

An aerial photograph of a winding asphalt road that curves through a dense, green forest. The road is light gray and contrasts with the dark green trees. In the lower right, a body of water with a teal-green hue is visible. A small white car is parked on the left side of the road. The overall scene is peaceful and scenic.

BORGWARNER

2024 Open Enrollment
HIGHLIGHTS BROCHURE

Benefits for the Road Ahead

spark Wellness



Welcome to 2024 Open Enrollment Nov. 1-15, 2023

This is your annual opportunity to evaluate your benefits coverage and ensure it will provide the protection and peace of mind you need for the upcoming year. Don't miss out — enroll online through Workday® between Nov. 1 and Nov. 15.

Summary Of Your 2024 Benefits

As a member of BorgWarner's benefits program, you may receive certain benefits automatically (no enrollment required) and have the opportunity to elect coverage for other benefits, as follows:

Benefits You Automatically Receive

(BorgWarner pays the full cost, based on eligibility)

- ✓ Basic Life and AD&D
- ✓ Short-Term Disability
- ✓ Basic Long-Term Disability
- ✓ SOS Business Travel Accident and Medical Insurance
- ✓ Employee Assistance Program
- ✓ Wellness Resources
- ✓ Company Retirement Account

Benefits You May Elect or Change During Open Enrollment

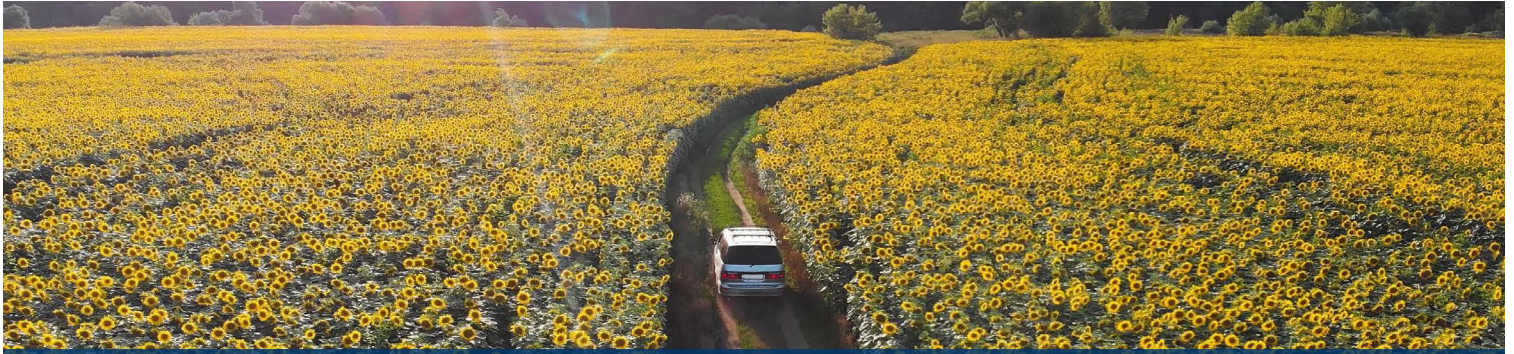
(Enroll through Workday®)

- ☐ Medical/Prescription Drug (Rx)
- ☐ Dental
- ☐ Vision
- ☐ Health Savings Account (HSA)
- ☐ Health Reimbursement Account (HRA)
- ☐ Flexible Spending Accounts (FSAs) (Health Care FSA and Dependent Care FSA)
- ☐ Enhanced Long-Term Disability (Optional LTD70)
- ☐ Voluntary Critical Illness Insurance
- ☐ Voluntary Accident Insurance
- ☐ Voluntary Hospital Indemnity Insurance
- ☐ Legal Services
- ☐ Identity Theft Protection
- ☐ Optional Life and AD&D
(For you, your spouse and/or your child(ren))

New Process! You must now make these elections during open enrollment (or as a result of a qualifying life event).

Benefits You May Elect or Change at Any Time During the Year

- ☐ HSA Contribution Amount
- ☐ Retirement Savings Plan (RSP)



DON'T MISS OUT: You MUST Actively Enroll to Have Coverage for 2024

To have benefits coverage for 2024, you **MUST** go through the enrollment process. Your current 2023 coverage **will not** automatically carry forward unless you complete the Open Enrollment event in Workday®.

Please note: With the new change in dependent coverage levels for the medical, dental and vision plans (see page 2), your current elections for medical, dental and vision plans will NOT pre-populate in Workday. To receive medical, dental and vision coverage, you must **actively re-enroll** in each of the three plans.

IMPORTANT: BorgWarner is required by law to automatically enroll you in **default levels of coverage** if you DO NOT log into Workday® and complete one or more of the following:



Confirm your current
pre-populated elections.

OR



Make changes to
your elections.

OR



Elect to
waive coverage.



CHOOSE WELL:

With the new **HSA Saver Medical Plan** option and the discontinuation of the HRA Buy-Up Medical Plan option, it is especially important to weigh your options for 2024 and actively participate in Open Enrollment!

Default coverage provides you with only **minimal coverage**, and your spouse and dependents WILL NOT have any coverage.

Your next opportunity to elect coverage is during Open Enrollment in November 2024, with an effective date of Jan. 1, 2025. The exception is if you experience a *qualifying family status change* — such as marriage, birth of a child, divorce, etc. — which allows you to change your benefits outside of Open Enrollment. (See the *2024 Benefits Reference Guide* at borgwarner.com/benefits for a specific description of default coverage, and a list of qualifying life events.)

Mark Your Calendar! Key Dates



Oct. 18–Nov. 15

Participate in an
enrollment meeting.

Nov. 1-15

Participate in
2024 online
enrollment period.

Jan. 1, 2024

2024 benefit elections are
effective. *You can always
check your coverage by visiting
your Workday® profile and our
vendor partner websites.*

What's New for 2024

(effective Jan. 1, 2024)



New Benefit HSA Saver Medical Plan

BorgWarner is pleased to offer employees a new medical plan option called the **HSA Saver Medical Plan**. This plan combines comprehensive medical coverage through the Cigna Consumer-Driven Health Plan with a powerful new savings vehicle, called a **Health Savings Account (HSA)**. The HSA offers many advantages, including triple tax savings, account ownership, investment opportunities, no “use it or lose it” rule and much more.

Learn more on page 6.

Eliminating the HRA Buy-Up Plan

As announced earlier this year, we are discontinuing the HRA Buy-Up Medical Plan due to low enrollment. We believe the new HSA Saver Medical Plan will better meet employees' needs for more control over their healthcare dollars and offer greater ability to save for the future.

Expanding Coverage Levels

For greater choice and flexibility, we have added another coverage level to the medical, dental and vision plans. Now you can choose from four levels of coverage rather than three.

Employee Only | Employee + Spouse | Employee + Child(ren) | Family

Eliminating Spousal Surcharge and Working Spouse Rule

BorgWarner continues to seek ways to better support our employees and their families. As such, we are eliminating the current Spousal Surcharge that applies to our medical plans. In addition, we are also removing the Working Spouse Rule. This is good news and means:

- **Spouses can now have primary coverage through BorgWarner**, regardless of whether they have access to medical coverage through their own employer.
- **There will no longer be an additional Spousal Surcharge** for covering spouses on your medical plan — that means you take home more money in your paycheck!
- **Your spouse will no longer need to complete the two voluntary tasks** (Cigna Health Assessment and a Preventive Health Exam) by the Sept. 30 deadline.

Be sure to review your spouse's medical plans and BorgWarner's medical plans to determine the best plan option for your family.

Increasing BorgWarner's HRA Contribution

BorgWarner is increasing the amount it provides toward the HRA. (Note: The company will contribute this same higher amount to the new Health Saver Medical Plan.)

Learn more on page 7.

Slightly Increasing the HRA Medical Plan Deductible

The HRA Medical Plan (formerly called the Basic HRA Plan) deductible is increasing slightly in 2024. Keep in mind, to help offset the financial impact of this additional cost for employees, we are increasing the amount of the BorgWarner-funded HRA contribution (see previous page) — which is your first source of payment for covering out-of-pocket costs.

Learn more on page 7.



Open Enrollment Highlights | 3

Enhancing Certain Healthcare Benefits

To stay competitive with benefit offerings in the market, we are enhancing several benefit plans:

- **Medical – Chiropractic Care**
The in-network maximum number of visits per year is increasing from 12 to **20 visits***.
- **Dental – Orthodontia**
The lifetime maximum is increasing from \$1,250 per person to **\$1,500 per person**.
- **Vision – Frames and Contact Lenses**
In-network allowances for both frames and contact lenses will increase from \$100 to **\$130** every 12 months.

**After deductible is met.*



Upgrading Legal Services Benefit

We are improving the Legal Services benefit by improving the current coverage and adding a new Enhanced option that allows you to cover parents and grandparents.

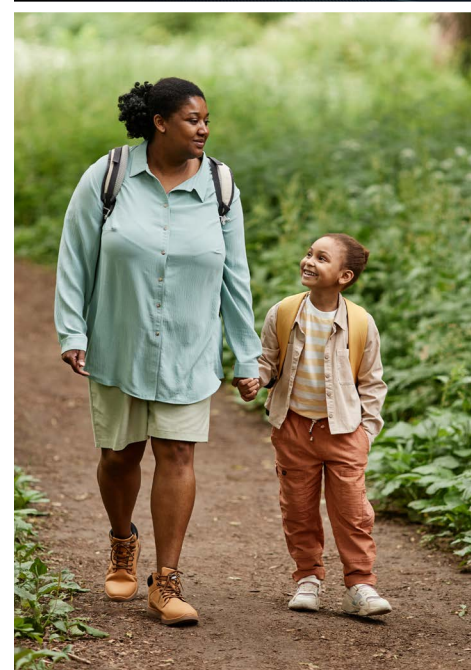
Learn more on page 8.



Enhancing Identity Theft Protection Benefit

You will now pay less out of your paycheck for this coverage AND have enhanced coverage. For example, new features including elder fraud care resources, expanded family digital safety tools and cyber protection for all enrolled personal devices (up to 10 devices).

See page 5 for 2024 rates.



New Benefits Voluntary Benefits

When the unexpected happens, you'll have greater peace of mind knowing you're financially protected. You now have the option of purchasing Accident Insurance and Hospital Indemnity Insurance at favorable group rates.

Changing Vendors

There are a few changes to our vendor partners:

- **Vision:** Changing from Cigna to **vsp VISION**.
- **Health Savings Account (HSAs) and Flexible Spending Accounts (FSAs):**
For consistency, **HealthEquity** will administer the new HSA and FSAs.
- **Voluntary Critical Illness Insurance:** Changing from Allstate to **MetLife**.
- **Disability and Leaves:** The ReedGroup is now known as **alight**. Same team, same service and same contact information, just a new name.



Important Consideration!

Because you can save an average of \$240 per month in premium contributions by earning the full wellness points, consider setting aside that savings into the new HSA — where it can grow tax-free and be used tax-free for your future medical expenses.



The Value of Your BorgWarner Medical Plan

Each year, we measure the value of our medical plan against plans of our manufacturing and automotive peers. We are happy to report that BorgWarner employees continue to pay a significantly **LOWER SHARE** of total medical plan costs compared to other manufacturing and automotive employees.

The pie charts below demonstrate that most other employees pay approximately 33% of the total plan costs on average. BorgWarner employees pay only 14% of total medical plan costs when earning the maximum wellness points. While our medical plans are competitive with those offered by other manufacturers, your engagement in earning premium discount points lowers your share toward total medical premiums.



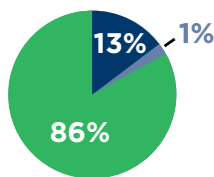
Today, 76% of BorgWarner employees enrolled in a medical plan are paying \$0 out of their paycheck.

There has been a significant increase in medical costs due to a number of factors, including inflation and post-COVID delayed care, which is forcing an increase in employee contributions in 2024.

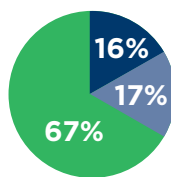
To minimize the financial impact on you and your family, consider taking advantage of earning wellness discount points and enroll wisely.

Comparing Costs

BorgWarner
(5 Wellness Points)



Manufacturing and Automotive



■ Employer Costs
■ Employee Contributions
■ Employee Out-of-Pocket Costs (deductibles, copays and coinsurance)

BorgWarner employees pay a significantly **LOWER SHARE** of total medical plan costs compared to employees from other manufacturing and automotive companies.

2024 Employee Monthly Contribution Rates

Medical

For 2024, you become eligible for either of the \$0 contribution plans if you earned five or more wellness points through the Shift Into Better Health Premium Incentive Program between Oct. 1, 2022 and Sept. 30, 2023.

| Basic HRA Plan | | Your Monthly Contribution | | | |
|---------------------------------|-----------|---------------------------|-------------------|-----------------------|--------|
| Points Earned by Sept. 30, 2023 | Premium % | Employee Only | Employee + Spouse | Employee + Child(ren) | Family |
| 0 | 20% | \$140 | \$320 | \$260 | \$430 |
| 1-2 | 15% | \$105 | \$240 | \$195 | \$325 |
| 3-4 | 10% | \$ 70 | \$160 | \$130 | \$215 |
| 5+ | 0% | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

| HSA Saver Plan | | Your Monthly Contribution | | | |
|---------------------------------|-----------|---------------------------|-------------------|-----------------------|--------|
| Points Earned by Sept. 30, 2023 | Premium % | Employee Only | Employee + Spouse | Employee + Child(ren) | Family |
| 0 | 20% | \$140 | \$320 | \$260 | \$430 |
| 1-2 | 15% | \$105 | \$240 | \$195 | \$325 |
| 3-4 | 10% | \$ 70 | \$160 | \$130 | \$215 |
| 5+ | 0% | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

Dental

| Your Monthly Contribution Levels | |
|----------------------------------|------|
| Employee Only: | \$14 |
| Employee + Spouse: | \$23 |
| Employee + Child(ren): | \$30 |
| Family: | \$45 |

Vision

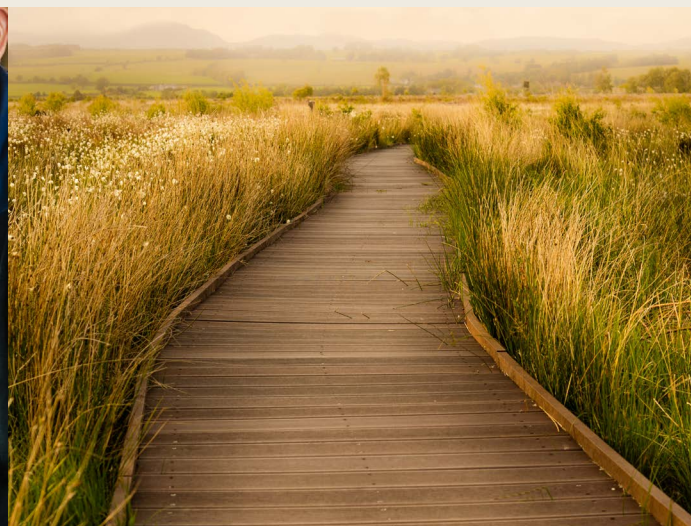
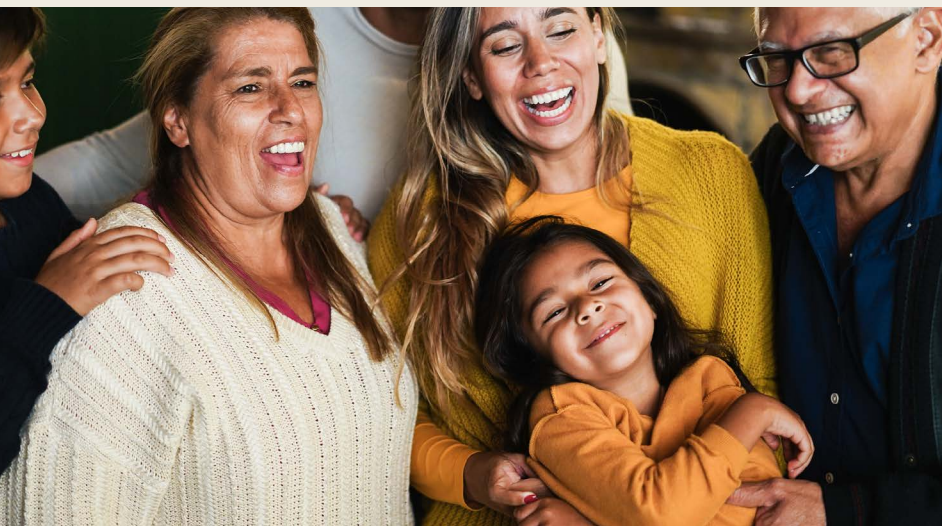
| Your Monthly Contribution Levels | |
|----------------------------------|------|
| Employee Only: | \$ 5 |
| Employee + Spouse: | \$10 |
| Employee + Child(ren): | \$11 |
| Family: | \$16 |

Legal Services

| Your Monthly Contribution Levels | |
|--|---------|
| Basic Plan (Employee Only/Employee + Dependents): | \$18.50 |
| Enhanced Plan (Parents + Grandparents): | \$23.50 |

Identity Theft Protection **Lower Rates for 2024!**

| Your Monthly Contribution Levels | |
|----------------------------------|---------|
| Employee: | \$ 8.45 |
| Family: | \$14.50 |



Is the HSA Right for You?

Here Is a Quick Review

Over the past couple months, we have shared several articles familiarizing employees with the advantages of the new HSA, explaining how it works and comparing it to the HRA and FSA. In case you missed those articles (available at borgwarner.com/benefits) here's a quick recap.



Why the HSA is Unique



You own it, you control it and you contribute to it.

Unlike other healthcare accounts, an HSA is truly yours. You can make contributions, manage your funds and take your account with you if you change employers or retire.



You get the triple tax advantage.

This is the only savings account where your money goes in tax-free, grows tax-free and comes out tax-free (if it's used for qualified healthcare expenses).



You can invest it.

This is one of the HSA's most valuable features. Investing gives your money the opportunity for greater earnings potential and maximum growth over time.



You can save for the future.

There is no time limit on when you must use the money in your account. Use your funds this year, in five years or even during retirement.

How It's Funded

Both you and BorgWarner can contribute to your HSA up to the 2024 IRS annual limits:

BorgWarner's Contributions

Employee Only: \$ 600
All other coverage tiers: \$1,200



Your Contributions*

Employee Only: Up to \$3,550
All other coverage tiers: Up to \$7,100

If you are age 55 or older, you can make an additional \$1,000 catch-up contribution. Remember, there is no "use it or lose it" rule. Unused funds automatically roll over year after year with no limit!

**The total combined contribution maximum for both employer and employee contributions is \$4,150 for Employee Only coverage and \$8,300 for all other coverage levels. Employees are responsible for monitoring amounts contributed to the HSA account each year.*

The HSA Investment Account

Once you have a minimum of \$1,000 in your HSA, you can invest the funds—similar to how you'd invest your 401(k) funds—to grow your money more quickly over time.

- You control investment options, account transfers and withdrawals.
- You can let your money grow for as long as you want.
- Your investment earnings compound and grow tax-free.
- You can access your account 24/7 through online management tools.
- You can boost retirement income — pay for retiree healthcare expenses or withdraw funds for any purpose without penalty after age 65 (taxes may apply if not used for an IRS-qualified expense).

Accessing Your HSA

Accessing your HSA funds is easy. First, keep in mind that Cigna will automatically forward all medical claims to your HSA vendor. You can then decide how you want to pay for it:



HSA debit card

Use this card to pay for eligible expenses at the point of sale.



Online bill pay

Through your online HSA account, pay providers using HSA funds.



Online withdrawals

Pay for expenses using your personal funds and request reimbursement from your HSA by requesting an electronic fund transfer (EFT) or have a check mailed to you.



For detailed information about the HSA, including the HSA article series, scan this QR code with your smartphone or visit borgwarner.com/benefits.



To see plan features and coverage for other benefits, refer to the Benefits Reference Guide on borgwarner.com/benefits.

Comparing Your Medical Plan Options

Plan Features At-a-Glance

| | HRA Plan (Formerly Basic Plan) | | NEW! HSA Saver Plan | |
|--|--|--|--|--|
| Feature | In-Network | Out-of-Network | In-Network | Out-of-Network |
| Plan Deductible | This is the amount you pay before the Plan starts paying. | | | |
| Employee Only | \$1,600 | \$3,200 | \$1,600 | \$3,200 |
| Employee + Spouse | \$2,400 | \$4,800 | \$3,200 | \$6,400 |
| Employee + Child(ren) | \$2,400 | \$4,800 | \$3,200 | \$6,400 |
| Family | \$3,200 | \$6,400 | \$3,200 | \$6,400 |
| BorgWarner-Paid Contribution* | This is the amount BorgWarner contributes to your account to help offset your deductible. | | | |
| Employee Only | \$ 600 | | \$ 600 | |
| Employee + Spouse | \$ 900 | | \$1,200 | |
| Employee + Child(ren) | \$ 900 | | \$1,200 | |
| Family | \$1,200 | | \$1,200 | |
| Coinsurance | Once you meet your deductible, this is typically how you and BorgWarner share the costs. | | | |
| | Plan pays 80% You pay 20% | Plan pays 50% You pay 50% | Plan pays 80% You pay 20% | Plan pays 50% You pay 50% |
| Preventive Care | Plan pays 100%; no deductible | Plan pays 50% You pay 50% | Plan pays 100%; no deductible | Plan pays 50% You pay 50% |
| Sample Services/Coinsurance—AFTER YOU MEET YOUR DEDUCTIBLE, this is how you and BorgWarner share the costs: | | | | |
| Office Visit | Plan pays 80% You pay 20% | Plan pays 50% You pay 50% | Plan pays 80% You pay 20% | Plan pays 50% You pay 50% |
| Telehealth Services | Plan pays 80% You pay 20% | No coverage | Plan pays 80% You pay 20% | No coverage |
| Urgent Care | Plan pays 80% You pay 20% | Plan pays 50% You pay 50% | Plan pays 80% You pay 20% | Plan pays 50% You pay 50% |
| Emergency Room | Plan pays 80% You pay 20% plus \$100 surcharge**** | Plan pays 80% You pay 20% plus \$100 surcharge**** | Plan pays 80% You pay 20% | Plan pays 80% You pay 20% |
| Hospitalization *** (inpatient, outpatient, X-rays, lab tests, skilled nursing) | Plan pays 80% You pay 20% | Plan pays 50% You pay 50% | Plan pays 80% You pay 20% | Plan pays 50% You pay 50% |
| Mental Health/Substance Abuse | Plan pays 80% You pay 20% | Plan pays 50% You pay 50% | Plan pays 80% You pay 20% | Plan pays 50% You pay 50% |
| Medical Out-of-Pocket Maximum | This is your safety net — the most you'd pay out-of-pocket for the year (including what you spent on your deductible). | | | |
| Employee Only | \$4,000 | \$ 8,000 | \$4,000 | \$ 8,000 |
| Employee + Spouse | \$6,000 | \$12,000 | \$8,000 | \$16,000 |
| Employee + Child(ren) | \$6,000 | \$12,000 | \$8,000 | \$16,000 |
| Family | \$8,000 | \$16,000 | \$8,000 | \$16,000 |
| Prescription Drug (Rx) Deductible | None | None | N/A—Applies to Medical Plan deductible | N/A—Applies to Medical Out-of-Pocket Maximum |
| Rx Out-of-Pocket Maximum** | | | | |
| Employee Only | \$4,550 | | N/A—Applies to Medical Out-of-Pocket Maximum | N/A—Applies to Medical Out-of-Pocket Maximum |
| Employee + Spouse | \$6,826 | None | | |
| Employee + Child(ren) | \$6,826 | | | |
| Family | \$9,100 | | | |

* BorgWarner-funded contributions are pro-rated monthly for new hires based on hire date.

** An individual maximum applies for pharmacy out-of-pocket costs. If one member of the family exceeds half of the total out-of-pocket cost in an Employee + Spouse, Employee + Child(ren) or Family plan, the plan pays 100% of all eligible pharmacy expenses for the remainder of the year.

*** Utilization review required.

**** The ER surcharge is in addition to the deductible and coinsurance, but will be waived if the member is admitted to the hospital. It will accumulate toward the out-of-pocket maximum.

A Closer Look at the New Voluntary Benefits



Accident Insurance

While you can't prevent accidents from happening, you can protect yourself from the unexpected expenses that follow. If you are injured in an accident, BorgWarner's new Accident Insurance supplements your medical and disability insurance by helping you pay for the expenses that those plans don't cover. You will receive a convenient payment all at once for you to pay for things like:

- Copays
- Transportation
- Deductibles
- Childcare
- Lost wages
- Groceries

The level of coverage and pricing varies depending on whether you choose the Basic or Enhanced option. You receive greater coverage under the Enhanced option, but you also pay a bit more for that coverage. Benefits are paid per accident.



Hospital Indemnity Insurance

When you, your spouse or your dependent children are hospitalized, Hospital Indemnity Insurance helps cover the out-of-pocket costs associated with the hospital stay — expenses not covered under the medical plan.

There are two coverage options to choose from: Basic or Enhanced. Each option pays a hospital admission benefit plus a daily confinement (hospital stay) benefit.

| Feature | Basic Coverage | Enhanced Coverage |
|-----------------------------------|----------------|-------------------|
| Hospital Admission Benefit | \$500 | \$1,000 |
| Daily Confinement Benefit | \$100/day* | \$200/day* |

*Daily inpatient benefit for up to 100 days.

Covered hospitalizations include:

- Accident
- Sickness
- Substance abuse
- Mental health
- Maternity

Learn More...

Find out the details about these new Voluntary Benefits and their schedule of benefits by visit borgwarner.com/benefits.



A Closer Look at the Enhancements to Legal Services

1 Basic Plan

The Basic Plan is available to you and your immediate family members. It includes various enhancements for 2024:

- The current 20 hours of covered legal support for contested divorce is changing to **unlimited hours** for **both** contested and non-contested divorces.
- The covered hours of attorney services for non-covered matters are increasing from four to **eight hours**.
- There are now additional services included:
 - Caregiving support service through Family First
 - Tax preparation services through TurboTax
 - Reproductive assistance (20 hours limit)
 - Custody support
 - DUI defense support
 - Insurance claim support

2 Enhanced Plan (Buy-Up Plan)

The Enhanced Plan allows you to cover not only yourself and your immediate family, but your parents and grandparents too (up to eight members total). Employees and dependents receive the same coverage as the Basic Plan. Parents and grandparents will have coverage for the following legal services:

- Promissory notes, deeds and mortgages.
- Codicils, complex wills and healthcare proxies.
- Living wills, powers of attorney (healthcare, financial, childcare, immigration) and simple wills.
- Family and personal documents — including affidavits, demand letters and review of personal legal document.
- Eldercare issues.
- Do-It-Yourself legal documents for parents and grandparents.

How to Enroll

1 LOG IN TO THE ENROLLMENT SITE

- Visit **borgwarner.com/benefits**.
- Under the **U.S. Benefits page**, scroll down and click the Workday® link.
- If you have a BorgWarner email address, you can access the enrollment site through the Single Sign-On option, otherwise, log in using your Workday® password. (If you forgot your password, please click the *Forgot Password* link to reset it.)

2 CHOOSE YOUR 2024 ELECTIONS

- Click on “Inbox” at the top right or middle of the Workday® landing page.
- To begin the 2024 enrollment process, select “Open Enrollment Change”.
- Follow the prompts on screen to guide you through the enrollment process.

3 CONFIRM YOUR BENEFIT AND DEPENDENT ELECTIONS

- Carefully review your benefit elections and dependent coverage before electronically signing.
- Be sure each dependent is added to each appropriate benefit plan to ensure they have the intended plan coverage.
- Check your confirmation statement to be sure it matches your expected elections.

Need Mobile Enrollment Instructions?

Scan the QR code below with your smartphone, or visit **borgwarner.com/benefits**, scroll down to the Benefit Enrollment Materials section and click the Workday® OE Instructions link.



REMINDER!

Annual elections cannot be changed after midnight on Nov. 15.

Enrollment Reminders



If you are currently enrolled in the HRA Buy-Up Medical Plan, your medical plan election will NOT automatically populate in the system for 2024. **You must make a new medical plan election or you will NOT have any medical coverage for 2024.**



Your 2023 election will not be populated in Workday® for you **if your premium points have changed between 2023 and 2024.**



If adding a dependent for the first time, be sure to **submit the required dependent verification documentation** by Dec. 31, 2023, to HR Link at the contact information shown below.



Make sure to **designate or update your beneficiaries** for the Health Savings Account (if applicable), Life Insurances and the Retirement Savings Plans through each vendor's website.

About this Brochure: This 2024 Benefits Open Enrollment Highlights Brochure serves as a Summary of Materials Modification (SMM) for the BorgWarner Flexible Benefits Plan. Changes are effective Jan. 1, 2024. Details of these plans and programs can be found in the 2024 Benefits Reference Guide and the Summary Plan Descriptions, available online at: borgwarner.com/benefits. This document is a summary of your benefits and does not create a contract of employment between BorgWarner and any employee.

BORGWARNER

Benefits Information Is Just a Click Away borgwarner.com/benefits

Whether you are at work or home, check out our employee benefits website to:

- Access enrollment materials, wellness forms and various notices.
- Learn about your benefits and how they work.
- Find out how the Cigna Personal Health Team can support you and your family.
- Access Workday® to enroll and manage your benefits.
- And more...

Have questions or need printed copies of materials?

Please contact HR Link.



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