It’s time to make important decisions about your 2020 participation in your CRC benefit plans. This guide and CRC’s online Benefits Enrollment system provide information about your choices under each plan and include instructions for enrolling or making changes for 2020. Refer to the Open Enrollment materials for changes to the plans and important deadlines.

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15 Voluntary Benefits  
- Accidental Death & Dismemberment  
- MetLaw Group Legal Services  
16 Review Your 2020 Enrollment Choices

**MAKING YOUR CHOICES**

- Log in to MyInfo.crc.com, then select Employee Self Service > Benefits Enrollment Event  
- Click Select to review your current coverage and options.  
- Click Edit next to a plan and follow the instructions to enroll or make any changes.  
- Click Submit to process your enrollment. You will immediately receive a statement by email confirming your 2020 elections.  
- Open Enrollment ends Friday, November 15th

**OPEN ENROLLMENT ENDS**  
**FRIDAY, NOVEMBER 15TH**
# YOUR CRC BENEFITS AT A GLANCE

<table>
<thead>
<tr>
<th>TYPE OF COVERAGE</th>
<th>COVERAGE</th>
<th>ACTION REQUIRED OF YOU</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HEALTH CARE</strong></td>
<td>Employee Only, Employee + One dependent, or Family coverage under each of the plans</td>
<td>Submit all forms directly to <a href="mailto:CRCBenefits@crc.com">CRCBenefits@crc.com</a></td>
</tr>
<tr>
<td><strong>COVERAGE</strong></td>
<td></td>
<td>Action is required only if you want to change your current elections and/or if you want to enroll new dependents</td>
</tr>
<tr>
<td><strong>ACTION REQUIRED OF YOU</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>HEALTH SAVINGS ACCOUNTS (HSA)</strong></td>
<td>Pay for current and future out-of-pocket medical expenses with tax-free dollars if enrolled in the High Deductible Medical Plan</td>
<td>Action is required to enroll in an HSA for 2020</td>
</tr>
<tr>
<td><strong>Employee contributions optional</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FLEXIBLE SPENDING ACCOUNTS (FSA)</strong></td>
<td>Pay for current year out-of-pocket expenses with tax-free dollars</td>
<td>Action is required to enroll in a Health Care and/or Dependent Care Spending Account for 2020</td>
</tr>
<tr>
<td><strong>Employee-paid</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LIFE INSURANCE</strong></td>
<td>2 times base pay (Employee coverage only)</td>
<td>No action is required</td>
</tr>
<tr>
<td><strong>Company-paid</strong></td>
<td>Elect up to 6 times base pay up to $2 million maximum; spousal and dependent coverage also available</td>
<td>No action is required</td>
</tr>
<tr>
<td><strong>Employee-paid</strong></td>
<td>Elect up to 10x base pay, up to $1 million maximum; spousal and dependent coverage also available</td>
<td>Action is required only if you want to change your current elections; you may contact the Benefits department at any time to enroll in, drop or change coverage</td>
</tr>
<tr>
<td><strong>Company-paid</strong></td>
<td>3 times base pay, with a minimum of $500,000* (Employee coverage only)</td>
<td>No action is required</td>
</tr>
<tr>
<td><strong>LEGNOS GROUP LEGAL SERVICES</strong></td>
<td>Provides unlimited access to attorneys for a wide variety of personal legal services for a low fixed monthly cost</td>
<td>Action is required only if you want to change your current election</td>
</tr>
<tr>
<td><strong>Employee-paid</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SAVINGS PLAN 401(K)</strong></td>
<td>Contribute a percentage of your eligible pay; CRC contributes $2 for every $1 you contribute up to 2% of your eligible pay, plus $1 for every $1 on the next 3% of your eligible pay</td>
<td>You can make or change your contribution election and select investment funds online at any time via Fidelity’s website</td>
</tr>
<tr>
<td><strong>Employee contributions and CRC contributions</strong></td>
<td>CRC contributes 7% of eligible pay up to Social Security Wage Base (SSWB) plus 12% of eligible pay above SSWB</td>
<td></td>
</tr>
<tr>
<td><strong>Company-paid</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Employee Stock Purchase Plan</strong></td>
<td>Purchase CRC stock at a 15% discount</td>
<td>You can elect to contribute quarterly and can elect to stop contributing anytime via Fidelity’s website</td>
</tr>
<tr>
<td><strong>Employee-paid</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Eligible Tidelands union employees are covered in the amount of $500,000.

For more detailed information, see each plan’s Summary Plan Description (SPD), subsequent issues of benefits newsletters for plan changes, and/or the current insurance policies, as applicable.
Throughout this guide, you will see these icons indicating:

1. **IMPORTANT**
2. **THINK ABOUT**
3. **INFORMATION RESOURCE**

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**Action Items**

During Open Enrollment, you may make elections that will take effect on January 1, 2020, under the following plans:

**Medical, Dental and Vision**

- **No action is required** if you wish to retain the same coverage and level of coverage for 2020. Applicable 2020 contributions will be deducted from your paychecks.
- **Action is required** if you wish to enroll new dependents (see page 4 for definition of eligible dependent). Documentation showing proof of relationship may be required. In most cases, you may enroll in, drop or change medical, dental and/or vision coverage for 2020 only during Open Enrollment.

**Health Savings Accounts (HSA)**

- **Action is required** to enroll in an HSA for 2020. You may enroll in an HSA only if you also enroll in the High Deductible Medical Plan. You may change your HSA election at any time during the year through Employee Self Service.

**Flexible Spending Accounts (FSAs)**

- **Action is required** to enroll in a Health Care and/or Dependent Care Spending Account for 2020.
- If you enroll in the High Deductible Medical Plan and you plan to make contributions to your HSA in 2020, please carefully review the Limited Purpose FSA with an HSA information provided on page 13.

**Accidental Death & Dismemberment (AD&D)**

- **No action is required** if you want to keep your current AD&D coverage in 2020. If you are enrolled, you may also elect coverage for your spouse. You may enroll in or change your AD&D coverage any time during the year by contacting CRCBenefits@crc.com.

**MetLaw Group Legal Services**

- **No action is required** if you want to keep your current Group Legal Services coverage.
- **Action is required** to enroll for 2020 in this prepaid legal service.

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**Eligible Employees**

Generally, all active full-time employees who are regularly scheduled to work at least 30 hours per week are eligible to participate.

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**INFORMATION RESOURCE**

The Information Resource icon throughout this guide directs you to helpful information resources. To access these resources, go to MyInfo.crc.com and under Announcements select 2020 CRC Open Enrollment.
Health Care Overview

Under the medical, dental, and vision plans, you and the company share the cost of providing for your health care coverage. You pay your share through contributions, copayments or coinsurance, and in some cases, annual deductibles. During the 2020 Open Enrollment period, you may:

- Change your medical coverage option effective January 1, 2020, to the Core Medical Plan, the High Deductible Medical Plan, or an HMO.
- Change your vision coverage option effective January 1, 2020, to the Vision Basic Plan or Vision Plus Plan.
- Enroll for medical, dental and/or vision coverage effective January 1, 2020, if you previously waived coverage for yourself and/or your eligible dependents.
- Waive medical, dental and/or vision coverage for 2020.

If you do not make a change to your medical, dental and/or vision coverage during the Open Enrollment period, you will automatically retain your current coverage and pay the 2020 contribution rate for your elected level of coverage.

You may enroll in one of the following coverage levels:
- Employee Only
- Employe + One
- Family

If you are covered under the medical, dental and vision plans, your covered dependents and level of coverage (Employee Only, Employee + One, or Family) may be different under each plan. Under the Employee + One coverage, you may enroll either a child or a spouse as your dependent.

CONSIDER THE OPTIONS

- What medical, dental and vision care have you and your family needed in the past and what type of coverage would best meet your needs in the future?
- If you’re married and your spouse is employed by another company that offers health care coverage, compare costs and plan features to determine which company’s coverage, or both, is right for you and/or your dependents.
- How much will you pay out-of-pocket for health care in 2020? Compare covered expenses, monthly contributions, copayments, coinsurance, deductibles, out-of-pocket limits, prescription drug costs, etc.
- Are you comfortable with your potential cost under a high deductible health plan in exchange for lower contributions and the opportunity to save for the future in a Health Savings Account (HSA)?
- Consider paying for your 2020 out-of-pocket medical, prescription drug, dental and vision care expenses, and certain over-the-counter expenses (prescription may be required) with pretax dollars by enrolling in a Flexible Spending Account (FSA) and/or an HSA.
Your Eligible Dependents

Generally, for medical, dental and vision coverage, your eligible dependents are your spouse* (unless legally separated) and your children under age 26. The Benefits Enrollment System requires the Social Security number and date of birth for any new dependent you enroll for coverage.

Eligible children include your natural and lawfully adopted children, children placed with you for adoption, stepchildren, foster children, and other children for whom you and/or your spouse have obtained primary legal custody, who live with you in a regular parent-child relationship and for whom you can provide required documentation.

*All legal marriages will be recognized for purposes of benefit eligibility.

Medical, Dental and Vision Coverage Changes After Enrollment

Once your 2020 medical, dental and vision elections become effective, you cannot change your coverage until the next Open Enrollment period unless you experience a change in status, including:

- Change in legal marital status
- Birth, adoption, placement for adoption or death of a dependent
- Employment status change
- Work schedule change
- Change in dependent coverage eligibility
- Change in eligibility under Medicaid or the Child Health Insurance Program (CHIP)
- Change of work or residence location
- Compliance with legal order

You can increase, decrease, stop or start coverage under the medical, dental or vision plans if the change you request is consistent with the event. To request a coverage change, you must email the Benefits department at CRCBenefits@crc.com and submit any required documentation within 31 days of the event, or within 60 days of a Medicaid or CHIP event.

The following pages summarize the provisions of the medical, dental and vision plans for 2020.

FINDING AETNA PROVIDERS IN YOUR AREA

To find local network providers under the Aetna medical options, the dental plan, and the vision plan options, go online to aetna.com. Logging in is not required. Click “Find a Doctor”, under “Guests” click “Plan from an employer”, Continue as a guest, enter location information, click “Search”, select the applicable plan, enter type of provider you are searching.

- Medical plan network name: Aetna Choice POS II (Open Access).
- Dental plan network name is Dental PPO/ PDN with PPO II.
- Vision plan network name is Aetna Vision Preferred.

You may also call Aetna at 877-278-0460 to speak with a customer service representative.

HEARING DISCOUNT PROGRAM

Participants with Aetna medical, dental, vision or FSA plan coverage are eligible for Aetna’s hearing discount program. It is offered at no cost to you and can provide substantial savings when you and your dependents use participating providers.

For more information, go to MyInfo.crc.com and under Benefit Resources select Health, Life and Disability Benefits > Medical and Dental Plan Information, then select Aetna Discount Programs.
The coverage level you select — Employee Only, Employee + One, or Family — and the medical option you choose — the Core Medical Plan, the High Deductible Medical Plan, or a Health Maintenance Organization (HMO) option — determine the amount of your pretax contribution.

**Aetna Medical Options**

Under the Core Medical and the High Deductible Medical plans, you may choose any doctor or hospital, and a referral is not required to see a specialist.

Benefits under either of these two Aetna plans are designed to help you pay for the cost of medical care and treatment and to protect you from extraordinary medical expenses. Depending on the plan you choose, using network providers, you will pay either a fixed dollar copay or a percentage of covered expenses after a deductible for most common expenses.

The Medical Plan Comparison provided with your Open Enrollment materials shows the monthly contribution amounts and annual deductibles under each option and compares other features of each plan such as drug coverage and annual out-of-pocket limits. Prescription drug coverage is provided through Express Scripts under these two Aetna plan options.

**HMO Medical Options**

CRC also offers medical coverage options through Health Maintenance Organizations (HMOs). Under an HMO, you normally select a primary care physician (PCP) to coordinate all of your care and you pay a preset copayment for each office visit or hospital stay. The copayments and monthly contributions vary by option. Covered medical services typically must be received from a specific network of doctors, hospitals and other medical providers associated with that organization, and a referral is typically required in order to see a specialist.

Coverage summaries, reflecting contributions and plan changes, are included with your Open Enrollment materials. If you wish to switch to a different HMO medical option or enroll for the first time, enrollment forms may be printed from the Benefits Enrollment system when you make your online medical enrollment election. You may also contact CRC Benefits to obtain a detailed enrollment packet.

**THE HIGH DEDUCTIBLE OPTION IS NOT FOR EVERYONE**

Though the High Deductible Medical Plan, with its lower monthly contributions and the tax-free aspects of an optional Health Savings Account (HSA), can be a wise choice for a broad range of employees, the financial risk of a high deductible plan is not for everyone. Those who frequently use health care services may find that this option is not their best choice. For more information, see the HSA section of this guide on page 8.

**KEEP IN MIND**

If you change medical options for 2020 and the prescription drug vendor is not the same as your current vendor, remember to request new prescriptions for maintenance drugs from your doctor.

**IMPORTANT**

If you select an HMO option, your completed paper enrollment form for the medical option you select online must be received by CRC Benefits before Open Enrollment closes. The Aetna options do not require paper enrollment forms.
The coverage level you select determines the amount of your contribution. The monthly contributions and annual deductibles are shown on the Aetna Dental PPO summary, included with the Open Enrollment materials. Your prorated contribution will be deducted each pay period on a pretax basis.

Through the Aetna Dental PPO/PDN with PPO II network, the plan offers cost savings when you use network dentists and pays a certain percentage of the network rate, depending on the treatment you receive. If you use non-network dentists, the plan pays the same percentage up to usual and customary charges which are typically higher than the network rates — so you pay more.

For preventive and diagnostic services, the plan generally pays 100% of covered expenses before the deductible (individual $50 and family $150). These services include routine examinations, cleanings (up to three per year) and annual bitewing X-rays. Generally, topical fluoride, sealants and semiannual bitewings are only covered for dependents under age 16.

After the deductible, the plan pays 80% of covered expenses for restorative services such as most fillings, extractions and periodontal and endodontic treatment.

For major services such as inlays, gold fillings, crowns and bridgework, the plan pays 50% of covered expenses after the deductible.

Orthodontic services are covered at 50% up to a maximum lifetime benefit of $2,500, with no deductible, for each covered dependent child under age 19.

For covered expenses, the plan will pay a maximum annual benefit of $2,000 for each covered individual with no lifetime maximum (excluding the separate lifetime orthodontic limit).

<table>
<thead>
<tr>
<th>KEEP IN MIND...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consider setting aside pretax dollars in a Healthcare Flexible Spending Account (FSA) or a Health Savings Account (HSA) to help pay for dental expenses incurred that exceed the Dental Plan maximums, such as for major services or orthodontia expenses.</td>
</tr>
</tbody>
</table>
Vision

The Vision Plan is designed to provide a greater variety of vision care services and make eyewear more affordable. It is a value-added benefit to CRC’s healthcare bundle. The plan is administered by Aetna.

**Aetna Vision℠ Preferred Plan Options**

The Vision Plan provides coverage for you and your eligible dependents. With your enrollment in either of the two options, you have the opportunity to save on eyeglasses, contacts and more.

CRC pays the cost for the Vision Basic coverage for all enrolled employees and their covered dependents. If you elect Vision Plus option, you pay the difference between the monthly cost of the Vision Basic and the Vision Plus options.

- **Vision Basic** - This company-paid benefit provides for vision services including an eye exam once every 12 months and benefits for lenses, frames and contacts every 24 months.

- **Vision Plus** - In addition to an eye exam, provides greater material frequencies, higher allowances for frames and contact lenses and lower lens copays. Your prorated contribution will be deducted each pay period on a pretax basis.

**KEEP IN MIND...**

No action is required if you want to keep the same option and level of coverage for 2020.

You may choose any vision provider for your care, but to keep your out-of-pocket costs down, consider an in-network provider. Aetna Vision℠ Preferred has partnered with EyeMed Vision Care to provide easy access to a broad network of providers.

The pre-tax monthly contributions for the Vision Plus option and details regarding the schedule of benefits for each option are provided with the Open Enrollment materials.
A Health Savings Account (HSA) is an alternative to traditional health insurance — it is a special, tax-advantaged savings account that works with a qualifying high deductible health plan such as the High Deductible Medical Plan. The HSA offers a way of saving money to pay for your current and future medical expenses.

When you enroll in the High Deductible Medical Plan, an HSA can be established for you which you can use to pay for qualified health care expenses or save for retirement. The money you save through the lower High Deductible Medical Plan contributions can help fund your HSA.

Under IRS rules, you may contribute to an HSA only if you enroll in a high deductible health plan (HDHP) and are not enrolled in other health insurance coverage that is NOT an HDHP (including, but not limited to, Medicare or coverage under your spouse’s medical plan), or be eligible to be claimed as a dependent on someone else’s tax return. You must also have a valid Social Security number and satisfy any federal banking account set-up procedures.

**HSA Contributions**

You may choose to make tax-free contributions to your HSA, up to the annual limits shown in the enclosed benefit rate charts, in one or both of the following ways:

- **Pretax payroll contributions:** Deductions will be made before federal taxes are taken from your paycheck. To use this method, elect an annual HSA contribution of at least $1 during your online enrollment and CRC will pay your monthly PayFlex HSA administration fee.

- **After-tax contributions:** You may send periodic or one-time after-tax contributions to PayFlex by check or through electronic funds transfer from your bank account. You can contribute any time during the year, or up until April 15th of the following year, then claim your after-tax contributions as a deduction when you file your tax return. Contact PayFlex directly to set up your account unless you also elect an HSA payroll contribution. Alternatively, you may set up an HSA at a local bank or credit union, and you will be responsible for any associated fees.

Making contributions to fund your HSA is voluntary— you may enroll in the High Deductible Medical Plan without contributing to or establishing an HSA.

**Annual HSA Contribution Limits**

The IRS sets the HSA maximum allowable annual contribution amounts, which are indexed and adjusted each year. See the Medical Plan Comparison for this year’s maximum HSA contribution amounts.

**YOU OWN YOUR HSA**

Unlike a Flexible Spending Account (FSA), an HSA has no “use it or lose it” rule. Money remaining in the account at year-end rolls over to the next year. You own your HSA, so you keep it, even if you change health plans or jobs.
QUALIFYING EXPENSES & MORE

You may use your HSA to pay for qualified health expenses allowed by the IRS. Certain expenses not covered under CRC’s medical plans may still be considered by the IRS as “qualified” for payment with HSA dollars. For a list of qualified expenses and additional information regarding HSAs, go to PayFlex.com, and under Products & Services, select Health Savings Account (HSA).

Note: In order to pay for expenses for dependents using your HSA, the dependents must qualify as tax dependents, or the distribution must be reported as taxable income and an additional 20% penalty tax will apply.

HSA Investment Options

Account and investment services are provided by PayFlex. Review the HSA Investments Flyer on PayFlex.com under Products & Services, select Health Savings Account > Educational Tools.

Build Your Nest Egg

An HSA not only can help you pay for current health care expenses on a tax-free basis, it can be a powerful tool to help you build long-term savings for your retirement. This is because an HSA provides tax benefits beyond those of other tax-deferred savings vehicles. Contributions to an HSA are excluded from taxable income — even withdrawals are tax-free when used to pay for qualified health care expenses.

You may choose to pay for your current expenses out-of-pocket and let your HSA grow and accumulate earnings tax-free for future expenses like long-term care premiums or health expenses during retirement. If you pay for your medical costs with after-tax money, or you remain healthy and don’t need to withdraw from your HSA, your balance can increase by investment earnings that accumulate tax-free. You may then use the money in the account to supplement your retirement income. When you reach age 65, withdrawals can be made for non-medical purposes but are taxed as ordinary income. Funds used for qualified medical expenses are never taxed.

If you are seeking additional opportunities to build retirement savings, HSAs offer a unique and innovative vehicle for both accumulating wealth and managing health expenditures, all on a tax-favored basis.
Flexible Spending Accounts Overview

A Flexible Spending Account (FSA) lets you pay for certain health care and dependent care expenses with pretax dollars. The plan is administered by PayFlex.

Regardless of whether or not you elect to participate in the medical, dental and/or vision plan, you may participate in a Health Care FSA, a Dependent Care FSA, or both, if you enroll during the 2020 Open Enrollment period.

FSAs operate on a calendar year basis — January 1 through December 31. Each year, you must decide how much to set aside in one or both of the following account types:

- **Health Care FSA** is used to pay for health care expenses that are not paid or reimbursed from other sources, such as your or your spouse’s medical, dental, or vision plans.
- **Dependent Care FSA** is used to pay for child daycare (age 13 years or under), elder daycare and care for other eligible individuals, which enables you and your spouse to work outside the home.

### How FSAs Work

The amount you elect to contribute to each account will be deducted automatically from your paycheck before Social Security, federal income and most state income taxes are calculated and withheld. This means your taxable pay is reduced by what you contribute to an FSA, resulting in lower taxes.

You may use the PayFlex-issued account debit card to pay for qualified expenses or pay out-of-pocket for the expense and then submit a claim to the claims administrator (PayFlex) to pay yourself back from your account. An example of how a Flexible Spending Account can save you money is shown to the right.

**THE TAX SAVINGS ADVANTAGE**

**EXAMPLE:** Assume you expect $2,000 in out-of-pocket medical, dental and vision expenses, earn less than the annual Social Security wage base, pay federal income taxes of 15% and state taxes of 5%, and you don’t take a tax deduction for these expenses.

<table>
<thead>
<tr>
<th></th>
<th>with an FSA</th>
<th>without an FSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money set aside</td>
<td>$2,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>Less taxes paid:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal 15%</td>
<td>0</td>
<td>300</td>
</tr>
<tr>
<td>State 5%</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>Social Security 7.65%</td>
<td>0</td>
<td>153</td>
</tr>
<tr>
<td>Amount available to cover expenses</td>
<td>$2,000</td>
<td>$1,447</td>
</tr>
</tbody>
</table>

You could either have $2,000 in pretax dollars to pay for those expenses, or you could pay $553 in taxes on that money, reducing your net buying power to only $1,447. Or, put another way, without a pretax account, you would need $2,000 of taxable income to cover $1,447 in expenses.

**FSAs REQUIRE ANNUAL ENROLLMENT**

If you want to contribute to a Health Care or Dependent Care FSA in 2020, you must make your elections during the 2020 Open Enrollment period, even if you contributed to an FSA during 2019. FSA enrollments **do not automatically continue** from one year to the next.
How Much You Can Contribute

Each year the IRS sets limits to the amounts that you can contribute to FSAs each year, as shown below. Contributions to an FSA are deducted each pay period. During your online enrollment, you will elect the annual amount you wish to contribute.

<table>
<thead>
<tr>
<th>SPENDING ACCOUNT TYPE</th>
<th>ANNUAL LIMIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Care FSA</td>
<td>$2,700*</td>
</tr>
<tr>
<td>Dependent Care FSA**</td>
<td></td>
</tr>
<tr>
<td>Single or married filing a joint tax return</td>
<td>$5,000</td>
</tr>
<tr>
<td>Married filing a separate tax return</td>
<td>$2,500</td>
</tr>
</tbody>
</table>

*As of the issue date of this guide.

**Your family’s combined contributions to all Dependent Care accounts (including your spouse’s) may not exceed these limits in a calendar year.

Direct Deposit Option

You may elect to have your FSA reimbursements directly deposited to your checking or savings account. You may elect this feature for your Health Care and/or Dependent Care FSAs when you register and sign in to your account at PayFlex.com and select Link a Bank Account under Accounts Actions.

Changing Your Contribution Amount

Once you submit your FSA election for the plan year, you may not stop or change your contribution amount unless you experience a change in status (see page 4 for a list of qualifying events), and the change you elect is consistent with the event. A change in dependent care provider is not considered a status change.

Other Important Information

Make sure you understand the FSA requirements and elect your contributions carefully. **If you do not use all the money in your FSA(s), you will lose it.** IRS regulations require that you forfeit any unspent money at the close of the plan year.* Forfeitures cannot be deducted on your income tax return.

Under CRC’s plans, all eligible expenses must be incurred from January 1, 2020 through December 31, 2020. Claims must be received by PayFlex on or before March 31 of the following year or you will not be reimbursed.

The IRS requires that FSAs pass certain nondiscrimination tests. This may result in a portion of the contributions for some highly compensated employees to be taxable. If this occurs you will be notified.

*The Health Care FSA does not provide for a 2+ month grace period nor does it have a carry-over provision.

MEET PETE, THE PAYFLEX INTERACTIVE VIRTUAL ADVISER

Use PayFlex System’s interactive virtual adviser to help you review the guidelines for estimating expenses and calculate how much to contribute to an FSA. Go to PayFlex.com and select Flexible Spending Accounts from the Products & Services tab.
Eligible Expenses

Eligible health care expenses are generally those that:

- Are incurred by you, your spouse, your children under age 26 including your natural children, stepchildren, lawfully adopted children, children placed with you for adoption; and any other person whom you claim as a dependent on your federal income tax return,
- Qualify as health care expense deductions for federal income tax purposes,
- Are not claimed as an itemized health care expense deduction on your federal income tax return, and
- Are not reimbursed to you or paid to your health care provider(s) from any other source.

DECIDING ABOUT A HEALTH CARE SPENDING ACCOUNT

- How much did you spend in 2019 for out-of-pocket health care expenses that were not reimbursed under a medical or dental plan or any other source?
- Think about your expected eligible health care expenses for 2020. Wouldn’t you rather save money by paying for these expenses with pretax dollars?
- Keep in mind that you must have a prescription to submit over-the-counter medications for reimbursement under an FSA.
- Estimate your FSA contributions carefully. If you don’t use it by year end, you’ll lose it.
- If you also enroll in a Health Savings Account in 2020, carefully read the Limited Purpose FSA with an HSA information on the next page.

EXPENSES PAID IN ADVANCE

Generally, expenses for longer-term treatment may only be reimbursed for those expenses you incur in 2020 as services are rendered, not for costs incurred for services not yet rendered, regardless of the payment schedule you’ve established with your provider. However, the IRS has issued guidance that specifically allows for FSA reimbursement of orthodontic expenses that are paid in advance of services being rendered.
**Health Care FSA vs. Itemized Deductions**

You cannot take a tax deduction for the same expenses reimbursed to you through an FSA. A federal income tax deduction can only be taken to the extent that unreimbursed medical expenses exceed 10% of your adjusted gross income. Unless you expect substantial out-of-pocket health care expenses, you may want to consider a Health Care FSA. If you are unsure which option to choose, consult a tax adviser.

**Limited Purpose FSA with an HSA**

While a Health Savings Account (HSA) offers tax savings opportunities and other advantages, there are IRS restrictions on how HSAs may be used in conjunction with a Health Care FSA. If you enroll in an HSA and in a Health Care FSA, it must be a Limited Purpose FSA. Most health care expenses cannot be paid from a Limited Purpose FSA until your medical plan deductible is met. Limited Purpose FSA funds can, however, be used to pay first-dollar coverage of dental, vision and certain preventive drugs and services.

Before you meet your High Deductible Medical Plan deductible... the only things you may reimburse from your Limited Purpose FSA are your out-of-pocket expenses for dental, vision and certain preventive drugs and services.

After you meet your High Deductible Medical Plan deductible... you may use your Limited Purpose FSA for all qualified health care expenses. These include IRS-approved medical expenses not covered under CRC’s plan. But remember, you can always use your HSA to reimburse all of the expenses currently reimbursable under a regular FSA, plus certain health-related premiums.

Your PayFlex-issued debit card can be used for both your HSA and your Limited Purpose FSA expenses. The annual contribution limits are the same for a regular and Limited Purpose FSA. Keep in mind that any money remaining in an FSA at the end of the year is forfeited. Employees enrolling in an HSA should take extra care in deciding how much money, if any, to place in a Limited Purpose FSA for health care.

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**FSA ELIGIBLE EXPENSE EXAMPLES**

This section covers several types of FSA accounts, including the regular Health Care FSA, Limited Purpose Health Care FSA and Dependent Care FSA. To help you estimate the amount you want to contribute in 2020, consider the expenses that are eligible for reimbursement. Out-of-pocket medical, dental, vision, and prescription drug expenses such as office visits, drug copayments, annual deductibles, eyeglasses, over-the-counter drugs (with a prescription), certain other over-the-counter supplies and equipment such as bandages and humidifiers qualify under a Health Care FSA.

Under Dependent Care FSA, in addition to expenses for at-home care or licensed day-care centers, expenses for summer camps and preschools may be eligible for reimbursement.

For a more complete list of qualified expenses, go to PayFlex.com and under Products & Services, select Flexible Spending Accounts (FSAs) > Eligible Expenses.

To access FSA claim forms or submit claims online, log on to PayFlex.com.
Dependent Care Spending Account

Eligible Expenses

Generally, eligible dependent care expenses are those that are incurred for a:

- **Qualifying child*** under age 13 who can be claimed as a dependent on your federal tax return, or
- **Qualifying relative*** (e.g., child, sibling, grandparent, parent) who is physically or mentally incapable of caring for himself or herself, and lived with you for more than half of the taxable year;

And the expenses are for:

- **Day care received in your home**, as long as you cannot claim your care provider as a dependent for federal income tax purposes or the provider is not one of your children under age 19 at the end of the year, or
- **Day care received outside of your home**. However, any care facility that cares for more than six persons at the same time must comply with all applicable state and local government laws and regulations and must be properly licensed.

As a rule, eligible expenses are those you incur so that you can work. If you are married, both you and your spouse must be employed, or your spouse must be a full-time student.

*As defined in the Internal Revenue Code.

Examples of Dependent Care Expenses

In addition to expenses for at-home care or licensed day-care centers, expenses for summer day camps and preschools may be eligible for reimbursement. Eligible expenses are based on IRS guidelines contained in IRS Publication 503, Child and Dependent Care Expenses.

CAUTION BEFORE YOU ENROLL

A Dependent Care Spending Account is **not** for dependent medical care expenses. **Do not enroll** in this plan unless you expect to incur eligible expenses (e.g., expenses for **day care**).

DECIDING ABOUT A DEPENDENT CARE SPENDING ACCOUNT

- Will you have dependent day care expenses in 2020?
- Compare the advantages of a Dependent Care FSA with the federal dependent care tax credit to see which approach provides you with the better tax advantage.

FSA vs. Income Tax Credit

When you file your federal tax return, the IRS allows a tax credit on the same kinds of expenses that qualify for a Dependent Care FSA. You may not take the tax credit for the same expenses reimbursed through a Dependent Care FSA, but you may be able to split your eligible expenses between a Dependent Care FSA and the tax credit.

You can estimate which method will work to your advantage. In most cases, you will have higher tax savings from a Dependent Care FSA or a combination of a Dependent Care FSA and the tax credit. However, depending on your income, your individual tax situation will determine which method results in the greater tax savings. To determine the best method for you, consult your tax adviser.

Changing Your FSA Contribution Amounts

After Open Enrollment closes, **you may not start, stop or change your contribution amount unless you experience a change** in status event (see page 4 for a list of qualifying events).

If you have a status change during the year, you have 31 days from the date of the event to enroll or make changes to your current elections. Your election change(s) must be consistent with the status event. To request a change to your FSA, you must email the Benefits department at CRCBenefits@crc.com.

Note: A change in day-care provider does not qualify as a status change.
Voluntary Benefits

Accidental Death & Dismemberment

The Accidental Death & Dismemberment (AD&D) plan provides 24-hour coverage for you, your spouse and your eligible dependent children in the event of death, or loss or paralysis of limb(s), resulting from an accident. You pay the entire cost for your coverage through after-tax payroll deductions.

No action is required to retain your current coverage. You may enroll in, change, or cancel your AD&D coverage at any time during the year.

Coverage Amounts

You may purchase AD&D coverage from 1 to 10 times your annual base pay up to a maximum of $1 million. If you enroll, you may also purchase spousal coverage equal to 50% or 100% of your elected coverage amount up to a maximum of $1 million. When enrolled, each of your dependent children up to age 26, is automatically covered for $10,000 at no additional cost.

Cost of Coverage

The AD&D monthly contribution rates are $0.019 per $1,000 of coverage per month. Your per-pay-period contribution amounts for the available levels of employee and spousal coverage will be displayed in the online enrollment system.

For details, review the Summary Plan Description posted on MyInfo.crc.com.

MetLaw Group Legal Services

MetLaw, MetLife’s group legal plan available through Hyatt Legal Plans, provides access to a broad network of attorneys for those times in life when you may need the advice of a qualified attorney. For unlimited access, you pay a low monthly cost through after-tax payroll deductions. The plan provides a variety of services for yourself and your immediate family, such as:

- Estate planning, including last will, living trust, financial power of attorney
- Family matters, such as child support, eldercare and immigration assistance
- Finance, including bankruptcy, contracts, and tax audit representation
- Real estate, for issues such as home equity loans and property tax assessment

No action is required to retain your current coverage. Your 2020 election will remain in effect the entire year. This election may not be changed until the next Open Enrollment period.

Cost of Coverage

No matter how many times throughout the year you use the services of a network attorney for covered legal matters, all you pay is your monthly premium, no copays and no deductibles. The monthly contribution rate for MetLaw is $18.00.

TYPES AND AMOUNTS OF LIFE INSURANCE

- How much would your life insurance and/or disability insurance provide if you or your spouse died or were severely injured in an accident? Coverage available under the AD&D plan can provide additional support after a covered accident on or off the job.
- Do you have other financial assets (such as savings or investments) that could provide income to support your family in such an event?
IMPORTANT THINGS TO REMEMBER...

- You will retain your current medical, dental, vision, AD&D and Group Legal Services coverage in 2020 unless you make a change.

- Don’t wait until the last minute. If you newly enroll in an HMO medical plan, the CRC Benefits Department must receive your completed paper enrollment form before Open Enrollment closes.

- If you want to contribute to a Flexible Spending Account (FSA) or Health Savings Account (HSA), you must enroll to participate in 2020—your current elections do not automatically continue to next year.

- In most cases, your 2020 elections under the medical, dental, vision, FSA and Group Legal Services plans are irrevocable after the Open Enrollment period closes, unless you have a change in qualifying status during the year.

- Until Open Enrollment closes, you may re-enter the Benefits Enrollment system and change your prior elections. You must select Submit again to process any changes to your elections.

Questions?

If you have questions about Open Enrollment or your benefits, email the Benefits department at CRCBenefits@crc.com. Also refer to the materials provided with this Open Enrollment Brochure and posted on the MyInfo website.

Make your 2020 Benefits Enrollment elections by logging onto:
MyInfo.crc.com

Benefits Department Email
CRCBenefits@crc.com

Benefits Department Mailing Address
California Resources Corporation
ATTN: Benefits Department
P.O. Box 2900
Long Beach, CA 90801-2900
### Go Mobile

Stay on track with your benefits by downloading mobile apps from your smartphone App Store. Access your important benefit information whenever and wherever you want, including virtual ID cards, claims information, account balance activity and many other services.

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<th>MOBILE APP</th>
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This Enrollment Guide contains only a partial summary of CRC’s benefit plans and programs. Please refer to the Summary Plan Descriptions for more complete information. The plans and programs are administered according to plan documents, including trust agreements and contracts with third party providers, as well as company policies. With the exception of changes announced in subsequent issues of benefits newsletters and other publications, if any discrepancy arises between this guide and the legal plan documents, the plan documents, contracts or trust agreements will apply. CRC does not promise that these benefit plans and programs or any level of benefits will continue to be made available. CRC reserves the right to revise, amend or discontinue any of its benefit plans or programs at any time, with or without notice. Benefits are provided at the sole discretion of CRC and do not create a contract of employment.