



Dear Colleagues,

As we continue to focus on improving the employee experience and making Watts a great place to work, we are excited to announce enhancements to the benefits program as part of the upcoming 2024 Benefits Open Enrollment. Open Enrollment occurs from **Monday, November 6 – Friday, November 17, 2023**, and is your opportunity to reflect upon your current benefit elections and make any needed changes for the upcoming year.

What's New

EXCITING NEWS — NO INCREASE TO YOUR 2024 HEALTHCARE COSTS!

Each year we review our plans to ensure we're providing you with the best healthcare options at the most affordable costs. This past year has been particularly challenging. The inflationary environment has caused the cost of all goods and services to rise, and medical inflation — expected to top 8% in 2024 — is no exception.

With a combination of lower medical plan utilization in 2023 and a transition to new healthcare partners in 2024 (more on that on the next page), we are happy to report that despite the negative financial headwinds, there will be no increases to your costs in 2024. In fact, while contributions will be unchanged

for the Health Savings Account (HSA) plans, there will be an approximate 5% decrease in contributions for the PPO plan. You will also see a slight reduction in your vision contributions and no changes to your dental, life and disability contributions. In addition, your medical deductibles, coinsurance, out-of-pocket limits and prescription drug copays will remain unchanged. While we can't promise this outcome every year, we are happy to share this good news for 2024, at a time when our employees are facing so many other financial pressures.

What's New — at a Glance

- 5% decrease to PPO contributions
- Lower vision contributions
- UnitedHealthcare will be our new medical carrier
- Express Scripts — ESI will be our new pharmacy carrier
- Fidelity will administer the HSA and FSAs
- Family building benefit, including maternity/parental leave
- Weight management program



NEW MEDICAL/PHARMACY PARTNERS

We are transitioning to a new medical partner, UnitedHealthcare, and a new pharmacy partner, Express Scripts — ESI. This transition will provide you with access to an extensive network of healthcare providers, pharmacies, enhanced services, and cost-effective solutions with minimal disruption. We believe this change will enhance your overall healthcare experience, while keeping costs down. As part of this change, we are adding a hearing aid benefit to the plan.

NEW HSA/FSA ACCOUNT PARTNER

Our trusted 401(k) partner, Fidelity, will start administering the HSA and Flexible Spending Accounts (FSAs) — both Health Care FSA and Dependent Care FSA. This will allow you to access your 401(k) and other saving accounts in one place, utilizing the same Fidelity login. Look for more information to come on setting up these accounts.

NEW FAMILY BUILDING BENEFIT AND MATERNITY/PARENTAL LEAVE

We're adding a service through Progyny to enhance the benefits and services provided to employees in need of fertility treatments and family planning. In addition, the company is adding a maternity/parental leave policy to provide eight (8) weeks paid time off for the birth or adoption of a child. More information will be available later this year.

NEW WEIGHT MANAGEMENT PROGRAM THROUGH LIVONGO

At no cost to you, you can take advantage of a weight management program that offers one-on-one coaching support to help you achieve your goals. Develop long-term healthy habits with an easy-to-use app for food logging, and nutrition and exercise tracking. The app syncs with a smart scale and even generates personal health summary reports you can share with your care team.



Action Steps to Enroll

1. GET READY	2. MAKE YOUR ELECTIONS	3. WATCH FOR MORE INFO
<ul style="list-style-type: none">✔ Review this letter✔ Read the enclosed 2024 Benefits Overview for details✔ Watch the 2024 Open Enrollment video, which can be found on tapintowattsbenefits.com✔ Update your wellness election if your tobacco user status has changed✔ Review your Spousal Surcharge election and update, if necessary	<ul style="list-style-type: none">✔ Enroll on UltiPro by going to tapintowattsbenefits.com > New for 2024 > Enroll in Benefits Now✔ If currently participating or enrolling in an HSA plan, be sure to activate your HSA with Fidelity to receive company-funding and make your own contributions✔ Questions? Join a 2024 Benefits Information Session — contact your HR Partner to participate	<ul style="list-style-type: none">✔ Look for new UnitedHealthcare ID cards at the end of December if enrolled in a medical plan✔ Watch for a new debit card at the end of December from Fidelity, if enrolled in an FSA. HealthEquity cards expire on 12/31/23 for current FSA participants✔ Look for a welcome package from Fidelity after you activate your HSA account



What happens if I don't make any enrollment elections?

If you don't make any changes by November 17, 2023, you will continue to have the same medical coverage you have today, but with UnitedHealthcare. You have to make a positive election if you want to enroll in an FSA or HSA for 2024.

REMEMBER: After Open Enrollment, you may not change your healthcare elections for another year — unless you have a qualified change in status — such as marriage, the birth or adoption of a child, or certain employment-related status changes.

Health Span vs. Life Span

As we all experience our own health journeys, we should begin to consider our health span (how long we live in good health) vs. life span (just how long we live). We need to focus on our overall well-being to increase our health span and live longer, healthier lives to do the things we enjoy most with those we love.

Here are some key actions each of us can take to help increase our health span:

- **Preventive Care:** Get a physical in 2024 and annually. The sooner you begin to get your annual physical, the sooner you can positively impact your health span. Remember — preventive care through in-network providers is covered at 100%.
- **Wellness Programs:** Participate in our wellness programs through Castlight Health, Livongo, Hinge Health, Rethink or our Employee Assistance Program (EAP).
- **Prioritize Your Health:** Life is full, and it's easy to put ourselves at the bottom of the list. But you can't take care of those you love if you're not feeling well yourself. Continue to make taking care of your well-being a priority.



Take the time to review your benefits options. Our plans, services and communications are intended to help you positively advance on your own well-being journey.

Let's increase our health spans in 2024!

Steve Spratt

VP, Total Rewards and HRIS

