

Note: In this print-friendly version, definitions and other popup information are not on each page, but instead, can be found at the end of this document in alphabetical order. (In the interactive version, popups provide definitions of words that are capitalized or **orange**, as well as other important information.)

The **Union Severance Pay Plan** is designed to offer severance benefits to eligible **Union employees** whose employment is terminated as a result of a Company **Layoff** and who receive a **Notice of Layoff**. There are two levels of [benefits under this program](#) – Regular Severance Benefits and Enhanced Severance Benefits.

Severance benefits are provided under the PNM Resources, Inc. Union Severance Pay Plan (the “Plan” or the “Union Severance Pay Plan”).

This website is the Summary Plan Description (SPD) for the Union Severance Pay Plan and is effective January 1, 2016. It applies only to eligible Union employees of PNM Resources, Inc. and its participating subsidiaries and Affiliates (“PNM Resources” or the “Company”) who are represented by Local 611 of the International Brotherhood of Electrical Workers, AFL-CIO.

Benefits received from the Union Severance Pay Plan are not independent of benefits received from the [Employee Retention Plan](#) and the [Non-Union Severance Pay Plan](#) and you cannot receive benefits under more than one plan. If you have questions about the Union Severance Pay Plan, contact the [PNMR Services Company Benefits Department](#)

¿No Entiende Ingles?

Haga clic [aquí](#).

Eligibility

To be eligible for benefits from the Union Severance Pay Plan, you must:

- Be a **Union employee**
- Be selected for **Layoff**
- Receive a **Notice of Layoff**
- Be subsequently terminated by the **Company**
- Not be **specifically excluded**

In addition, you must be **ineligible** for benefits under the following plans or arrangements:

- PNM Resources, Inc. Employee Retention Plan
- PNM Resources, Inc. Benefits My Way Program 12, Non-Union Severance Pay Program
- Any successor severance benefit or payment plan otherwise available to you

- Any other severance, retention or change in control plan, program or agreement sponsored by the Company

Benefits

The Union Severance Pay Plan offers severance pay, extended health care coverage, life insurance benefits and placement assistance. Severance pay and placement assistance are provided as one-time, lump sum payments.

Below are the benefits available under the Plan:

	Severance Pay	Medical, Dental & Vision	Life Insurance	Placement Assistance
Regular Severance Benefits	Two (2) months of Base Pay plus One additional week of Base Pay for each Year of Service	Coverage extended for three (3) months immediately following the employee's termination date	Coverage in the face amount of \$10,000 provided for the three (3) month period following the employee's termination date at no cost to the employee	Lump-sum amount equal to 5% of the employee's annual Base Pay
Enhanced Severance Benefits*	Four (4) months of Base Pay plus One additional week of Base Pay for each Year of Service	Coverage extended for six (6) months immediately following the employee's termination date	Coverage in the face amount of \$10,000 provided for the six (6) month period following the employee's termination date at no cost to the employee	Lump-sum amount equal to 10% of the employee's annual Base Pay

* Enhanced Severance Benefits only are payable if you execute a valid **Release Form** and a union **Addendum**.

Enhanced Severance benefits only are payable if you execute a valid [Release Form](#) and a union [Addendum](#).

Payment of Benefits

Generally, a lump-sum payment of severance pay and placement assistance will be paid no later than five business days of your employment terminating or seven days after you return a signed [Release Form](#) and a union [Addendum](#).

Any employee contributions that were required for medical, dental and vision coverage before your employment terminated will continue to be required during the continuation period. If a medical, dental and/or vision insurance premium was being deducted from your paycheck, a lump sum deduction for the entire continuation period will be taken from your severance check.

If you are rehired by the Company during the continuation period, medical, dental, vision and life insurance benefits under the Plan will terminate. If you are rehired, the Company may require you to repay some or all of the benefits received under the Union Severance Pay Plan as a condition of reemployment, as described below:

- If you received Regular Severance benefits, the Company will not require you to repay any benefits received
- If you received Enhanced Severance Benefits, the Company will require you, as a condition of reemployment, to repay the pro-rata difference between the benefits you received under the Enhanced Severance Benefits and the benefits you would have received if you had instead received Regular Severance Benefits.

Claims Procedure

Initial Claim

A claim for benefits under the Union Severance Plan must be submitted to the [PNMR Services Company Benefits Department](#). For details about filing medical, dental or vision claims, see the applicable [medical, dental or vision summary plan description](#).

Notice of Decision

The Benefits Department will write you with its decision within a reasonable period of time, but not later than 90 days of receiving your claim. Under special circumstances, if the Benefits Department needs more time to decide, you will receive a letter before the end of the original 90-day period advising you of the need for a 90-day extension. The

extension notice will indicate the special circumstances that require the extension of time and the date by which the Benefits Department expects to make a decision. The Benefits Department must decide on your claim within 180 days of receiving it.

If a claim is denied, you can file an [appeal](#).

Appeal Procedure

If all or part of a claim for benefits is denied (including, but not limited to, whether your termination was for **Reasonable Cause**), the **PNMR Services Company Benefits Department** will notify you in writing or electronically. The written or electronic denial letter will include:

- The specific reasons for the denial
- References to the specific Plan provisions on which the denial is based
- A description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary
- If an internal rule, guideline, protocol or other similar criterion was relied upon, either the specific rule, guideline or protocol or a statement that it will be provided free of charge upon request
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the claim
- A description of the appeal procedure, including the time limits
- A statement of your right to bring an action under section 502(a) of ERISA

If you disagree with a claim denial, you must follow the procedures described below. If you do not, you may give up legal rights. You may, at your own expense, have an attorney or other person act on your behalf during an appeal, but the PNM Resources Benefits Governance Committee reserves the right to require a written authorization from you.

Step 1 - Union Grievance and Arbitration

You may not file an appeal under the Plan until you have exhausted the Union grievance and arbitration procedures, if applicable. For example, if you dispute a termination for Reasonable Cause, you must follow the Union grievance and arbitration procedures before you file an appeal. The sixty (60) day period by which you must file an appeal will not begin to run until you complete the Union grievance and arbitration procedures.

Step 2 - Filing an Appeal

Once you have exhausted the Union grievance and arbitration procedures, if your claim still is denied, you can file an appeal:

Submitting – All appeals must be in writing. Send your written appeal request to the [PNM Resources Benefits Governance Committee](#) (use the address listed under "Plan Administrator")

Timing – In all cases, an appeal must be received by the Committee within 60 days of the date you received the original claim denial

What to include – In your appeal letter, explain why you are requesting a review and include any supporting documentation, records or other information relating to your claim

Access to information – During all stages of an appeal, if needed, you or your representative can call or write the Committee and ask to see or get copies of all plan documents, records and other information **relevant** to your claim. These materials must be provided free of charge

About the appeal process – The appeal process will take into account all information regarding the denied claim (whether or not presented or available when the original decision was made) and the original decision will not be given any weight

Response – Following receipt of your appeal, you will be provided with a written or electronic notice of the decision within 60 days of receiving your appeal letter. Under special circumstances, the Committee may need more time to decide. If so, before the end of the original 60-day period, you will receive a letter advising you of the need and reason for additional time and the date by which you can expect a decision from the Committee. The Committee has to decide within 120 days of receiving your appeal letter

If your appeal is denied – If your appeal is denied, the Committee will provide a written or electronic denial letter that includes:

- The specific reasons for the denial
- References to the specific Plan provisions on which the denial is based
- If an internal rule, guideline, protocol or other similar criterion was relied upon, either the specific rule, guideline or protocol or a statement that it will be provided free of charge upon request
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the claim
- A statement of your right to bring an action under section 502(a) of ERISA

To the extent permitted by law, a decision on review or appeal is binding and conclusive on all persons.

Legal Action

To the extent permitted by law and unless waived by the Committee, you must follow the Plan's claims and appeals procedures before taking any legal or equitable action against the Plan. In addition, any legal or equitable action must be filed within two years of the date you receive the final appeals decision from the Committee or, if earlier, when the shortest applicable statute of limitations expires.

When Coverage Ends

See the applicable [medical, dental or vision summary plan description](#) for details. It will include information about the right to continue coverage under COBRA (a federal law) when coverage under the medical, dental and vision programs end for you or a covered dependent. Any continuation under COBRA will not begin until the expiration of the [three or six months](#) (whichever applies) of continued medical, dental and vision coverage provided under this Plan.

Other Important Information

Plan Name, Number & Type of Plan

The official plan name is the "PNM Resources, Inc. Union Severance Pay Plan" and its official plan number is 609. The Plan is a self-funded severance pay plan.

Plan Sponsor Identification Number

The Plan Sponsor is PNM Resources, Inc. and its employer identification number (EIN) is 85-0468296. Contact the Plan Sponsor at:

PNM Resources, Inc.
PNMR Services Company Benefits Department
Corporate Headquarters
Albuquerque, NM 87158-0745
Phone: 505-241-4919 or toll-free 800-640-4692

Plan Administrator

The Plan Administrator oversees the operation and records of the Plan, construes and interprets Plan provisions and authorizes benefit payments. Duties and responsibilities of the Plan Administrator are handled by the PNMR Services Company Benefits Department and the Company's Benefits Governance Committee. In the case of Severance benefits, the PNMR Services Company Benefits Department handles claims and the Company's Benefits Governance Committee handles appeals. Contact the Plan Administrator or the Benefits Governance Committee at:

Plan Administrator of (or "Benefits Governance Committee for") the PNM Resources, Inc. Union Severance Pay Plan
c/o PNM Resources, Inc.
PNMR Services Company Benefits Department
Corporate Headquarters
Albuquerque, NM 87158-0745
Phone: 505-241-4919 or toll-free 800-640-4692

Plan Year

The Plan year is a calendar year that begins each January 1 and ends December 31. The Plan's records are kept on a plan-year basis.

Electronic Administration

The Plan Administrator may distribute and collect information and conduct transactions by electronic media, including, but not limited to, electronic mail systems, Internet, Intranet, telephone and voice response systems, except when prohibited by law. Electronic media may provide the means by which you receive information and notices, submit elections, directions and forms required for participation in the Plan. If used by the Plan Administrator, electronic media will satisfy the Plan's requirement that such elections, directions and forms be in writing.

Plan Funding

Benefits under the Plan are paid from the general assets of the Company.

Amendment & Termination

The Company expects to continue the Plan indefinitely. However, subject to its collective bargaining obligations and applicable law, the Company reserves the right to amend, modify or terminate the Plan or any component program, in whole or in part – or to transfer the Plan to its successor(s) – at any time, for any or no reason and without prior notice. The Company also may modify or amend the Plan as needed to comply with legislative or regulatory changes.

In the event of a Plan change, merger or consolidation, the Plan's assets or debts may be transferred to another plan. If the Plan is changed or terminated, the Company may or may not decide to establish a different plan providing similar benefits. You do not have ongoing rights to any Plan benefit, other than payment of covered expenses you incurred or benefits to which you otherwise became entitled prior to a Plan amendment, modification or termination.

Legal Process

You should send or deliver all papers concerning a lawsuit against the Plan to the following agent for service of legal process:

PNM Resources, Inc.
General Counsel
Corporate Headquarters
Albuquerque, NM 87158-1245
Phone: 505-241-2700

Legal process also may be served on the Plan Administrator.

Collective Bargaining Agreement

The Plan is maintained pursuant to a collective bargaining agreement between PNM Resources, Inc. and Local 611 of the International Brotherhood of Electrical Workers, AFL-CIO. You can receive a copy of the collective bargaining agreement by requesting it in writing from the bargaining agent or the Plan Administrator. The Plan Administrator may make a reasonable charge for a copy.

No Employment Guarantee

The Plan is not an employment contract. Your participation in the Plan does not guarantee your continued employment with the Company or otherwise affect your employment rights or the right of the Company to discharge you. The employment relationship between you and the Company is "at will," unless otherwise provided in writing.

ERISA Rights

As a participant in a PNM Resources, Inc. Union Severance Pay Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA):

- Free of charge, you can examine copies of all Plan documents. These include the official Plan document, collective bargaining agreements, annual financial reports (Form 5500 series) filed with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration (EBSA) and summary plan descriptions. Copies of Plan documents are available during normal working hours at the Company's principal office. In addition, by writing the Company's principal office, a copy of Plan documents will be made available for your review at other Company locations.
- You can receive copies of all Plan documents by sending a written request to the Company's **principal office** address. The Company can charge you a reasonable amount for copies.
- You will receive a written summary of the Plan's annual financial report. By law, the Company must provide you with a copy of this "summary annual report."
- No one, including your employer, union or any other person, can fire you or discriminate against you to stop you from obtaining a benefit or exercising your rights under ERISA.
- If your claim for a benefit is denied, in whole or in part, the Plan must give you a written explanation of the reason for the denial. You have the right to obtain copies of documents relating to the decision without charge and to have the claim reviewed and reconsidered, all within certain time frames prescribed by regulation.

Besides creating rights for plan participants, ERISA also specifies certain duties for people who are responsible for operating the Plan. These people are called "fiduciaries." The plan's fiduciaries must operate it prudently and in the sole interest of you, other Plan participants and beneficiaries.

There are steps you can take to enforce your ERISA rights. For example:

- If you request a copy of the Plan document or the latest annual report from the Plan and do not receive them within 30 days, you can file suit in a federal court. In such a case, the court may require the **Plan Administrator** to provide the materials and pay you up to \$110 a day until you receive them, unless the

materials were not sent because of reasons beyond the Plan Administrator's control.

- After following the plan's appeal procedures, if your claim for benefits is ignored or denied, in whole or in part, you can file suit in a state or federal court.
- If you disagree with the plan's decision, or no decision is made by the plan, concerning the qualified status of a medical child support order, you can file suit in a federal court.
- If the Plan's fiduciaries misuse the Plan's money or if you are fired or discriminated against for claiming benefits or exercising your rights under ERISA, you can get help from the U.S. Department of Labor or you can file suit in a federal court.

If you file a suit, the court will decide who should pay court costs and legal fees. If you win the suit, the court may order the person you sued to pay those costs and fees. If you lose the suit, or if the court decides the suit was frivolous, the court may order you to pay the costs and fees.

If you have any questions about a plan, contact the [Plan Administrator](#). If you have any questions about this statement or your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, contact the nearest office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory or:

Division of Technical Assistance and Inquiries,
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

You also may obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the EBSA.

About this SPD/Disclaimer

This website makes up the Summary Plan Description (SPD) for the PNM Resources, Inc. Union Severance Pay Plan ("the Plan") and is **effective January 1, 2016**. It describes and provides only an overview of the major features of the Plan and does not cover all of its terms. Words that have special meaning are capitalized and are defined in a popup when they first appear on a page.

This SPD is intended to comply with the Employee Retirement Income Security Act of 1974 (ERISA) and other applicable legislation. Periodically, revisions may be necessary. If so, you will receive notification of the availability of a revised online document.

This SPD does not replace the official Plan document that legally governs the terms and operation of the Plan. In the event of conflicting information, the official Plan document or current laws and legislation always governs.

Subject to its collective bargaining obligations and applicable law, PNM Resources, Inc. reserves the right to amend, modify or terminate the Plan, in whole or in part, at any time.

Appendix of Pop-ups

Base Pay means the employee's straight time pay at the day rate.

PNMR Services Company Benefits Department

PNM Resources, Inc.
PNMR Services Company Benefits Department
Corporate Headquarters
Albuquerque, NM 87158-0745
Phone: 505-241-4919 or toll-free 800-640-4692

Reasonable Cause for termination of an employee's employment means as customarily and historically used in the collective bargaining agreement between Public Service Company of New Mexico and the Union dated May 1, 2003 (the "CBA"). Subject to the grievance and arbitration provisions of the CBA, management determines whether a participant has been terminated for reasonable cause.

PNM Resources or the **Company** means PNM Resources, Inc. and its participating subsidiaries and affiliates.

You are **not eligible for benefits** under this Plan if:

- Your employment is terminated for **Reasonable Cause**
- You voluntarily resign
- Retire under the PNM Resources, Inc. Retirement Savings Plan, the Employees' Retirement Plan or any successor Company-sponsored retirement plan
- Leave the Collective Bargaining Unit or transfer out of the Collective Bargaining Unit

Questions about the Severance Pay Plan?

PNMR Services Company Benefits Department
1-800-640-4692 or 505-241-4919

A **Layoff** is a reduction in the number of Company employees, followed by the Company giving a Notice of Lay-Off and subsequent termination of employment.

Notice of Lay-Off means the written notice issued by the Company, at its sole discretion, to an employee stating that his or her position with the Company has been selected for elimination.

Plan Administrator

Plan Administrator of the PNM Resources, Inc. Union Severance Pay Plan
c/o PNM Resources, Inc.
PNMR Services Company Benefits Department
Corporate Headquarters
Albuquerque, NM 87158-0745
Phone: 505-241-4919 or toll-free 800-640-4692

Principal Office

PNM Resources, Inc.
PNMR Services Company Benefits Department
Corporate Headquarters
Albuquerque, NM 87158-0745
Phone: 505-241-4919 or toll-free 800-640-4692

Release Form means the Employment Termination and Release Agreement that must be executed by an employee in order to be eligible to receive Enhanced Severance Benefits.

An employee must also execute a union **Addendum** in order to be eligible to receive Enhanced Severance Benefits.

The Release Form releases the Company from future claims you may have against it. The union Addendum releases the Union from any liability.

You will receive a Release Form and union Addendum on, or within, five days of the date your employment ends. You will have up to 45 days from the date you receive them to sign and return both to the Company. This 45-day period is unpaid. You may revoke the Release Form and the union Addendum within seven calendar days after delivery of the forms to the Company. To revoke your forms, you must return to the Company a signed copy or counterpart original of the Release Form and the union Addendum that includes your signature and a statement indicating your decision to revoke the Release Form and the union Addendum. If you revoke the Release Form and union Addendum, your decision is irrevocable and you only will receive Regular Severance Benefits.

Relevant means that documents, records or other information:

- Were relied on in making the benefit determination
- Were submitted, considered or generated in the course of the benefit determination even if the documents, records and other information was not relied on in making the benefit determination or
- Demonstrate compliance with the administrative processes and safeguards required under the Plan's claims and appeals provisions for making the benefit determination

¿No Entiende Ingles?

Si usted no lee o no entiende inglés, por favor póngase en contacto con la oficina de Recursos Humanos y ellos arreglarán para que alguien pueda explicarle la información de este folleto en Español.

Union Employees mean employees of the Company who are covered by the Collective Bargaining Agreement, dated May 1, 2003 between Public Service Company of New Mexico and Local 611 of the International Brotherhood of Electrical Workers, AFL-CIO.

Year of Service means a 12-month period during which an employee performs services for the Company. If an employee's employment includes a break in employment, only the Years of Service in the last period of service will be considered when determining Years of Service. For purposes of this Plan only, if an employee is laid off, but subsequently recalled within a 12-month period, the Years of Service will be bridged.