- Office visits to your doctor (except for certain preventive care as specified by the Affordable Care Act).
- Treatment for substance abuse.

Annual Deductible*
Medical, Prescription Drug, Mental Health Combined

You Only	**$2,650**
You + One Adult	**$5,300**
You + Child(ren)	**$5,300**
You + Family	**$7,950**

* *Each covered individual has a maximum deductible equal to the You Only deductible amount. For the You + One Adult, You + Child(ren) and You + Family coverage category levels, there is an overall maximum deductible amount for all covered participants that corresponds to the coverage category elected. No more than the You Only deductible amount can be applied toward the family deductible for any one person to satisfy the You + One Adult, You + Child(ren) or You + Family deductible.*

One Combined Out-of-Pocket Maximum

The HDHP has only **one combined out-of-pocket maximum** for medical, prescription drugs, mental health and substance abuse. The out-of-pocket maximum is the most you will have to pay out-of-pocket for the year for covered services and supplies. When you reach this limit, the HDHP begins to pay 100 percent of the allowed amount for covered services and supplies.

Out-of-Pocket Maximum*
Medical, Prescription Drug, Mental Health Combined

You Only	**$5,000**
You + One Adult	**$9,000**
You + Child(ren)	**$9,000**
You + Family	**$12,900**

** Generally includes your annual deductible, copayments and coinsurance.*

Understand how the combined deductible works.

If you choose the HDHP, you must be ready to pay the full amount of the higher deductible up front before the HDHP pays any benefits (except for certain preventive care as specified by the Affordable Care Act). You might already be familiar with this process because your current medical plan works the same way. **However, with the HDHP there are services that are now subject to the deductible which are typically excluded under your current plan.** This difference could surprise you, so we wanted to point them out in the event you use these services often. First, you'll pay full cost for retail and now also mail-order prescription drugs until you reach the single combined annual deductible. And under the current Medical PPO, mental health and substance abuse services *are* not subject to the deductible, so the Medical PPO shares the costs of those services right away. With the HDHP, mental health and substance abuse services are subject to the deductible, so you'll pay full cost for those covered services until you reach your single combined annual deductible.

Health Savings Account (HSA) Compatible

If you enroll in the HDHP, you may also be eligible to open and contribute to a health savings account (HSA). An HSA is like a savings plan for health care. It works like a regular bank account, but you don't currently pay federal income taxes on money you deposit. And, under current IRS rules, when you use your money to pay for qualified health care expenses, you won't pay federal income taxes on the money either. Your savings grow from year to year. There is no use it or lose it rule. And you can take your money with you if you change medical plans. You can use an HSA to pay for qualified health care expenses this year, three years from now or at any point in the future.

It's your responsibility to learn about the strict eligibility rules and restrictions imposed by the IRS and determine if you meet the requirements to open and contribute to an HSA. You can choose from HSAs offered by any financial institution that offers them, including the Chevron Federal Credit Union, but it's up to you to find the one that meets your needs. In addition, you'll be responsible for understanding how an HSA works and making contributions.

Participating in an HSA is a voluntary choice. Chevron does not provide an HSA, and Chevron cannot offer counsel about HSAs. You should consult your financial advisor and read about the requirements in *IRS Publication 969*, *Health Savings Accounts and Other Tax-Favored Health Plans* available at **www.irs.gov**.

Medicare Plus Plan
Medicare Standard Plan

Deductibles

Medical

$300 per person

Prescription Drugs

$320 per person ↑

Out-of-Pocket Maximums

Medical

$1,500 per person (does not include deductible)

Prescription Drugs

$4,700 per person (including deductible) ↑

Once you reach the out-of-pocket maximum, the plan pays 95 percent of the remaining costs and you pay 5 percent, with a maximum not to exceed the standard cost-sharing amount during the initial coverage stage. See the Annual Notice of Changes for Express Scripts Medicare® (PDP) for details.

Chevron offers three medical plan options with UnitedHealthcare (UHC) as the claims administrator for Medicare-eligible retirees: Medicare Plus Plan, Medicare Standard Plan and the Senior Care Plan. See Page 28 for a brief highlight of the key similarities and differences among these plans.

Senior Care Plan

Medical Coverage

Combined Deductible and Out-of-Pocket Maximum

Combined medical deductible and out-of-pocket maximum of **$2,500** per person.

Prescription Drugs

Deductible

$320 per person ↑

Out-of-Pocket Maximum

$4,700 per person (including deductible) ↑

Once you reach the out-of-pocket maximum, the plan pays 95 percent of the remaining costs and you pay 5 percent, with a maximum not to exceed the standard cost-sharing amount during the initial coverage stage. See the Annual Notice of Changes for Express Scripts Medicare® (PDP) for details.

Mental Health Coverage Reminder

If you are enrolled in the **Medicare Plus Plan, Medicare Standard Plan**, and the **Senior Care Plan**, there is no separate mental health coverage under the Mental Health and Substance Abuse (MHSA) Plan administered by ValueOptions since coverage is provided through Medicare. However mental health services will count towards the deductible and out-of-pocket maximum as outlined in the summary plan description.