

# Annual Enrollment 2024

Inc. HQ & COE / ESS / ES / P&S Employees



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- Thank you for taking some time today to learn about this year's Annual Enrollment process for your 2024 benefits.
- In particular, we'll cover a few key considerations that we encourage you to keep in mind this year as you review, compare, and enroll in your benefits.

## Briefing objectives

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- Review things to consider for 2024
- Highlight support resources to help employees navigate their choices
- Outline Annual Enrollment timeline and communications materials

This briefing generally applies to employees who are eligible to participate in Cigna National Plans working for:

- Inc. HQ, COE and Enterprise Shared Services
- Electronic Systems
- Platforms & Services

The material does **NOT** apply to employees located in Hawaii, those who participate in a Cigna Global Plan, or employees whose CBA provides non-standard medical benefits

**Important note:** This material provides general information about BAE Systems benefits. Efforts have been made to ensure the accuracy of this information; however, if there is any inconsistency between this material and any benefit plan documents, the plan documents will govern. If information in this material is inconsistent with applicable laws, those laws shall govern. BAE Systems, Inc., reserves the right to amend, modify, or terminate any plan, in whole or in part, at any time at its sole discretion. Benefit provisions vary across BAE Systems; thus, transfers within the company may result in changes in benefits.

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- Our top priority for this presentation is to provide an overview of the Annual Enrollment process, and highlight some things to consider regarding 2024 benefits, your plan options, and their key features.
- We'll also review the Medical Plan Evaluator, an interactive tool that was introduced last year, as well as other resources that can help you assess your options and make an informed choice about your benefits for next year.
- We will focus most of this briefing on key benefits, but keep in mind that Annual Enrollment is your once-a-year opportunity to elect a range of benefits for you and your family.
- One additional note referenced here on the right of this slide ... our benefits do vary among our sectors, business areas, and employee groups. The material included in this presentation has been designed specifically for employees in the Intelligence & Security sector.
- This includes employees represented by Collective Bargaining Agreements that provide our standard Cigna medical benefits.
- The exception across these groups is our employees who live and work in Hawaii, those who participate in a Cigna Global Plan, or those whose CBA provides non-standard benefits.
- With these important notes covered, let's turn to some unique aspects of Annual Enrollment this year.

## Highlights to consider for 2024

- 2024 Medical and dental plans aren't changing, but encouraging employees to review their options
- Enhancements to the VSP Easy Options vision plan with higher allowances for eyeglass frames (up to \$250) and contact lenses (up to \$200)
  - VSP Choice Plan will remain the same
- FSA contribution limits are increasing and remember participants must elect to contribute each year
- 2024 Health Savings Account (HSA) contribution limits are increasing with contribution elections that carry over year to year and can be changed any time
- Offering three new voluntary supplemental benefits that are 100% employee paid in the event of an accidental injury, critical illness, or hospitalization



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- Let's begin by discussing some highlights for 2024 and do a deeper dive in some of the topics later in this presentation.
- First, medical plans and dental plans are not changing next year, however we encouraging employees to review their options
- We have made enhancements to the VSP Easy Options plan with higher allowances for frames (up to \$250) and contact lenses (up to \$200) without increasing employee rates. We also offer the standard VSP Choice Plan, which will remain the same.
- For 2024, the FSA and HSA contribution limits are increasing. Don't forget that FSAs require participation elections to be made annually; they do **not** roll forward from year to year. If you elect an HSA medical plan, consider increasing your HSA contributions for next year up to the new IRS limit.
- And one of the main changes we have for next year is our introduction of three new voluntary supplemental benefits that are 100% employee paid. These optional benefits can help employees with financial costs in the event of an accidental injury, critical illness, or hospitalization.

## Highlights for 2024 (continued)

- **New CVS Caremark De-Prescribing Clinical Program** will provide personalized nutrition coaching and medication support to meet individual goals for employees and family members with diabetes
- **Acupuncture is now a covered service** under the Cigna medical plan, allowing 12 visits per year, per covered individual
- **QSC (Qualifying Status Change) update** will limit newborn and adopted child enrollment to within 31 days; during this time dependent verification must be completed



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- Other changes for next year include an expanded diabetes program with CVS that focuses on nutrition counseling and support to potentially allow individuals to reduce or eliminate their diabetes medication. We'll talk more about this in just a moment.
- Beginning in 2024, we are expanding coverage for acupuncture to align with Cigna's standards and cover 12 visits per year.
- And then we will also be making a compliance change that aligns time limits for newborn and adoption enrollment into our plans with those of other qualifying status changes. So individuals will need enroll their child within the 31-day limit starting in 2024 (reduced from the current 60 day time period.) During this 31 day period, dependent verification must be completed.

## CVS Caremark De-Prescribing Clinical Program

- Enhancement to the Transform Diabetes Care Program: **de-prescribing** is designed to reduce or eliminate diabetes medications through nutrition coaching
  - The program is targeted towards employee and family members with type II diabetes that use insulin or high-cost and complex anti-diabetic medications
  - A dedicated care team will help improve health by tailoring a nutrition plan to fit individual needs
  - The health Optimizer app will allow users to order and track labs, chat with registered dietitians and browse meal recommendations
  - *You must be enrolled in a BAE Systems Cigna medical plan in order to be eligible*



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- Now I'd like to go into more detail about the expanded CVS Transform Diabetes Care Program.
- In addition to the current counseling and glucose meter support, employees with diabetes will have access to a new program next year that can help them reduce or eliminate their diabetes medication through nutrition coaching.
- This optional program is for those with type 2 diabetes who often take insulin or other high cost diabetic medications.
- A CVS Care Team, including physicians, will work with individuals on a nutrition plan tailored to their specific needs
- And participants will have access to an expanded app to help employees and their covered dependents track their health and nutrition plan
- Cigna medical plan enrollees are eligible for this program and will automatically receive outreach from CVS next year if they qualify for this new program.



## New Voluntary Benefits

- Medical plan insurance remains the primary source for health coverage for care needed to stay healthy or obtain treatment
- When sick or injured, our **new voluntary benefits**, provided by Cigna, can supplement medical plan coverage for help with expenses like child care, groceries, household bills, or travel costs for healthcare
- Employee must pay 100% of the cost of selected supplemental benefits, and there are no additional out-of-pocket costs or in-network restrictions to satisfy
- There is **no requirement to enroll in any voluntary benefits** or be enrolled in BAE Systems Cigna medical plans



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- Next, let's turn to our new voluntary, supplemental benefit options that we'll be introducing next year.
- As you think about these new supplemental benefits, it's important to keep in mind that your medical plan is your primary source for comprehensive coverage for the care you need to stay healthy or to treat an injury or illness.
- But, when you're sick or injured, you may also need help with other expenses, like child care, groceries, everyday household bills, or even the associated costs of travel for medical treatments. This is where voluntary supplemental benefits can step in and provide a little financial relief.
- When the unexpected happens, these plans can help with out-of-pocket medical and daily living expenses by making a payment directly to the employee.
- While you must pay 100% of the cost of these supplemental benefits, there are no additional out-of-pocket costs or in-network restrictions to satisfy.
- As you consider these new options, there is no requirement to enroll in voluntary benefits. You can waive this coverage or enroll in one plan, two or more.
- As a reminder, voluntary benefits **supplement** your medical plan coverage. These plans are NOT medical insurance.

## Three New Voluntary Benefits

### Accidental Injury

- If you have a covered accident-related injury, like an ankle sprain or arm fracture, you'll receive a lump-sum payment that can be used as needed.

### Critical Illness

- If you have a covered critical illnesses or specified event, such as a heart attack, cancer or stroke, you'll receive a fixed lump-sum cash payment.
- Each calendar year a \$50 wellness incentive is paid per covered person for eligible health screenings or diagnostic tests.

### Hospital Care

- If you are admitted to a hospital due to a covered injury or illness, you'll receive a lump-sum payment plus a payment for each day of your stay.
- This plan covers hospitalizations due to accidents, sicknesses, and childbirth.

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- Here is a closer look at these three new voluntary benefit options. As a reminder, employees may enroll in one or more of these plans whether or not they enroll in our BAE Systems Cigna medical plans.
- First, is the **Accidental Injury Plan** – this insurance can provide a benefit if you have a covered accident-related injury, such as a sports injury, ankle sprain, a broken arm, injuries resulting from a car accident, and others. This coverage can provide a lump sum payment that can be used as you need it for expenses.
- **Critical Illness** insurance provides a lump sum benefit paid based on the list of conditions shown in the plan documents, with benefits of \$15,000 to \$30,000. Some common covered conditions include a heart attack, stroke, cancer, by-pass, kidney failure and infectious diseases. As you also see here, each calendar year participants can earn a \$50 wellness incentive for eligible screenings, which include but are not limited to mammograms, blood tests, and X-rays.
- And in the third column, you see our **Hospitalization** insurance option, which provides for a lump sum payment if you are admitted to a hospital for a covered injury, illness, childbirth, or other procedure.
- Remember, you can waive or enroll in **one, two or all three of these plan options**.

## Taking care of loved ones – beneficiary updates

- Annual Enrollment is a great time to review and update beneficiaries in case the unthinkable happens
- Many of our benefit plans offer a payout to loved ones in the event of your death
- Beneficiary details must be on file for benefits to be distributed according to employee's wishes
- Review and update beneficiary details for all benefits
  - Life and other insurance benefits
  - Any Health Savings Account balances
- Changes can be made at any time—be sure to update when a life change occurs, such as a divorce or death of a loved one



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- Not only is Annual Enrollment an opportunity to review all of your benefit options, it's also a great time to review and update your beneficiaries.
- This is another point of emphasis this year, in case the unthinkable happens.
- In the event of your death many of our plans offer a payout, but you must have your beneficiary information on file in order to have these benefits paid according to your wishes.
- Be sure to review and update your beneficiaries across all of your benefit plans and accounts – several of which are listed here. This includes an HSA if you're enrolled in an HSA medical plan and you have accumulated an account balance.
- Now that we've talked about some key considerations for 2024, let's take a step back and review a brief overview of the medical plan options and Medical Plan Evaluator.



## Our 2024 Medical Plans



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- Now that we've reviewed some of the highlights and changes to consider for 2024, let's review our medical plans which will remain the same for next year.

## Our medical plan design

Our key objectives in designing our benefit options are to:

- Provide **meaningful choices to meet the diverse needs** of our employees and their families as they change at **different life stages**
- Offer **flexibility in how employees pay** for coverage and care (e.g., higher paycheck contributions in exchange for more predictable costs when care is needed)
- Use the national **Cigna network** of facilities & providers and offer **comprehensive coverage** with **preventive care covered at 100%**
- Offer prescription coverage from **CVS Caremark**
- Align to peers so we can **attract and retain top talent**



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- Our medical plan options have been designed to provide meaningful choices and flexibility that can help our employees and all different types of families address their diverse needs – both in how they expect to use their health benefits and how they will pay for their coverage and care.
  - The plans offer coverage that can meet the individual needs of our employees and families in different life stages as they evolve over time.
  - And, employees have the flexibility to choose how they pay their share of the cost for coverage with medical plans that have been structured to have lower or higher per paycheck premiums in exchange for paying more or less cost out of pocket when care is needed.
  - The plans continue to maintain features that have been in place for many years:
    - The plans use the Cigna network of providers and facilities – though keep in mind doctors and hospitals can change their network affiliations from time to time.
    - In addition, all of the BAE Systems medical plans offer comprehensive coverage and cover the same procedures,
    - all of our plans continue to cover all preventive care services at 100%, and
    - CVS Caremark continues to be the pharmacy provider
  - And as we look across our industry, we benchmark and work to position our benefit offerings to be competitive and enable us to attract and retain top talent.

## Overview of Inc. HQ/ESS/COE / ES and P&S plans

Medical Plans for 2024				
Plan feature	HSA Standard	HSA Select	Network Choice	Copay
HSA company contributions	Yes		No	
Provider network flexibility	In-network and out-of-network coverage			In-network coverage only
Premium cost per paycheck	\$	\$\$	\$\$\$	\$\$\$\$
Deductible and Out-of-pocket maximums	\$\$\$\$	\$\$\$	\$\$	\$
Prescription drugs	After meeting plan's deductible, coinsurance cost is paid up to a maximum per prescription		No plan deductible applies, a copay is paid per prescription	

More than half of our employees use their medical coverage primarily for preventive care, so we offer a second HSA plan option with even lower paycheck costs.

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- This overview chart offers a quick comparison of the plan differences and flexibility by showing their range of cost structures and provider networks.
- Shown in the left two columns are the high-deductible plans, which are paired with HSA savings accounts – the HSA Standard and HSA Select plans. You will also see here that the HSA plans continue to include company contributions to your HSA.
- In the next column to the right, we have the Network Choice option, and in the last column the Copay plan.
- Please notice that the Copay plan has some limitations for in-network coverage **only**, compared to both in and out-of-network coverage for the other three plans.
- The two rows of dollar signs represent the relationship between per paycheck premiums and the deductible and out-of-pocket maximum amounts you pay when you need care. What you'll see here is that the HSA Standard, which has the highest deductible, is shown with four dollar signs in the deductible row, and it has the lowest per paycheck premiums as indicated by one dollar sign in the row above.
- As you move to the right in the chart, you'll see that as your deductible and out-of-pocket costs go down, you will need to pay more from each of your paychecks in premiums.
- These are important considerations to keep in mind as you think about which plan is the best fit for you and your family based on how you use your healthcare coverage.
- On the last row, we've highlighted the prescription drug coverage in the plans. The plans all have some form of prescription cost limits, but note that in the left two columns, these limits only become effective **after** you meet an HSA plan deductible.
- Now that we've taken a high level view of how the plans compare, let's take a closer look at some plan details.

## Plan choices for Inc. HQ/ESS/COE, ES and P&S employees

Plan feature	HSA Standard	HSA Select	Network Choice	Copay
Deductible (ind/fam)	\$3,000 / \$6,000	\$2,000 / \$4,000	\$1,000 / \$2,000	\$500 / \$1,000
Annual HSA company contribution	\$750 / \$1,500	\$750 / \$1,500	None	None
Preventive Care Services	Covered 100%	Covered 100%	Covered 100%	Covered 100%
Coinsurance	20%	20%	20%	20% if not covered by a copay
Out-of-Pocket Limit (ind/fam)	\$6,000 / \$12,000	\$4,000 / \$8,000	\$3,000 / \$6,000	\$2,500 / \$5,000
Office Visits PCP/Specialist	20%	20%	10% / 20% depending on provider	\$25 / \$50
Urgent Care	20%	20%	20%	\$50 copay after deductible
Emergency Room	20%	20%	20%	\$250 copay after deductible
Inpatient Care	20%	20%	20%	\$300 copay per admission after deductible
Outpatient Care	20%	20%	20%	\$150 copay per procedure after deductible
<b>Prescription coverage</b>				
<b>Retail</b> (up to 30-day supply)	After meeting deductible, 20% coinsurance, with a max of:	After meeting deductible, 20% coinsurance, with a max of:	Deductible does NOT apply, you pay a copay of:	Deductible does NOT apply, you pay a copay of:
Generic	\$15	\$15	Up to \$15	Up to \$15
Formulary Brand	\$50	\$50	\$50	\$50
Non-Formulary Brand	\$100	\$100	\$100	\$100
Specialty	\$75	\$75	30% / Net \$0 (Prudent Rx)	30% / Net \$0 (Prudent Rx)
<b>Mail Order</b> (up to 90-day supply)	2.5x retail	2.5x retail	2.5x retail	2.5x retail

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- This chart is a summary view of the current medical plan options. As we mentioned earlier, for 2024 there are no material changes in coverage provisions.
- A similar comparison chart plus other information is also available online at **benefits.baesystems.com**.
- As we discussed on the previous slide, you can see how the deductibles and out-of-pocket maximums decrease as you move left to right. Remember, this is in exchange for the premiums you pay out of each paycheck moving in the opposite direction.
- Among the four plan options, there are distinct differences in how you pay your share of your medical costs and how predictable those costs will be, which means you have options to find the best fit for your unique needs.
- It may not be clear which plan fits you best from just looking at this chart, so we also offer tools and resources to help you compare your options.

## Also back for another year: Our Medical Plan Evaluator

- Online decision support tool can help employees understand how their medical plan options and their costs stack up for them
- Pre-populated with 2022 data and our current medical plans
  - 2022 claims data can be updated to reflect anticipated 2024 needs
  - Covered dependents listed, with ability to update
- Linked from BenefitsNavigator, and employees may use the tool as often during the annual enrollment window.
- Need to return to BenefitsNavigator to make 2024 benefit elections



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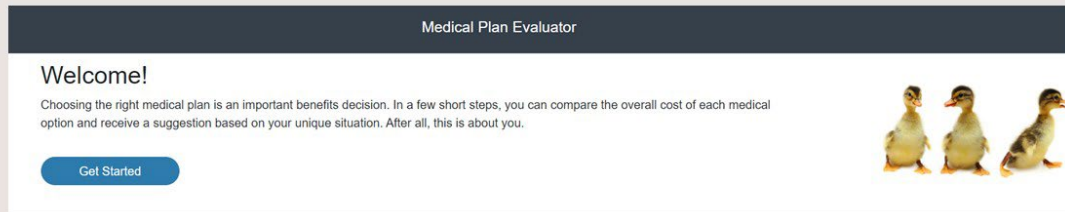
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- One tool that can help you understand how the costs of each of your medical plan options work is the Medical Plan Evaluator.
- The Evaluator tool will again be available during Annual Enrollment for 2024 benefits.
- The tool is tailored for BAE Systems employees to create a forecast of what your costs may be based on negotiated discounts in our Cigna national plans and with CVS, as well as other factors related to our plan design features that vary across the plans.
  - As you also see here, this year the Medical Plan Evaluator will be loaded with 2022 claims data, adjusted to reflect services that can reasonably be expected to occur from year to year for purposes of anticipating 2024 needs.
- To access the tool, visit BenefitsNavigator and click on the Medical Plan Evaluator tile to get started. Then you may use the tool as often as you like during Annual Enrollment (from October 25 through November 8) to help you understand which plan best fits your needs for 2024.
- This is also a good time to remember that you must access BenefitsNavigator to complete your 2024 benefit elections.
- Now let's walk through some of the Evaluator screens and refresh ourselves on how it works.




## Medical Plan Evaluator



- Our walk through the tool begins with the welcome screen.
- Next, you'll need to answer a few questions to get started.

## Medical Plan Evaluator: Answer a few short questions



The screenshot shows a web form titled "Medical Plan Evaluator" with a progress bar indicating "20%" completion and "Step 1 of 5". The question is "Who would you like to cover for medical in 2024?". The form includes a "Back" link, a list of checkboxes for "You", "John", "John", and "John", an "Add Dependents" button, and a "Next" button. A decorative image of sneakers is visible on the right side of the form.

Medical Plan Evaluator

20% Step 1 of 5

← Back

Who would you like to cover for medical in 2024?

☐ You

☒ John

☒ John

☒ John

Add Dependents

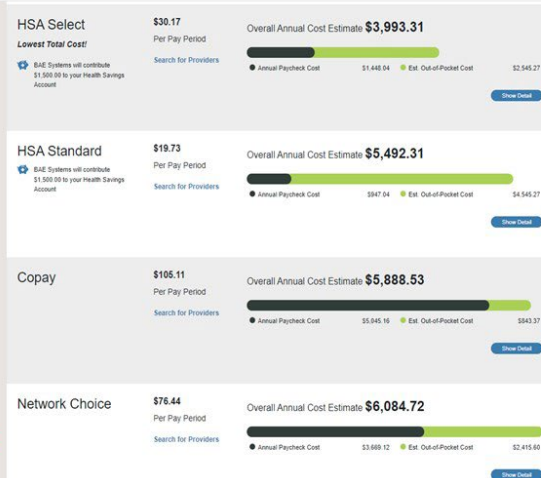
Next

- First – who will you be covering next year?
- Your covered dependents are pre-populated for you to confirm, and you can add any new members to your family here, too.

## Medical Plan Evaluator: Results

- Results page will return listing of available plans with per pay period and overall annual cost estimate details
- The **black** bar portion represents total paycheck costs (your premiums)
- The **green** portion represents estimated out-of-pocket costs (deductible + other costs)
- The plan with the lowest total estimated cost will appear at the top
- You may choose any of the available plans – it's your choice to find the best fit

**Note:** 2022 data is pre-populated if you were in a Cigna plan for the full year. Adjustments are made to exclude certain items that aren't expected to be repeated annually, e.g., elective surgery, a birth of a child, etc.



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- Once you've stepped through the initial questions, you will be able to run the tool and review your results.
- We encourage you to run the Evaluator using your pre-loaded 2022 data – assuming you were enrolled in a BAE Systems Cigna plan throughout 2022. If that's not the case for you, then you'll need to customize your anticipated medical plan usage data before projecting your first set of results.
- Based on either the pre-loaded 2022 data or customized data you enter, the tool will rank the medical plan options available to you based on their total overall costs (lowest to highest).
- Within the results for each plan there is a total annual costs bar. The **black** portion of the bar represents your paycheck costs, or premiums. These are the costs you pay whether or not you need care. The **green** portion represents estimated out-of-pocket costs, which is the total of your deductible and any other costs based on your anticipated medical care and prescription needs.
- Together these **black** and **green** costs represent the total estimated annual cost for you, and they are shown stacked for each plan.
- It's interesting to note on these modeling results that the plan with the lowest per paycheck premiums represented by the smallest black bar – HSA Standard – did NOT rank at the top of the list. And the Copay plan, which has the highest premiums (or the longest black bar) of the four plans, did not rank LAST. This is because the results are calculated based on your projected medical plan usage – which includes both the premiums AND your deductibles and out-of-pocket costs combined based on the different plan designs and cost structures.
- During the initial screen pages, the tool also asks you questions to determine your eligibility for an HSA, and if you are eligible, the BAE Systems HSA contributions will be incorporated as an offset to your total annual costs under the HSA plans. Keep in mind that even if you're not eligible to contribute to an HSA, you may still enroll in one of the HSA medical plans.
- Your plan rankings may be different, and we encourage you to model different scenarios based on whom you plan to cover in 2024 and their potential medical needs.
- One final, important point to keep in mind ... while the tool ranks your plan options, **the choice about which plan to elect is always yours**. The tool is not making a recommendation – it's just helping you understand how the plans stack up for you based on your personalized cost projections.

## Medical Plan Evaluator: Making adjustments for 2024

- Tool allows employees to adjust pre-populated data to reflect their anticipated medical care needs for 2024
- 2022 may not have been a typical year in terms of how employees used their medical plan benefits
- Changes in covered family members and planned medical procedures may prompt data changes for 2024 projections
- Taking time to make adjustments for 2024 can improve forecasted costs under the medical plan options and change the rankings
- **IMPORTANT NOTE:** When you customize any data, be sure to customize **ALL** entries – no 2022 data will be used

Medical Plan Evaluator

← Back

We've populated the tables below on your behalf using benchmark data. Please adjust these numbers as you deem fit. You can change your estimates as many times as you like. Your answers will always be kept confidential.

Preventive Care

	Physician/Ref. Visits	Adult Screenings	Child Immunizations
You	1	1	N/A
John	0	1	N/A
John	0	N/A	0

Routine Care Visits

	Primary Doctor	Specialist	Laboratory	Therapy (PT/OT/Speech/Chiro)
You	2	1	0	0
John	2	1	5	0
John	3	1	3	0

Maintenance Prescriptions

	Generic	Brand (Formulary)	Brand (Non-Formulary)
You	0	0	0
John	1	0	0
John	0	0	0

Short-term Prescriptions

	Generic	Brand (Formulary)	Brand (Non-Formulary)
You	0	1	0

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- After you run the Evaluator with any pre-populated 2022 data, you may want to customize your 2024 forecast.
- Perhaps 2022 wasn't typical in terms of medical plan usage for you and your family, or you anticipate needing a procedure next year. If so, use the 'start over' button and customize your 2024 forecast to see if you get a different result, and feel free to do this as often as you like.
- An important note to consider: when you customize your data, your 2022 data will remain visible on the blue bars for reference. But you will need to enter data into ALL of the white boxes that you want the tool to use in calculating a set of results – none of the original 2022 data will carry over or be used once you customize any element of your data to run a new cost projection.

## Medical Plan Evaluator Summary

- Take advantage of the tool during the annual enrollment window and combine with other resources to help make an informed plan choice
- Online tool allows employees to model their unique healthcare needs and take a close look at their plan choices
- Tool is customized to our medical plan designs and cost structures
- And develop a smart habit of revisiting plan choices during Annual Enrollment each year



No single plan can be right for everyone every year!

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- Again, we encourage you to begin using the Medical Plan Evaluator early to become familiar with your medical plan options, and to help you start thinking about which plan may be the best fit for you well before you need to submit your 2024 enrollment elections.
- This tool is supplemented by our Benefits website, plus the materials mailed to your home in late September and early October.
- Remember, no single plan can be the right plan for everyone every year, so develop a smart habit of revisiting your plan choices each year during Annual Enrollment. And your other benefit elections may need updating too!



## Company HSA contributions

- Company contributions to employee HSAs will continue for 2024
  - \$750 for employee only coverage
  - \$1,500 for employee plus dependent(s) coverage
- No action required to receive HSA contributions
  - Employees must be eligible to contribute to an HSA
  - Accounts will be opened if employees don't have one
- Maximum employee contributions will be adjusted by company contribution to keep total under IRS limits
- Full amount of company contribution is deposited in January (or when eligible through Sept. 30 for new hires)
- No adjustments for in-year qualified changes or transfers



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- For those employees who enroll in either the HSA Standard or HSA Select plan, BAE Systems will contribute to their HSA – or Health Savings Account, and the company contribution will lower your total annual costs by the amounts shown here.
- Most importantly, you do not need to take any action to receive your HSA contribution – BAE Systems will automatically make the contribution to your account in January – and there are no adjustments during the year if you experience a qualified plan change or transfer within BAE Systems.
- And while we encourage you to take advantage of saving for your healthcare using an HSA account, you don't have to contribute in order to receive the company contribution. When you do contribute, be sure to remember the company contribution amount so you remain below the annual IRS limits for HSAs.
- There are some other IRS limitations set for HSAs, and we've mentioned an important one here. In order to receive the company contribution, you must be **eligible** to contribute to an HSA.
  - Several factors could mean you are not eligible to contribute, even though you can still enroll in the HSA Standard or HSA Select plans to take advantage of those lower premiums.
  - The most prevalent reason for our employees to **not** be eligible to contribute to an HSA is if they are covered by TRICARE or Medicare. A few other questions are included online, which will determine if you are eligible for an HSA.
  - If you are not eligible to contribute to an HSA, BAE Systems cannot provide you with the company contribution.
  - Again, most of our employees are eligible, and this company contribution to your HSA could be a significant factor in considering the two HSA plan options.
- Funds are generally deposited within two weeks of benefit effective date. Next, let's cover a few more details about the prescription drug coverage.

## Prescription Drug Coverage

All plan options include some cost limits to help employees manage prescription medication costs

- **Under HSA plans:** deductible must be met before prescription cost limits become effective
- **Network Choice and Copay** includes a unique feature for obtaining certain specialty medications at no cost by enrolling in the PrudentRx program
  - Program only applies to CVS/Caremark specialty pharmacy medications for chronic, progressive conditions
  - Employees who take these medications are encouraged to carefully consider how prescriptions are covered under the plan options
  - Consult the current specialty drug list on [caremark.com](https://www.caremark.com)



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- If you take prescription medications, you know that the costs and how you pay for these prescriptions can vary depending on your medical plan.
- All of our plan options include caps on the amounts you will pay on each type of drug to help you better manage your prescription costs.
- If you choose HSA Standard or HSA Select, which are high deductible plans, you'll need to meet the deductible before the plan starts to pay its portion of your prescription drug costs.
- If you choose the Network Choice or Copay plan, the deductible does not apply, and you will only pay a set copay based on the type of prescription you're filling.
- Details about the prescription drug coverage is featured on the benefits website.
- And for a few of our employees and family members who need certain specialty medications, the Prudent Rx program is available. These medications are prescribed for chronic, progressive conditions, such as multiple sclerosis, or rheumatoid arthritis, and they're generally injections dispensed by the CVS pharmacy.
- While less than 1% of our population uses these specialty pharmacy medications, those who need them and enroll in the PrudentRx program under either the Network Choice or Copay plan may obtain them free of charge.
- For our colleagues and their family members who require these medications, we encourage you to check the website shown here for the current list of specialty medications included in the BAE Systems Prudent Rx program.
- If your medication is included on the list, be sure to carefully consider this prescription drug program that's offered with the Network Choice and Copay plans to help you manage your medication costs.

## A reminder for those with a balance remaining: Deadline is approaching for Health Reimbursement Account (HRA) funds

- Limited Purpose HRA funds must be used for expenses incurred by December 31, 2023 and submitted for reimbursement by March 30, 2024, or they will be forfeited.
- Covered participants can use balances for qualified dental and vision expenses, then submitted for reimbursement at MyCigna.com

Deadline coming soon!

Your Limited Purpose HRA funds



Important dates regarding Limited Purpose Health Reimbursement Accounts	
January 1, 2022	HRAs were converted to Limited Purpose HRAs
January 1, 2022 through December 31, 2023	HRA balances remain available through Dec. 31, 2023 subject to certain limitations: <ul style="list-style-type: none"> <li>Funds may only be used for dental and vision expenses incurred during the two-year period, and reimbursements must be submitted within one year of the cost being incurred</li> <li>Must remain enrolled in a BAE Systems Cigna medical plan to maintain access to HRA funds</li> </ul>
March 30, 2024	Deadline for submitting dental and vision expenses incurred in 2023.

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- For those few employees who still have a remaining balance (~3,500 employees, down from 11,000 last year), please take note of the email you received in August and prior communications regarding your Health Reimbursement Account (or HRA) balance.
- The deadline for you to use these funds for eligible dental and/or vision expenses is December 31, 2023.
- Once you incur your expenses, you will have until March 30, 2024 to submit your claims for reimbursement. Otherwise your fund balance will be forfeited.

## Resources & Communications



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- Let's now take a few minutes to cover some other resources and communications that may be helpful during Annual Enrollment this year ...

## Annual Enrollment resources

- **Benefits 101** mailer on pretax savings options
- **Annual Enrollment home mailer**
- **Benefits** website covering Annual Enrollment benefit options and changes for 2024, plus terms and definitions, and healthcare savings and spending account references
- **Additional tools and resources:**
  - **Medical Plan Evaluator** allows employee to compare costs of medical plan options based on 2022 claims history; available 24/7 during annual enrollment
  - **Chat** support on BenefitsNavigator while in enrollment workflow during Benefit Center hours
  - **Appointments** with Benefit Center counselors to assist employees with questions or special circumstances



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- Be sure to read and review the printed materials mailed to your home, including the Benefits 101 and Annual Enrollment mailers.
- For more details about our benefit plans and highlights for 2024, access the Benefits website at **benefits.baesystems.com**
- The Medical Plan Evaluator will be available again during the Annual Enrollment period from October 25 through November 8
- On BenefitsNavigator, WebChat has been added as an ongoing tool during normal Benefit Center hours. This may provide a faster response, since wait times for Benefit Center representatives may be longer during Annual Enrollment.
- For employees who have questions about Annual Enrollment or need to address complex benefits issues may request an appointment with a Benefit Center counselor using the online booking site accessible from BenefitsNavigator.



## 2024 AE Communications Themes

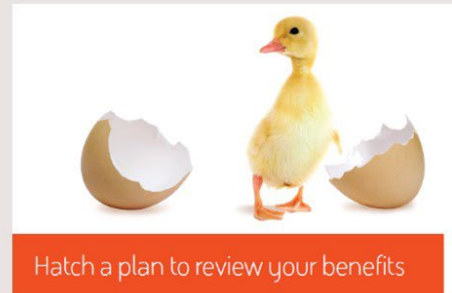
- Get your ducks in a row for Annual Enrollment
- Evaluate all benefit options – not just medical
- Assess if new voluntary supplemental benefits are a good fit for you and your family



### Recurring AE message:

#### **Review your benefits each year and don't default!**

It's important to review all options each year and choose benefits that will best fit your needs. No single plan can be right one for everyone every year.



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- Each year we choose themes to engage employees in this important, once-a-year opportunity and also tie together all of our Annual Enrollment messages.
- For 2024, Annual Enrollment is all about getting your ducks in a row to select the benefits that will best fit your needs next year.
- Throughout the communications campaign, you will see these themes and duck images will encourage you to compare your options and take action to enroll!
- **Don't default** – actively choose to waive or enroll in your 2024 benefits!

## If employees do not enroll or waive coverage by November 8:

Currently enrolled (in a Cigna medical plan)	Not currently enrolled (in a BAE Systems medical plan)	Final deadlines to make corrections
<ul style="list-style-type: none"> <li>If enrolled in a BAE Systems Cigna medical plan today, <b>those who neither enroll nor waive 2024 coverage will automatically default to their current medical plan</b> for current covered family members</li> <li>After November 8, the Medical Plan Evaluator will no longer be available for use, even if you defaulted</li> </ul>	<ul style="list-style-type: none"> <li>If not currently enrolled, those who do not take action will continue not to have BAE Systems medical coverage for 2024</li> </ul>	<ul style="list-style-type: none"> <li><b>Confirmation statement errors?</b> Employees will have until year end 2023 to make corrections to their medical plan election for 2024</li> <li><b>By calling the Benefit Center by December 29, 2023</b> (the last business day of the year),</li> <li><b>Online on BenefitsNavigator no later than December 31, 2023</b> using the enrollment tile</li> </ul>
<b>IMPORTANT:</b> Employees are strongly encouraged to select benefits that will best fit their needs for 2024 and check their confirmation statement for accuracy in case corrections are necessary.		
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- Please review and select the benefits that will best fit your needs for 2024 by the November 8 deadline.
- As you can see here, if you are currently enrolled and don't take action, you will default to the same coverage you already have, with the exception of any FSA elections that cannot carry over from year to year.
- If you are not currently enrolled in our benefits and don't take action, you will continue to not have BAE Systems benefit coverage in 2024.
- If you receive your confirmation and identify an error or need to make a correction to your elections, please note that employees have until year-end to make these corrections. Note that you must contact the Benefit Center to submit these changes.
  - The last day to call is December 29, or
  - You may make online corrections on BenefitsNavigator no later than December 31, 2023.

## Annual Enrollment Key Milestones

Date	Milestone
Early October	Employees learn about 2024 changes from Annual Enrollment home mailer
Oct 25 – Nov 8	Annual Enrollment Other support resources are available: <ul style="list-style-type: none"> <li>• Benefits website materials posted (<a href="https://benefits.baesystems.com">benefits.baesystems.com</a>)</li> <li>• Web Chat service on BenefitsNavigator</li> <li>• Medical Plan Evaluator tool</li> <li>• Benefits Center appointments</li> </ul>
January 1, 2024	2024 Plan benefits become effective

- These are the major milestones and dates for Annual Enrollment for 2024 benefits.
- Employees have already started to receive communications about Annual Enrollment.
- Early next month, employees will receive additional communications about their 2024 benefit options through a home mailer, with additional information available on the benefits website.
- To help employees compare their Cigna medical plan options, the Medical Plan Evaluator will be available throughout Annual Enrollment– allowing employees to view their 2024 premiums for each plan option.
- Annual Enrollment opens later this year from October 25 until November 8.
- Medical plan premiums are based on salary bands. The band under which an employee falls is calculated using an employee's salary in the Benefit Center's system as of September 30 and is fixed for the 2024 calendar year. An employee's band will not change during 2024 if their salary changes.
- 2024 benefits you choose during Annual Enrollment will become effective on Jan. 1, 2024

## Don't miss your opportunity to evaluate options and enroll

- Be curious and review your benefits every year
- Don't default – actively choose your benefits
- Thank you for taking the time today to learn more about Annual Enrollment for 2024 benefits
- For more details, visit our Benefits website at [benefits.baesystems.com](https://benefits.baesystems.com)



We wish you great health now and in the future!

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- Thank you again for taking time today for this overview of the 2024 medical plans, our tools, and other Annual Enrollment resources.
- We hope this presentation has been helpful in building your understanding of your benefit options.
- This year and in the future, stay curious and take a fresh look at your benefits during each Annual Enrollment opportunity.
- And don't default! Take a few minutes to actively choose your benefits each year to be sure they adapt as your life changes.
- Much of this material is also included in your Annual Enrollment home mailer, and even more details are posted to our Benefits website at [benefits.baesystems.com](https://benefits.baesystems.com).
- Thank you again for your time, and we wish you great health now and in the future!