



## 2016 U.S Benefits Annual Enrollment November 2–13, 2015

PayPal's people are making a difference and touching the lives of our customers every day. To deliver on our purpose and fiercely champion our customers, we're focusing on growing a company where inclusion and wellness are prioritized. Your People Team (formerly HR) has made changes to the 2016 Benefits that we're excited to share here.



The Annual Benefits Enrollment period will take place from November 2–13, 2015. Any changes to your elections will take effect on January 1, 2016. This is a once-a-year opportunity to review your benefits and make changes (as only certain types of changes are allowed outside of annual enrollment, such as birth, marriage, etc.). Even if you aren't making any changes yourself, there are important updates being made to your Health Plans, Life and Disability Coverage, and Time-Off

Programs, so please review this information carefully when reviewing your benefits for next year.



Also, enrollment is required each year if you'd like to contribute to a Flexible Spending Account (FSA) or Health Savings Account (HSA).

We encourage you to learn more by visiting [www.paypalbenefits.com](http://www.paypalbenefits.com) for a full list of changes.

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### Things You Need to Know

Even if you don't plan to make changes to your current coverage, aspects of your coverage may change. Be sure to review this information to understand what changes may be taking place with your coverage in 2016.

**PayPal employees have access to an exceptional range of benefits programs. Check out the 2016 Summary of Benefits at [www.paypalbenefits.com](http://www.paypalbenefits.com) to help you get the most out of them. You'll find the information you need to choose programs that work for you and your family, such as comparisons of health care plans, details about dental, vision, flexible spending accounts and our 401(k) plan as well as resources such as Advocacy Services and Expert Medical Opinions.**

# What's New for 2016

## Medical Plan Changes

### All Blue Shield Plan Participants

#### New ID Cards

Blue Shield is migrating the claims processing system, and as a result all PayPal plan participants will receive new plan ID cards with a new member ID and group number (W0052325). Your Blue Shield website access will remain the same. ID cards will arrive at your home address in mid-December. Please use your new ID card as of January 1, 2016.

#### Fertility Benefits

PayPal's Blue Shield health plans will now provide fertility benefits for cryopreservation and storage of oocytes and/or embryos supporting individual lifestyle/reproductive decisions.

#### Gender Affirmation Surgery

PayPal's Blue Shield health plans currently have a \$75,000 lifetime limit, which will be removed starting in 2016, meaning that there is now no lifetime limit. Please refer to the plan's Summary Plan Description on the Bridge for a list of covered services.

#### Formulas and Special Food Products

PayPal's Blue Shield plans will now have applicable coinsurance for these products after the deductible.

### Blue Shield PPO 300 and PPO 750 Plan Participants

#### Out-of-Pocket Maximum

The medical and pharmacy plans will now have a combined medical and pharmacy out-of-pocket maximum (previously separate).

#### Prescription Copay Change

The brand non-formulary prescription copay will change from \$35 to \$40.

### 2016 Out-of-Pocket Maximums

Blue Shield of CA	PPO 300	PPO 750	CDHP with HSA
Individual	\$2,300	\$3,250	\$3,000
Family	\$4,900	\$6,500	\$6,000

### Blue Shield EPO and Kaiser HMO (CO) Plan Participants

During last year's Annual Enrollment we announced that the **Blue Shield EPO** and **Kaiser HMO CO** Plans would be discontinued in 2016. Current plan participants were grandfathered into the plan. Employees need to select a new health plan option for 2016 during the Annual Enrollment period. Those employees who don't update their health plan selection during the Annual Enrollment period will be automatically enrolled in the PPO 300 medical plan and currently covered dependent information will carry forward.

### Blue Shield PPO 750 Plan Participants

To further align our health plan offerings and provide competitive benefits, the **PPO 750** health plan will be discontinued as of 2017. Current enrollments will be grandfathered for 2016; however, no new enrollments will be allowed starting in 2016. The PPO 300 is a similar plan choice.

### Blue Shield CDHP with Health Savings Account Update

The annual family maximum contribution has increased from \$6,650 to \$6,750. The annual employer contribution towards the Health Savings Account will now be funded as of the first paycheck of the year, January 8, 2016. Employee contributions will continue to be withheld on a per-pay-period basis.

### 2016 Employee Costs Per Pay Period

	Employee	Employee + Spouse/Partner	Employee + Child(ren)	Employee + Family
Blue Shield of CA PPO 300	\$45	\$154	\$130	\$219
Blue Shield of CA PPO 750	\$39	\$124	\$116	\$161
Blue Shield of CA CDHP with HSA	\$40	\$128	\$120	\$166
Kaiser HMO (CA)	\$36	\$120	\$ 98	\$169
Health Net HMO (AZ)	\$45	\$159	\$134	\$226
SelectHealth HMO (UT)	\$40	\$128	\$106	\$181
Delta Dental	\$ 6	\$ 12	\$ 14	\$ 20
VSP Vision	\$ 1	\$ 3	\$ 3	\$ 4

# What's New for 2016

## Dental Plan Changes

The Dental plan annual maximum has been increased from \$2,000 to \$2,500. The lifetime maximum for orthodontia coverage has also been increased from \$2,000 to \$2,500.

## Vision Plan Changes

The PayPal Vision plan will now provide a LASIK allowance of \$1,000 for plan participants. LASIK was not previously covered under the plan. Consider a VSP network provider for preferred pricing and a Health Care Flexible Spending Account to assist with your share of the cost for this procedure.

## Financial Security

### Flexible Spending Accounts

The Health Care Spending Account annual election has increased from \$2,500 to \$2,550 for 2016.

As a reminder, the PayPal health care spending account has a \$500 rollover feature. Current plan participants can carry over up to \$500 of your unused 2015 balance into a 2016 plan year account. The amount of carryover will automatically be added to your new plan year account and immediately be available to pay for qualified medical expenses. This amount will not count toward the annual IRS maximum contribution amount. This means you'll still be able to contribute up to a maximum of \$2,500 tax-free each year, regardless of how much money is carried forward from year to year.

### Life Insurance and Accidental Death and Dismemberment (AD&D)

#### Basic Life and AD&D

Currently, our company-provided life insurance and AD&D benefit is two times your salary to a combined maximum of \$2,000,000. These two benefits will now have a separate maximum of \$2,000,000 each.



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### Optional Life and AD&D

Employees may enroll in the optional life insurance program for coverage equal to 1–6 times base salary (maximum \$2,000,000). Any increases made during the Annual Enrollment period above one time salary or \$300,000 will require an Evidence of Insurability (health questionnaire) to be completed and reviewed. You will be notified once your request has been reviewed and your current coverage (and corresponding payroll deduction) will remain in effect until your optional coverage has been approved by MetLife.

### Adoption Assistance

Adding to your family by adopting a child is wonderful and exciting. However, we know it also involves a lot of planning, legal work and expense. PayPal will help you offset those costs with our Adoption Assistance program. You can now get reimbursed up to \$10,000 for eligible expenses (previous benefit was \$5,000).

## Questions?

Contact Aon Hewitt Your Benefits Resources at 1-844-474-6641.

# What's New for 2016

## Time-Off Programs

As people pass through various life stages, their time-away needs change. Effective January 1, 2016, we're providing additional support and giving our U.S. employees paid time off at times that matter.

### Enhanced Maternity Benefit

Expectant birth mothers will receive 100% of base pay for up to the first eight weeks of time away from work, while disabled by pregnancy. This new benefit will be coordinated with any other benefits that may be payable, such as Short-Term Disability or any statutory programs.

### Paid Bonding Leave

This new benefit will be available to all mothers, fathers, same-sex spouses and domestic partners, providing 100% paid time to bond with their newborn or newly placed child. Paid Bonding Leave will be available for up to eight weeks within the first year of the birth or placement of the child and can be taken at one time, or in increments with manager approval.

### Paid Family Care Leave

The new Paid Family Care Leave program allows time to care for seriously ill family members. Employees will be eligible to receive 100% of base pay for up to eight weeks to care for a sick spouse, child or qualifying parent, when certified as the primary care giver.

### Paid Sick Leave (PSL)

Employees can use five Paid Sick Leave days per year for their own illness or to take care of a sick family member. Unlike PTO, PSL days will not carry over to the next year, but will be replenished so that five days are available at the beginning of each year.

### Tracking-Free Vacation (TFV)

Exempt employees will be moved to our new Tracking-Free Vacation policy. Employees with TFV will self-manage vacation and work with their managers to schedule time off.

### Give Time

Through our charitable giving **PayPal Gives** initiative — PayPal Gives — we encourage active participation in the communities in which our teams work and live. In this spirit, eligible employees will be paid 100% of base pay for up to five days per year to volunteer, if it is at a qualifying community-based organization, and the Give Time has been planned in advance with the employee's manager. Give Time is available to employees after one year of employment and the days are in addition to Paid Sick Leave and Paid Time Off/Tracking-Free Vacation.

### Holidays

PayPal will observe ten (10) holidays in 2016. The floating holiday will be discontinued.

Friday	January 1	New Year's Day
Monday	January 18	Martin Luther King Day
Monday	February 15	President's Day
Monday	May 30	Memorial Day
Monday	July 4	Independence Day
Monday	September 5	Labor Day
Thursday	November 24	Thanksgiving Day
Friday	November 25	Day after Thanksgiving Day
Monday	December 26	Christmas Day (Observed)
Friday	December 30	Company-Designated Holiday

Visit [www.paypalbenefits.com](http://www.paypalbenefits.com) to learn more about 2016 updates, watch videos such as the CDHP with HSA overview, and view and download FAQs.

