

Puget Sound Energy **BENEFITS** Overview for IBEW Employees



Effective Calendar Year 2008

The energy to do great things captures the aspirations, drive and spirit of Puget Sound Energy. PSE values employees and offers comprehensive benefits for our employees and their families.

Puget Sound Energy offers choices

Through a cafeteria benefit plan, we offer a flexible approach to benefits — giving you the freedom to design a package that best suits your individual and family needs. Flex Credits are provided based on coverage level chosen for medical plan enrollment. Annual Flex Credits for 2008 are \$7,740 (Employee Only); \$13,740 (Employee + Family); \$2,220 (Opt Out Medical).

- Medical plans: Multiple choices among Regence Selections, PPO and Traditional and Group Health Options plans
- Dental plans: Basic or High Options
- Life insurance: Basic Life and four levels of Supplemental Life coverage available
- Accidental Death & Dismemberment: Multiple levels of employee and/or family coverage available
- Long Term Disability: Choice of 35 percent or 65 percent of base pay
- Flexible Spending Accounts: Health Care Reimbursement and/or Dependent Care Reimbursement up to \$5,000 per year per account

Plans become effective the first day of the month following date of hire. In addition to these health and welfare benefits, PSE offers a Short Term Disability supplemental pay program, Workers' Compensation and Personal Leaves of Absence as approved.

Employee Assistance Program (EAP)

This program offers employees confidential services including counseling, financial planning, child and elder care assistance, legal and mediation services.

PSE Retirement Plans

We offer a company Retirement Plan and a 401(k) Investment Plan.

- Retirement Plan — Participation in this plan is granted to eligible employees after one year of service. PSE makes all contributions to this plan — there are no employee contributions. The amount of the benefit depends on your years of service and your average high five-year earnings. You become vested (that is, earn a right to a benefit from the plan) after five years of service, or when you reach age 65, whichever comes first.
- 401(k) Investment Plan — PSE offers this plan to give you a convenient, tax-deferred way to invest in your future. You are eligible to begin participating in the Investment Plan on your first day of employment. New employees will be automatically enrolled to contribute 3 percent of their pay. You may opt out of this automatic

enrollment at any time. You may contribute up to 30 percent of your eligible pay (subject to IRS limitations). If you are contributing less than 6 percent of pay, you will be automatically increased by 1 percent each year until reaching 6 percent (unless you opt out of this feature). PSE will add a Matching Contribution equal to \$.55 per dollar on the first 6 percent of your pay that you contribute. You are immediately vested in your contributions and employer contributions.

Annual Goals & Incentive Plan

Based on meeting established goals and measurements for the company, employees may be eligible for year-end performance awards.

Tuition Reimbursement

PSE supports continuing education. Eligible employees may be reimbursed up to 100 percent of tuition, up to \$3,500 per calendar year, for authorized undergraduate or graduate studies.

Paid Time Off (PTO)

Beginning with an employee's one-year anniversary date, PTO accrual will be 20 days a year, accrued on a monthly basis. PSE provides paid time off to accommodate employees' vacation, illnesses, and other personal needs. Eligible employees receive 10 PTO days on the first day of the month after six consecutive months of employment (five days earned and five days unearned). Beginning with an employee's one-year anniversary date, PTO accrual will be on a monthly basis. As an employee gains more years of service, the monthly accrual increases. Please see the IBEW Collective Bargaining Agreement for the most current accrual schedule, allocation rules and usage guidelines.

Holidays

Eligible employees qualify for 11 paid holidays each calendar year. These include nine "fixed" holidays and two "floating" holidays.

- New Year's Day
- Martin Luther King Day
- Presidents' Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Friday After Thanksgiving
- Christmas Day
- Two floating holidays (eligible after six months)



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