

Your Benefits | BMO Total Rewards

Annual Enrollment Guide and Benefits Updates for 2023

For employees eligible for benefits in the U.S.

For the benefit plan year starting January 1, 2023

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Annual Enrollment

Oct 24 - Nov 4, 2022

Supporting you in business and in life

Powered by a winning culture and driven by our Purpose, the benefits we offer are an important part of your Total Rewards at BMO. Your complete package of benefits reflects BMO's continued commitment to mental health, inclusion and support for families – all while remaining cost effective. It is reviewed each year to ensure it remains competitive, relevant, and sustainable over time.

Designed with you in mind.

BMO offers a comprehensive benefits package designed with your health and well-being in mind. Annual Enrollment (AE) comes around once a year and is your chance to re-evaluate what benefits coverage you need in place to best support you and your family in the upcoming year. Please review the information in this guide to learn more about your benefits and what's new for 2023.

Our employees bring our Purpose to life and are the reason why BMO continues to make bold investments in our offering. To support BMO families in business and life, we've expanded our comprehensive Total Rewards offering to include access to free virtual tutoring; a digital, therapist-guided Cognitive Behavioural Therapy (CBT) program; and free access to Headspace, a leading mindfulness app.

Benefits are an important part of your Total Rewards, and here too, we are introducing meaningful changes. To support new parents, we've increased our paid maternity and parental leave benefit [duration] to 16 weeks. And, as part of a series of steps we've taken this year to support a large percentage of our employees in advancing their own financial progress, we have better aligned the cost of health insurance with financial capacity.

Each one of us has unique needs and goals. That's why our benefits are inclusive and flexible. The purpose, authenticity, and value of these programs have never mattered more.

Take the time to review this guide to understand the benefits that are available to you and your family – then be sure to take action, particularly if you wish to change your coverage choices for 2023.

-John O'Brien, Chief Total Rewards Officer, BMO

2023 Annual Enrollment Checklist



In order to maintain your medical coverage in the Consumer Choice Plan for 2023, you will be required to go through the enrollment process to **re-elect your coverage and re-add your dependents to your coverage**. You and your family will be without medical coverage through BMO for 2023 if you do not take this important action before November 4.

After Annual Enrollment you will not be able to change your benefits unless you experience a qualifying life event – you have 31 days from the qualifying event to make changes.

Log into Workday.

- Click the **My Benefits & Retirement** application
- Click on the **Make your Annual Enrollment elections** banner

Re-enroll, where required. The following plans require re-enrollment to continue your participation into the next year:

- Medical – Consumer Choice Plan
- Health Savings Account
- Health Care Flexible Spending Account
- Limited Purpose Flexible Spending Account
- Dependent Care Flexible Spending Account

Check eligibility.

- **HSA eligibility** – if you will be enrolled in the Consumer Choice Plan for 2023, you will be prompted to confirm if you are eligible to participate in the HSA plan. It is important to understand the eligibility requirements to avoid unintended tax consequences. Refer to the HSA eligibility section of this guide.
- **Dependent eligibility** – Remove any dependents from your dental and vision plans that no longer meet the definition of an eligible dependent for BMO's plans.

Review your Benefits Summary.

- Before you exit the enrollment application, review your elections carefully.

IMPORTANT TIP

The enrollment application will conveniently save your elections along the way, even if you exit out prior to hitting the final submit button, so you can easily come back anytime during AE and resume where you left off. However - it is important to know that once Annual Enrollment closes on November 4 any elections that have been **saved will be finalized** and go into effect for 2023 (*whether or not you have hit the final submit button*).

Please be sure to review your confirmation statement in December to ensure you have the benefits coverage you intended for 2023.

Go to the Annual Enrollment page bmousbenefits.com/2023AnnualEnrollment on the BMO US Benefits website.



A few more important reminders during Annual Enrollment

1. Watch your mail and email **if you enrolled any new dependents on your medical, dental and/or vision coverage for 2023** that have not been previously verified. You will receive information after AE closes from *Dependent Verification Services* to verify your dependents. It is important that you take the required action to verify your dependents before the deadline or they will be canceled from your coverage after 60 days.
2. In early December, you will receive an email from BMOHR.USBenefits@bmo.com that your **2023 Annual Enrollment Confirmation Statement** is available. It is important to access *My Benefits and Retirement* via Workday to review this statement thoroughly to ensure your elections for 2023 are accurate so you can contact the Human Resources Centre (HRC) if you have any corrections before it is too late. As a reminder - Mid-year changes are not allowed without a qualified Life Event, so it is critical to check and resolve any enrollment issues prior to the new plan year.
3. Annual Enrollment is the perfect time to conduct a **check-up on your life insurance beneficiary designations** in case you need to make changes or add any missing Social Security Numbers, as required.
4. Double check that the home address on file in Workday is up to date to avoid any delays in receiving new insurance cards, mailings from *Dependent Verification Services*, or your 2022 tax forms. You can **check and update your address** at any time via the *Personal Information* application in Workday.

Need help?

You can schedule an appointment with an Enrollment Specialist for assistance on your health benefits any time through the year. Visit the *My Benefits & Retirement* application in Workday and navigate to **Schedule an Appointment** from your recommended tiles to schedule your appointment.

What to Expect in 2023

Premiums. BMO is implementing a tiered rate structure that more closely aligns the cost of medical insurance with an employee's base salary. Medical premiums are increasing overall by approximately 8.2%. However, due to the new tiered rate structure, employees in the lowest salary tier will see a decrease in their medical premiums and employees in the highest salary tier will see an increase greater than the overall plan increase. All other insurance rates will remain flat unless you are moving age bands or update your tobacco use in the applicable plans. You can review 2023 premiums during the enrollment process via bmousbenefits.com/2023AnnualEnrollment.

Smart-Choice conversion. Exciting changes are coming to your reimbursement accounts, this includes Health Care Flexible Spending Account, Dependent Care Flexible Spending Account, and Health Savings Account. Your Spending Account (YSA) will transition to Smart-Choice Accounts and offer an enhanced online and mobile experience with new features and capabilities. Watch for specific communications from Smart-Choice Accounts, sent to your preferred email on file the last week of November, with a timeline of updates so you'll know exactly what to expect and key dates for required action items.



During the enrollment process you will be asked to complete the electronic form to authorize the transfer of your entire HSA balance from UMB Bank to the new custodian and closure of your UMB HSA. Please read the information carefully. If you do not authorize the transfer or you wish to transfer at a future date your account will be transferred to a retail account with UMB and applicable retail fees will be applied to your account.

Go digital!

Many of our benefits administrators have [apps](#) and [member portals](#) that you can access from the convenience of your mobile device or computer!

You can easily take advantage of self-service functions such as accessing digital ID cards, ordering replacement ID cards, checking claim statuses, reviewing your deductible and out-of-pocket accumulator balances, and finding in-network providers.

Orthodontic care increasing. The separate lifetime maximum per eligible individual (up to age 19) on the Delta Dental plan will increase from \$1,500 to \$2,000.

Enhancement to paid maternity and parental leave. Starting in 2023, all parents will be eligible for 16 weeks of paid leave, with an option to take an additional 8 weeks of unpaid leave, following the birth or adoption of a child. All employees on paid maternity and paid parental leave as of January 1 will be eligible to receive an additional 4 weeks of paid leave.

Continued employer provided HSA contributions. BMO will continue to support employees through employer contributions to their HSA based on your base salary tier.

Increased HSA and FSA limits. The plan limits will be increased to the new 2023 IRS limits to allow you to maximize your pre-tax saving opportunity for eligible expenses.

The IRS limit for Health Care FSA for 2023 is increasing to \$3,050 and the carryover limit to \$610.

The HSA IRS maximum contributions (inclusive of Employer + Employee Contributions) for 2023 are \$3,850 for Employee Only coverage and \$7,750 for all other coverage levels. Employees who will be age 55 or older during the plan year, can also contribute an additional \$1,000.



How well do you know your plans?

Tools and resources are available to help you learn more.

BMO offers a range of competitive benefit and retirement plans that help you invest in your health, wellness, and financial security now and in the future.

Our plans are an investment in you — shared by you and BMO. Whether you just need a refresher about what BMO offers or want to learn more about the details of the plans you've chosen, check out the many tools and resources available to help you make the best decisions for you and your family on our US benefits website www.bmousbenefits.com.

Medical Plan

BMO offers medical coverage through the Consumer Choice Plan; a High-Deductible Health Plan (HDHP) administered by BCBSIL, that includes a tax advantaged Health Savings Account (HSA). The Consumer Choice Plan and HSA work together to help you take charge of your health care when you actively engage in your health and decision-making. When you enroll in the Consumer Choice Plan for medical coverage, you automatically receive prescription drug coverage through Express Scripts. For information please visit the [Medical Highlights](#) and [Prescription Drugs](#) pages on the BMO US Benefits website.



ALL EMPLOYEES are required to go through the enrollment process to re-elect your medical coverage and re-add your dependents to your coverage. If you do not act during annual enrollment, you and your family will not have medical coverage for 2023.

Medical Plan and design changes

- **Tiered medical rates.** A tiered rate structure more closely aligns the cost of health insurance with an employee's base salary. In the U.S., BMO employees with base salaries up to \$70,000 will now pay a smaller percentage of the medical premium and employees in our highest salary tier (\$175k+) will pay a greater percentage of the premium than has been historically applied. Your base salary as of September 30, 2022 will be used to determine your medical rate for 2023 and will remain the same throughout the year regardless if your salary increases or decreases.
- **Enhanced travel benefits in the consumer choice plan.** Any medical and behavioral health services covered by an in-network provider where there is no access within 100 miles of your residence to obtain care will have a maximum benefit of \$4,000 per occurrence. IRS limits apply to mileage and lodging. (Change effective July 1, 2022)

Prescription drug coverage changes

- **Formulary updates.** The Consumer Choice Plan uses the Express Scripts National Preferred Formulary to manage prescription drug costs. Each year you should review the updated lists and note any changes to prescriptions you may be taking. These documents are found on the [prescription drug page](#) under Important Docs.

During Annual Enrollment you have choices to make about:

- Medical
- Health Savings Account (HSA)
- Critical Illness Insurance
- Hospital Indemnity
- Accident Insurance
- Dental
- Vision
- Flexible spending accounts (FSA) – Health Care, Limited Purpose and/or Dependent Care
- Supplemental Life Insurance
- Family Life Insurance
- Supplemental Long-Term Disability
- Legal Insurance

Other benefits automatically provided:

- Basic Life
- Disability
- Business travel accident

Why is re-enrollment required for the medical plan?

The Consumer Choice Plan and Health Savings Account (HSA) are designed to work together. Each annual enrollment, we need to recertify your eligibility for the HSA plan at the time you elect the Consumer Choice Plan to properly determine your eligibility for HSA contributions to avoid unintended tax implications.

This enrollment information provides highlights of the company's benefit plans. While every effort was made to ensure its accuracy, it does not provide every plan detail, limit or exclusion and does not create contractual rights. The plan documents, which govern these plans, provide full details. The company reserves the right to modify, amend, replace or discontinue any benefit or plan at any time for any reason. If there are any discrepancies between this enrollment information and the legal plan documents, the plan documents shall rule.

Health Savings Account (HSA)

Important: Action required to authorize transfer of assets to new HSA custodian

Beginning January 1, 2023 WealthCare Saver will be the new HSA custodian and no further contributions will be made to your UMB HSA. During the Annual Enrollment process you will need to authorize the transfer of assets to transfer your entire HSA balance from UMB Bank to the new custodian and close your UMB HSA to avoid your UMB account from being converted to a retail account (subject to fees). The transfer will take place during a blackout period beginning January 15, 2023 through February 6, 2023, during which time you will not have access to your UMB HSA balance. Your complete balance will be available through your new WealthCare Saver HSA by February 6, 2023.

If funds from your UMB HSA have been invested, you must liquidate investments prior to December 30, 2022, in order for UMB to transfer your account balance to WealthCare Saver.

HSA Eligibility:

- Enrolled in the Consumer Choice Plan (HDHP);
- Not covered under other non-HDHP medical coverage, including Medicare or TRICARE;
- Not enrolled a traditional Health Care Spending Account (including through a spouse/domestic partner);
- Not claimed as a dependent on someone else's tax return.

A few reminders about how the HSA plan works

- When you choose to enroll in the Consumer Choice Plan, you can also participate in the HSA. With the HSA, you can pay for eligible medical, prescription, dental and vision expenses for you and your eligible dependents with tax advantaged dollars.
- BMO's Employer Contributions will be determined by your base salary in effect on September 30 of the prior year (or as of your hire date for new or your status change date for newly benefits-eligible employees). The base salary is used to determine your HSA Employer Contribution eligibility and amounts will be locked in for the plan year. If you are not eligible to receive all or a portion of BMO Employer Contributions you will still have the opportunity to reach the full IRS limit with your Contributions.
- **Employer Contributions** are made up of 2 components: **Core Contributions** and **Match Contributions**.
 - The **Core Contribution** does not require that you elect to make your own Contributions. However, to receive Core Contribution you must confirm you are eligible to have an HSA in 2023 and authorize BMO to open an HSA on your behalf at WealthCare Saver during the enrollment process (If eligible, you will receive the Core Contribution by answering 'yes' to the HSA eligibility question during the enrollment process).
 - The **Match Contribution** requires that you elect to make your own Contributions. If eligible, you will receive a dollar for dollar match up to the maximum Match Contribution that you are eligible for based on your base salary.

If you enroll in the Consumer Choice Plan and will concurrently be enrolled in Medicare or TRICARE for 2023, you are not eligible to contribute or receive contributions into an HSA. However, you are still eligible to receive a Core Contribution in the form of taxable cash to use towards your out-of-pocket medical expenses by promptly emailing BMOHR, USBenefits@bmo.com so we can add you to our list for 2023.

As you approach Medicare eligibility, or if you are eligible for Medicare already, there is a lot to consider. If you have an HSA, it is important to understand how enrolling in Medicare will affect your HSA. Learn how [enrolling in Medicare will affect your HSA](#).

Base salary tier structure	BMO HSA Employer Contributions (EE ONLY / Family)		
	Fixed Core Contribution	Maximum Match Contribution	Maximum BMO Contribution
\$70,000 or less	\$500 / \$1,000	\$250 / \$500	\$750 / \$1,500
\$70,001 - \$130,000	\$250 / \$500	\$250 / \$500	\$500 / \$1,000
\$130,001 - \$175,000	\$0	\$250 / \$500	\$250 / \$500
\$175,001 or more	\$0	\$0	\$0

Dental Plan

BMO offers comprehensive dental coverage through Delta Dental of Illinois. You have the flexibility to see any dentist you choose, however the "Delta Dental PPO" or "Delta Dental Premier" network dentists can save you money. For information please visit the [Dental](#) page on the BMO US Benefits website.

Premiums for 2023 are not changing. You can see the 2023 premiums on the [Annual Enrollment](#) page on the BMO US Benefits website.

Orthodontic Lifetime Maximum is increasing to \$2,000. If your eligible child has an orthodontic case still in progress, meaning their bands are still in place, the difference between the current and new lifetime max will be applied.

Flexible Spending Accounts

Flexible Spending Accounts (FSAs) are designed to support your financial wellness by providing pre-tax savings opportunities for eligible expenses. BMO offers 3 types of FSAs to support your unique needs.

Health Care Flexible Spending Account (HCFSA)

The HCFSA allows you to save up to \$3,050 for eligible medical, prescription, dental and vision expenses for you and your dependents on a pre-tax basis. The HCFSA is a great alternative for employees that are not eligible for BMO's HSA.

You should plan your HCFSA Annual Election carefully because the IRS only allows up to \$610 to carry forward from one year to the next. Amounts in excess of the \$610 limit are forfeited.

Limited Purpose Flexible Spending Account (LPFSA)

The LPFSA is designed to work in conjunction with your HSA to maximize your pre-tax savings strategy. In addition to your HSA contributions, you can save up to another \$3,050 for eligible dental and vision expenses only for you and your dependents on a pre-tax basis.

You should plan your LPFSA Annual Election carefully because the IRS only allows up to \$610 to carry forward from one year to the next. Amounts in excess of the \$610 limit are forfeited.

Dependent Care Flexible Spending Account (DCFSA)

The DCFSA allows you to save up to \$5,000 for eligible day care expenses for your eligible dependents. Eligible dependents include your children under age 13 and older tax dependents (of any age) who are physically or mentally incapable of self-care. You should plan your DCFSA Annual Election carefully because the IRS does not allow balances to carry forward from one year to the next. Amounts that cannot be used for eligible expenses during the plan year are forfeited. You can find more information on the [Flexible Spending Accounts](#) in the Summary Plan Description.

Vision Plan

BMO offers vision benefits through VSP to you and your dependents. You can see any vision care provider, but you'll get the most out of your benefits if you use a network doctor. For information please visit the [Vision](#) page on the BMO US Benefits website.

Premiums for 2023 are not changing. You can see the 2023 premiums on the [Annual Enrollment](#) page on the BMO US Benefits website.

Disability

BMO provides financial protection for you and your family in the event you cannot work because of an accident or personal illness. The disability plan pays you a benefit for as long as you are disabled as defined by the Plan. For information please visit the [Disability](#) page on the BMO US Benefits website.

You automatically receive Long Term Disability coverage equal to 60% of your base salary, at no cost to you. To enhance your financial protection, you can elect to purchase supplemental coverage of 15% that will provide you with a total of 75% of your base salary while you are disabled.

Premiums for 2023 are not changing. You can see the 2023 premiums on the [Annual Enrollment](#) page on the BMO US Benefits website.

Life

Life Insurance provides financial protection for you and your family. BMO automatically provides Basic Life and Business Travel Accident insurance to eligible employees. You can purchase additional Supplemental Life and Family Life Insurance for your eligible dependents. For more information, please visit the [Life Insurance](#) page on the BMO US Benefits website.

Premiums for 2023 are not changing. You can see the 2023 premiums on the [Annual Enrollment](#) page on the BMO US Benefits website.

Important Benefits Information

- [Summary Plan Descriptions, Forms and Legal Notices](#)
- [Benefit Contacts](#)
- [Resource Library](#)
- [App Library](#)