

Tentative Agreement Overview

Overview

- **Highest general wage increases since 1995**
- **Increase in employer 401(k) contribution**
- **Maintenance of current sick and short-term disability benefits**

Term and Wages

- 4 year agreement (5/1/2023-4/30/2027)
- Annual wage increases if ratified on or before March 24

Effective Date of Increase	Percentage Increase
5/1/2023	4 %
5/1/2024	3 %
5/1/2025	3 %
5/1/2026	3 %

Medical Plan Changes

- **Effective 1/1/2024**
- **HMO and Traditional Option will be eliminated:**
 - HMO had the highest per-paycheck contributions
 - Traditional Option had a high deductible (\$1,500/\$3,000) and members did not benefit from the HSA Company Funding available under the HSMP
- **2 medical plans will remain:**
 - Direct Access PPO
 - Health Savings Medical Plan (HSMP)
- **If you are currently enrolled in the HMO or Traditional Option, you can elect to enroll in the Direct Access PPO or HSMP during 2024 Annual Enrollment**
 - If you are enrolled in the HMO or Traditional Option and do not actively elect a new plan for 2024, you will be defaulted into the HSMP
 - Will have access to a Health Savings Account (HSA) with Employer funding (\$500/\$1,000)
 - Will remain in the same coverage tier you are in today
 - Employee Only, Employee + Spouse etc.

Medical Plan Changes cont'd

- **Direct Access PPO copays to visit a Primary Care Physician will increase from \$20 - \$25**
- **HSA employer funding for enrolling in the HSMP will increase from \$500 - \$1,000 if you cover one or more dependents**
 - Employee-only funding will remain \$500
 - Additional funding may also be earned by participating in the *Be Well* program
 - Up to an **additional** \$750 for Employee Only and \$1,500 for Employee + one or more dependents
- **HSMP Out-of-Pocket Maximums will increase**
 - From \$4,000 - \$5,100 for Employee Only
 - From \$7,000 - \$10,200 for Employees who cover one or more dependents
 - Deductibles will remain the same
- **HSMP Out-of-Network Coinsurance will decrease**
 - You will pay *30% instead of 40%* after meeting the deductible

2024 Medical Plans

Plan Provision	Health Savings Medical Plan		Direct Access PPO Plan	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Annual Deductible <i>(individual/family)</i>	\$2,000/\$4,000*		\$600/\$1,200	\$1,200/\$2,400
Out-of-Pocket Maximum <i>(individual/family)</i> <i>(includes applicable deductible, copayments, coinsurance, and prescription drug costs)</i>	\$5,100/ \$10,200		\$6,850/\$13,700	
Coinsurance	You pay 20% after deductible	You pay 30% of R&C charges** after deductible	N/A	You pay 30% of R&C charges** after deductible
PCP Visit	You pay 20% after deductible	You pay 40% after deductible	You pay \$25†	You pay 30% after deductible
Specialist Visit	You pay 20% after deductible	You pay 40% after deductible	You pay \$50†	You pay 30% after deductible
Emergency Room Visit	You pay 20% after deductible	You pay 20% after deductible	You pay \$250	You pay \$250
Urgent Care	You pay 20% after deductible	You pay 40% after deductible	You pay \$35	You pay 30% after deductible
CareOnline	You pay \$0 after deductible	Only applies in-network. CareOnline is not available out-of-network	You pay \$0	Only applies to in-network. CareOnline is not available out-of-network
Prescription Drugs***	The plan covers single-source brand-name and generic preventive prescription drugs†† at 100% if filled at a participating Express Scripts network pharmacy. All other non-preventive prescription drugs are subject to the deductible and out-of-pocket maximum.			
PRESCRIPTION DRUGS—RETAIL PHARMACY (30-DAY SUPPLY)				
Generic	You pay \$7.50 after deductible	You pay 40% after deductible	You pay \$7.50	You pay 30%
Preferred Brand Name	You pay \$20 after deductible	You pay 40% after deductible	You pay \$20	You pay 30%
Non-Preferred Brand Name	You pay \$40	You pay 40% after deductible	You pay \$40	You pay 30%
PRESCRIPTION DRUGS—MAIL ORDER PHARMACY (90-DAY SUPPLY) †				
Generic	You pay \$15 after deductible	You pay 40% after deductible	You pay \$15	You pay 30%
Preferred Brand Name	You pay \$40 after deductible	You pay 40% after deductible	You pay \$40	You pay 30%
Non-Preferred Brand Name	You pay \$80 after deductible	You pay 40% after deductible	You pay \$80	You pay 30%

* If you have family coverage, you must meet the family deductible before the plan begins to share in the cost of care for each covered person.

** R&C stands for reasonable and customary charges, which are the commonly charged fees for a health care service in a geographic area. If a provider's charges are higher than the R&C amount, you are responsible for paying the difference.

*** For prescriptions filled outside the Express Scripts pharmacy network, you'll pay 25% of the cost for all medical plan options, except the Health Savings Medical Plan you'll pay 40% as shown above.†

†† For a list of preventive prescription drugs that are covered under the plan, refer to Express Scripts' preventive prescription drug list at express-scripts.com.

† Services subject to a deductible include, but are not limited to, imaging (x-ray, CT scans, MRIs and ultrasounds), laboratory services (blood work), inpatient and outpatient services (surgery). In-network primary care and specialist office visits under the Direct Access PPO are not subject to a deductible.

‡ You can also fill your 90-day prescription drug supply at a participating Walgreens pharmacy and pay the same amount as you would if filled through mail order pharmacy. Penalty applies for maintenance drugs after 2nd refill at other retail pharmacies.

Note: To easily access Horizon CareOnline, simply sign in to HorizonBlue.com/pseg or download the Horizon Blue app.

**Items in Red indicate a change from 2023*

Your Horizon network remains the same



BlueCard®

- Horizon's BlueCard program offers access to more than 970,000 Blue Cross and Blue Shield doctors and 5,930 hospitals in 50 states, Washington, D.C. and Puerto Rico for over 110 million members
- 95% of in-network doctors nationally
- 96% of hospitals in-network nationally
- No PCP or referral needed
- Easy service with no hassles



- When you have a medical emergency, go to the nearest emergency room
- When your illness or injury is not severe, consider an in-network Urgent Care Center
- Urgent Care is generally lower in cost than the emergency room
- For routine and preventive health care, see your primary care physician

To find in-network care, sign in to the Horizon Blue app or at HorizonBlue.com/PSEG

Retirement Benefits

➤ Choices employees (effective 5/1/2023)

- Those eligible for an unreduced benefit under the FAP pension will automatically be eligible for subsidized retiree medical/ dental coverage

➤ B2000 employees (effective 1/1/2025)

- Company will make an annual, additional contribution to 401(k) plan (beginning in Q1 2026 for 2025 plan year)
 - \$100 per year during first 5 years of service
 - \$800 per year after 5 years of service
- Company will no longer make \$500/year VEBA contribution (for members with 5+ years of service or age 55) after the 2024 contribution in Q1 2025
- Existing employees will be provided a choice:
 - A. Maintain current benefits**
 - Cash Balance Plan with pay credits allocated based on age + service; account grows with fixed 6% interest; and
 - Company matches 50% of your contributions up to 7% of pay
 - B. Opt in to the “4/4 Plan”**
 - Company makes 4% core contribution of eligible pay to the 401(k) plan; and
 - Company matches 100 percent of your contribution up to 4% of pay

Vacation

- **Effective 1/1/2025**
- **Vacation days will be available on January 1 of each year**
- **Carry over up to 5 days/year (additional carryover to accommodate employee illness and Q4 vacation cancellations)**
- **Payout of unused days expires 1/1/2027**

Workers' Compensation Benefits

- **Effective 1/1/2025**
- **B2000 employees may be eligible for a maximum of 26 weeks of full pay per accident/injury**
- **No change for Choices**

Other Terms and Conditions









- **Additions to Adjunct Trainers**
- **Creation of 308i Bilingual Service Rep**
 - **All other bilingual positions will reflect the upgraded rate as of 5/1/23**
- **Increase of Permanent Staffing Level for Service Rep from 230 to 240.**
- **Increase of Permanent Staffing Level for Field Collection Rep from 70 to 88.**
- **Combined Permanent Staffing Level for 370, 372, and 368Ms throughout the close of 2025.**

Next Steps

- **Date, time and location to vote will be relayed via your local district.**
- **March 24: Ratification Deadline**

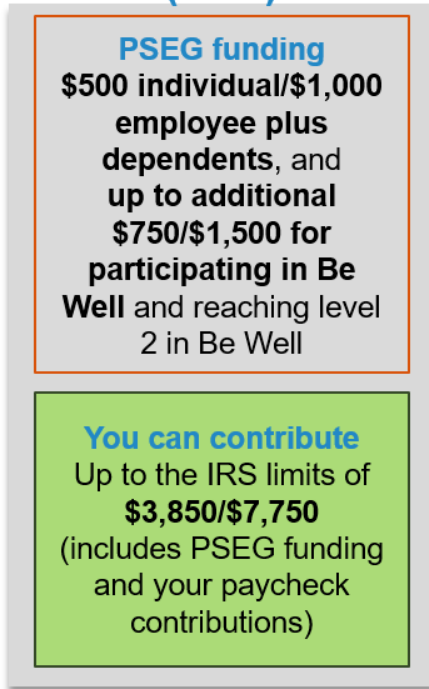
How the HSMP and HSA Work

How the HSMP + HSA Work

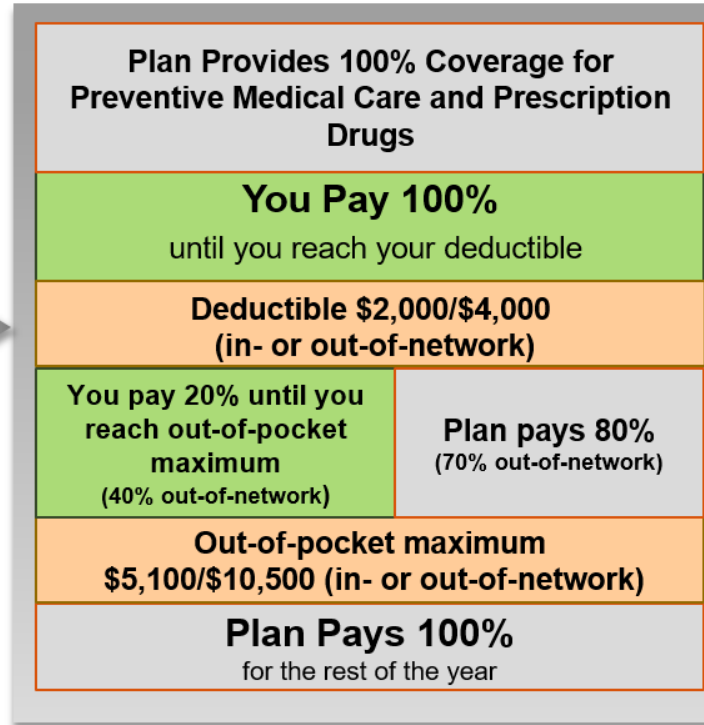
Health Savings Medical Plan (HSMP)		Health Savings Account (HSA)	
 100% coverage for preventive care and certain preventive prescription drugs (no deductible applies)	 Lower paycheck contributions than the HMO or PPO	Use the HSA to pay for out-of-pocket health care costs such as your deductibles, coinsurance or other eligible medical expenses in 2023 or any time in the future.	
 Same Horizon network as you have today (doctors, hospitals and labs)	 Comprehensive medical and prescription drug benefits along with the flexibility to go in- or out-of-network	Get annual PSEG funding – just for enrolling in the plan	Earn extra HSA dollars from PSEG when you participate in <i>Be Well</i> .
 Access to an HSA. PSEG funding to the HSA helps you pay for eligible out-of-pocket health care costs	 Out-of-pocket maximum to protect you in the event of high health care expenses	Contribute your own tax-free dollars to the HSA	 You have the opportunity to invest your HSA balance which can help it grow over time (there's no "use it or lose it" rule)
		 Your HSA is portable. Take your account with you wherever you go — if you leave PSEG or retire	
		Plus, you'll get triple-tax savings on all contributions, investment earnings and withdrawals, as long as you use the money in your HSA for eligible health care expenses	

How the HSMP Works

Health Savings Account (HSA)

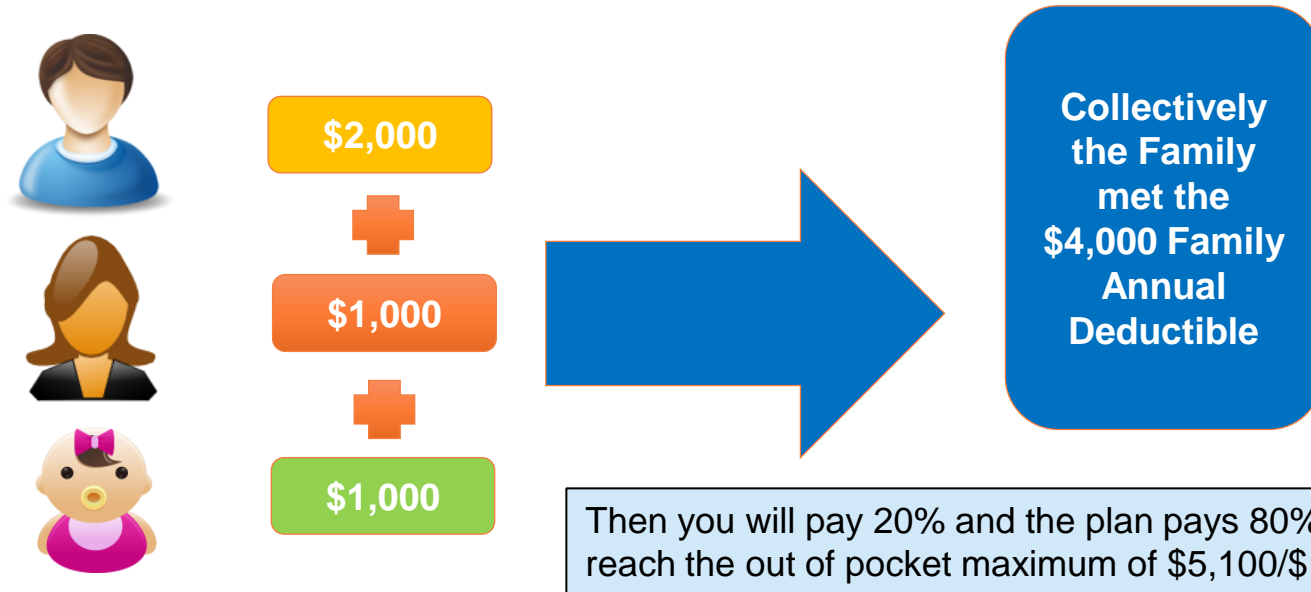


Health Savings Medical Plan (HSMP)



* Based on 2023 IRS HSA limits

Important Things to Know About How the Plan Works – Family Annual Deductible



Then you will pay 20% and the plan pays 80% until you reach the out of pocket maximum of \$5,100/\$10,200

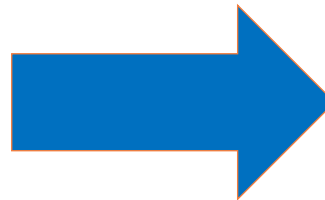
Important Things to Know About How the Plan Works



Out-of-pocket maximum reached by just one family member



\$5,100



\$5,100
Meet
individual
out-of-
pocket
maximum

Family out-of-pocket maximum does not have to be met for this member of the family to have the plan pay 100% of claims thereafter

Important Things to Know About How the Plan Works



Prescription drug costs count toward the annual deductible



Note: Single-source brand-name and generic preventive prescription drugs are covered 100%

Comparing Current VEBA and New 401(k) Contribution

- **Example 1 – The scenario below compares the current \$500 per year VEBA Employer contribution (with an estimated 1% annual return, to the new, additional, 401(k) employer contribution**
 - \$100 per year for the first five years of service
 - New hires after 1/1/25 and current members with less than 5 years on 1/1/25
 - After 5 years anniversary (starting in Year 6), eligible members will receive \$800 per year
- **In this example, the new 401(k) contribution is worth \$32,189 more than the VEBA contribution after 30 years of service**
 - Factors include receiving \$100 after first year of service and receiving an average annual return of 6% in the 401(k)

Year	401(k) Employer Contribution			
	VEBA Contribution	Balance	Balance	Difference
Year 1 (Age 26)	\$ -	\$ 100	\$ 100	\$ 100
Year 5 (Age 30)	\$ -	\$ 564	\$ 564	\$ 564
Year 10 (Age 35)	\$ 2,551	\$ 5,264	\$ 2,714	\$ 2,714
Year 15 (Age 40)	\$ 5,231	\$ 11,554	\$ 6,323	\$ 6,323
Year 20 (Age 45)	\$ 8,048	\$ 19,972	\$ 11,923	\$ 11,923
Year 25 (Age 50)	\$ 11,009	\$ 31,236	\$ 20,227	\$ 20,227
Year 30 (Age 55)	\$ 14,122	\$ 46,311	\$ 32,189	\$ 32,189

Comparing Current VEBA and New 401(k) Contribution

- **Example 2 – The scenario below compares the current \$500 per year VEBA employer contribution (with an estimated 1% annual return), to the new, additional, 401(k) employer contribution**
 - \$100 per year for the first five years of service
 - New hires after 1/1/25 and current members with less than 5 years on 1/1/25
 - After 5 years anniversary (starting in Year 6), eligible members will receive \$800 per year
- **In this example, the 401(k) contribution is worth \$61,107 more than the VEBA contribution after 30 years of service**
 - Factors include receiving \$100 after first year of service and receiving an average annual return of 9.2% in the 401(k)
 - The 10-year average return for the PSEG 401(k) Savings Plan

Year	401(k) Employer Contribution		
	VEBA Contribution Balance	Balance	Difference
Year 1 (Age 26)	\$ -	\$ 100	\$ 100
Year 5 (Age 30)	\$ -	\$ 601	\$ 601
Year 10 (Age 35)	\$ 2,551	\$ 5,740	\$ 3,189
Year 15 (Age 40)	\$ 5,231	\$ 13,720	\$ 8,489
Year 20 (Age 45)	\$ 8,048	\$ 26,111	\$ 18,062
Year 25 (Age 50)	\$ 11,009	\$ 45,352	\$ 34,342
Year 30 (Age 55)	\$ 14,122	\$ 75,228	\$ 61,107