



New Medical Plan Option!

Let's Reach HSA Expert Status Together

LEARN HOW OUR NEW HIGH DEDUCTIBLE HEALTH PLAN (HDHP) PAIRED WITH A HEALTH SAVINGS ACCOUNT (HSA) WILL SUPPORT YOUR HEALTH WHILE PUTTING YOU ON THE FAST TRACK FOR SAVINGS.



Why We're Adding a New Plan Option

When it comes to designing your benefits program, our main priority is to maintain a competitive and affordable advantage. Every year, we aggressively negotiate with our insurance providers to offer you, our employees, the most competitive rates at the highest possible value.

With this goal in mind, we've decided to offer a new medical plan that helps put more control of the benefit dollars we spend into YOUR hands. We know having affordable and quality health insurance is extremely important to you and your family—that's why we've designed a new medical plan option for you to choose from, the High Deductible Health Plan (HDHP).

The High Deductible Health Plan (HDHP) can be paired with a Health Savings Account (HSA) to offer lower premiums while saving, spending, and investing funds tax-free. This plan offers you access to the same network of providers, preventive care covered 100%, and prescription drug coverage.

As we continue to evaluate our benefits program, we want to reiterate our commitment to offer you and your family coverage that will work for your needs today, tomorrow, and well into the future.



How Our HDHP Medical Plan Works

Before we learn about all the benefits of a Health Savings Account (HSA), it's important you understand how our new High Deductible Health Plan (HDHP) works.



Highlights of an HDHP

- ▶ Offered through Empower
- ▶ Same network of providers and facilities
- ▶ Preventive care covered 100%
- ▶ Lower premiums than traditional plans
- ▶ Use savings to contribute to an HSA
- ▶ An HSA offers you a triple tax benefit

How an HDHP Compares to Our Current Plans

- ▶ Higher deductibles for individual and family coverage
- ▶ No copays for services
- ▶ You pay upfront costs until you reach your deductible



Unlock the Power of an HSA

If you enroll in the HDHP, you can open and contribute to an HSA. Here's an overview of the HSA benefits.



YOU OWN THE ACCOUNT

You own all funds. The entire balance rolls over each year and remains yours even if you change health plans, leave the company, or retire.



YOU DECIDE HOW TO USE IT

You can use your HSA funds now for qualified expenses or save and invest for future emergencies or retirement.



YOU WIN WITH TAX ADVANTAGES

HSAs are a savvy saving tool offering a triple tax benefit.

1. The money you contribute is tax-free.
 2. Spend the money on eligible expenses tax-free.
 3. Funds and earnings from investments accumulate tax-free.
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YOU CAN INVEST

Invest your HSA funds in an interest-bearing account, such as a mutual fund, once your account reaches \$1,000.



Spending Your HSA Funds

You will receive an HSA debit card you can use at the time of service, or you can pay upfront and reimburse yourself later. Keep in mind, it's important to keep receipts for your records.

Eligible Expenses

You can use HSA funds to pay qualified medical, dental, and vision care expenses, including the examples below. For a complete list of eligible expenses, review <https://www.irs.gov/publications/p502>.

- ▶ Ambulance
- ▶ Contact lenses
- ▶ Copays
- ▶ Deductibles
- ▶ Dentures
- ▶ Eyeglasses
- ▶ Fertility enhancement, such as in vitro fertilization
- ▶ Hearing aids
- ▶ Lab tests
- ▶ Lactation expenses, such as breast pumps
- ▶ Long term care services
- ▶ Medicare premiums* (does not include Medicare supplemental policies)
- ▶ Nursing services
- ▶ Orthodontic services
- ▶ Psychologist
- ▶ Stop-smoking programs
- ▶ X-rays

Qualified Everyday Expenses

- ▶ Band-Aids
- ▶ Breathing strips
- ▶ Contraceptives
- ▶ Cough suppressants
- ▶ Eczema cream and lotion
- ▶ Eye drops
- ▶ Ibuprofen
- ▶ Menstrual products, such as tampons
- ▶ Sunscreen (SPF 15 or higher with broad-spectrum protection)
- ▶ Thermometers
- ▶ Wearable trackers, such as Oura Ring and Garmin

* Please note, if you choose to enroll in Medicare, you may no longer contribute to your HSA. However, you may continue to use your HSA funds for eligible expenses.

2027 HSA Contribution Limits

You can contribute up to the following amounts to your HSA.



\$4,500

Individual Coverage



\$9,000

Family Coverage



\$1,000

Additional If You Are 55 or Older

Jump on the Tax Savings Express



Contribute Money Tax-Free

- ▶ By contributing to an HSA, you benefit now by lowering your taxable income.
- ▶ HSA contributions made through payroll deduction are not subject to FICA tax.



Spend Money Tax-Free

- ▶ Use your HSA debit card to buy eligible expenses tax-free.
- ▶ Reimburse yourself when you make eligible expenses without a penalty.



Funds and Earnings Accumulate Tax-Free

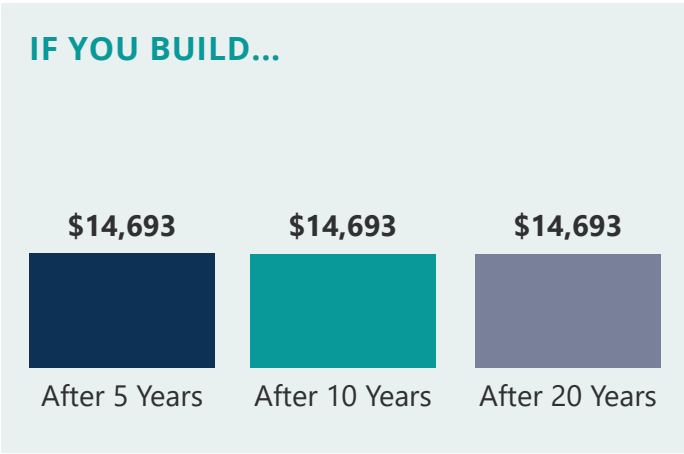
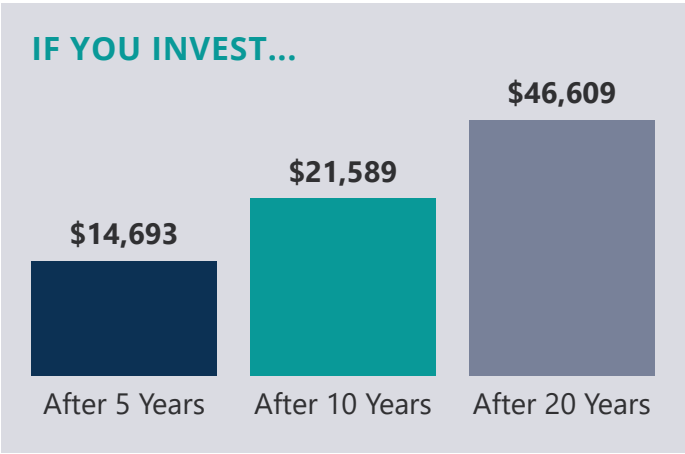
- ▶ All HSA funds carry over from one year to the next.
- ▶ Once your account reaches \$1,000, funds can be invested, and earnings accumulate tax-free.



Fast-Track Savings Through Investments

HSAs are a powerful investment and retirement tool. These accounts have comparable—and in some cases better—perks than a 401(k) or IRA.

Once your HSA account reaches \$1,000, you can invest those savings in mutual funds and make your money work harder for you. The expected rate of return on mutual funds is much higher than an HSA's standard interest rate. For example, if you have \$10,000 in your HSA:





This benefit guide is only intended to highlight some of the major benefit provisions of the company plan and should not be relied upon as a complete detailed representation of the plan. Please refer to the plan's summary plan descriptions for further detail. Should this guide differ from the summary plan descriptions, the summary plan descriptions prevail.