

October 2016



Benefits Update

Benefits & Wellness News

Special Annual Benefits Enrollment Edition



Look What's Inside

4	2017 Annual Benefits Enrollment 2017 Annual Enrollment is October 31-November 18	12	New! Livongo Diabetes Management Pilot Program Diabetes management program being piloted in two locations
5	2017 Novartis Benefits Program Line-Up 2017 Benefit Options	12	New! Omada Health Improvement Program Pilot Health improvement program pilot being offered in three locations
6	Novartis Benefits in 2017: What's New or Changing This year there are minor changes to medical, dental and disability plans	12	New! Wellness Program-HealthyGuidance! HealthyGuidance will replace WebMD as the wellness provider
8	CustomMade4ME - Consider, Compare and Choose Benefits that Suit Your Needs! Visit CustomMade4ME to help you make your annual enrollment choices	13	New! Commuter Benefit Administrator WageWorks will replace Wired Commute as the commuter benefit administrator
8	Next Steps and What Happens if You Do Nothing? Once you have reviewed the changes what should you do next	14	Now Available! Health Savings Accounts through Fidelity Fidelity Investments is now offering a Health Savings Account option
9	Telemedicine -Seeing a doctor is about to get a whole lot easier Telemedicine will be available throughout most of the United States	15	Using Flexible Spending Accounts in 2017 How to use your Flexible Spending Accounts (FSA) in 2017
9	New! Optum Fertility Solutions New fertility support program	16	InfoArmor Identity Theft Protection Help protect your digital identity and financial wellness by activating PrivacyArmor
10	New! Optum Maternity Support Program New maternity support program to replace Be Healthy-Family Matters	17	Vacation and Leave Policy Changes 2017 vacation and leave policy changes
11	New! Critical Illness and Accident Coverage Available Two new voluntary coverages available in 2017	19	Details Details about the 2017 changes





2017 Annual Benefits Enrollment

This year's Annual Benefits Enrollment period will be October 31 through November 18, 2016. For 2017, we are focusing on providing you with new tools and programs to help support your physical, financial and emotional wellness. Our plans will also be experiencing minor changes in 2017.

Beginning October 24, 2016, you can go online to the Novartis Benefits Directions website to view your coverage options and use the planning tools to help you evaluate your coverage options. You should also review and update your beneficiary designations, and make sure that your dependents' Social Security numbers are on file.

Unless you make changes, most of your current health and insurance options will continue in 2017 with some exceptions (e.g., the HealthCare and Child/Elder Care Flexible Spending Account (FSA) elections). If you wish to participate in the HealthCare and/or the Child/Elder Care FSA in 2017 you must make a new election. Your 2016 election, will not carryover into 2017.

Keep in mind that unless you have an eligible status change (e.g., marriage, divorce, spouse's employment status change, baby, etc.), you will not have another opportunity to make changes to your health and insurance benefits until this time next year. In addition to this issue of Benefits Update, you will receive a Benefits Enrollment Guide with additional information.

Have a Spouse/Domestic Partner with Employer-Provided Coverage Available?

Compare coverage and cost to enroll your spouse or domestic partner in coverage. Many employers, including Novartis, charge a higher cost to cover a spouse than an employee. If your spouse/domestic partner can purchase comparable coverage for less cost as an employee, it may make sense for them to elect coverage through their employer, instead of being covered under Novartis.

Take time now to learn about other available coverage to see what best suits you and your other family members.

2017 Novartis Benefits Program Line-Up

Please see the list of health and other programs below in which you are allowed to make changes during this year's Benefits Enrollment period, October 31 – November 18, 2016. You can find more details about these plans by reviewing the 2017 Benefits Enrollment Guide that will be mailed to your home address prior to the enrollment period. You can also access this information 24 hours a day/ 7 days a week on the Novartis Benefits Directions website, www.mybenefitsdirectory.com/novartis.

Medical Plans	Horizon Blue Cross Blue Shield Preferred Provider Organization (PPO) Horizon Blue Cross Blue Shield Exclusive Provider Organization (EPO) (NIBR Cambridge associates only) UnitedHealthcare Health Savings Account (HSA) Health Maintenance Organization (available in CA only) HMSA PPO (available in HI only) Triple S (available in PR only) Novartis Rx Only
Dental and Vision Plans	MetLife Dental Preferred Provider Organization (PPO) Vision Service Plan (VSP)
Life and Disability Insurance Plans	Supplemental Long-Term Disability Supplemental Life Insurance Supplemental Accidental Death & Dismemberment Insurance (AD&D) Survivor's Income Benefit Insurance (SIBI) Dependent Life Insurance Dependent AD&D
Other Benefits	Healthcare Flexible Spending Account (FSA) Child/Elder Care Flexible Spending Account (FSA) Hyatt Group Legal Critical Illness (new for 2017!) Accident Insurance (new for 2017!)

Other benefit programs, such as the Novartis Corporation Investment Savings Plan, Group Auto & Home and the Novartis Commuter Benefit, can be changed at any time by through the carrier by web or phone.

View CustomMade4ME! 2017 Benefits Annual Enrollment

If you find yourself short on time but want to be sure that you are making an informed decision this annual enrollment season - View CustomMade4ME! 2017 Benefits Annual Enrollment, a quick online benefits presentation in which you will learn what's new and changing in 2017. 2017 Benefits Annual Enrollment link is available on Resources4ME and the Novartis Benefits Directions website, www.mybenefitsdirectory.com/novartis or directly at www.custommade-4me.com.

Novartis Benefits in 2017: What's New or Changing

This year, there are minor changes to the medical, dental and disability plans and we are introducing new benefits and programs to support your physical, financial, and emotional wellness. In 2017, we will be expanding Telemedicine, which will provide patients access to a provider for routine care 24/7 via video chat, in certain states. We will be adding coverage for Applied Behavioral Analysis (ABA) therapy in the

Health Savings Account (HSA) plan, increasing the infertility lifetime maximum for medical procedures and are increasing the lifetime orthodontia limit by \$250. Additionally, we are introducing two new voluntary benefits, critical illness and accident insurance, to help protect you and your family should you experience an unexpected, potentially costly health situation.

The 2017 changes are highlighted below. For more details on refer to the details section of this Update.

Health Plans

Preferred Provider Organization (PPO)	Minor plan changes including changes to: Organ transplants Gender transformation treatment Injection Therapy Fertility lifetime maximum benefit for medical procedures Hospice
Health Savings Account (HSA)	Minor plan changes including changes to: Biofeedback and Acupuncture Services Second Surgical Opinion Colorectal cancer screening Fertility lifetime maximum benefit for medical procedures Applied behavioral analysis (ABA) therapy Wigs TMJ surgery
Anthem HMO for GNF Associates	Prescription drug coverage for specialty drugs



Health Plans

Prescription Drug Coverage	Elimination of coverage for most proton pump inhibitors Obesity drugs
Dental Preferred Provider Organization (DPPO)	Increase Orthodontia lifetime maximum No deductible for orthodontia or TMJ Periodontal surgery Scaling and root planning Convert plan limits from years to months for basic and major services
Wellness	New wellness provider HealthyGuidance Elimination of \$50 wellness credit Pilot health management programs in select locations Optum Fertility Solutions Program Optum Maternity Management Program
Voluntary Benefits	New Coverages available: Critical Illness Accident Insurance

CustomMade4ME- Consider, Compare and Choose Benefits that Suit Your Needs!

Now that you are aware of the changes for 2017, it is time to consider your needs, compare the Novartis options and make a choice that suits your needs. The CustomMade4ME comparison tool will allow you to take into consideration your total cost of healthcare by including

- your medical and prescription drug out-of-pocket expenses such as copayments and coinsurance,
- any potential tax savings from participating in a Flexible Spending Account (FSA) or a Health Savings Account (HSA), and
- your annual contributions

After you have entered your expected healthcare services for you and your family members, the tool will provide a side-by-side comparison of your expected total out-of-pocket cost for the Novartis medical plans (except the Indemnity, HMSA and Triple S regional plans).

As you compare the results, you'll also want to consider non-financial things such as your ability to pay for unexpected costs throughout the year, the available network providers in your area, and the general health of you and your family members.

Beginning October 24, 2016, representatives at the Novartis Benefits Resource Center as well as the health care vendors will be trained and ready to answer your questions about the changes. From October 31 through November 18, you can contact the Novartis Benefits Resource Center at 877-515-0005 Monday through Friday, 9:00 am to 6:00 pm ET.

Next Steps and What Happens if You Do Nothing?

It is important for you to evaluate your benefits each year and that you make an active decision to either keep or change your benefits based on your changing needs.

- Talk with your family about your health and insurance needs for the upcoming year.
- Determine your out-of-pocket medical and dependent care expenses and consider enrolling in Flexible Spending Accounts to lower your taxable income.
 - Remember if you are currently enrolled in an FSA for 2016, your election will not carry forward into 2017. You MUST make a new 2017 election
- Be sure you are covering only eligible dependents. It is your responsibility to adhere to eligibility rules. If you are unsure if your dependent is eligible under a benefit plan, refer to the Summary Plan Descriptions available on Resources4ME. You can access Resources4ME via single sign on from HR Home which is available on your local intranet.
- Be sure all of your dependents' Social Security Numbers are complete and correct. Novartis is required to collect this information as part of the Affordable Care Act.
- Make note of your spouse/domestic partner's annual enrollment options if applicable. Coordinating your elections may help you reduce your costs!

If you evaluate your choices and do not wish to make any changes, your current health and insurance options will continue in 2017 with the exception of any FSA.

If you wish to make changes or enroll in the wide array of insurance benefits available, do so between October 31- November 18, 2016. If you have any questions on the enrollment process, please visit the Novartis Benefits Directions website, www.mybenefitsdirectory.com/novartis or contact the Novartis Benefits Resource Center at 877-515-0005 Monday through Friday, 9:00 am to 6:00 pm ET.



Telemedicine -Seeing a doctor is about to get a whole lot easier

Beginning January 1, 2017, Novartis will be expanding the telemedicine pilot to a nationwide offering. Horizon Blue Cross Blue Shield (BCBS) is partnering with AmWell to offer telemedicine in most states*. Telemedicine will provide you with instant access to a doctor from the comfort of your home. With Horizon CareOnlineSM you can use your smartphone, tablet or computer to have a video visit with a U.S. board-certified, licensed doctor 24 hours/day, 7 days/ week—no appointment necessary!

With connection times of five minutes or less, you'll be speaking to a doctor and on the road to recovery in no time. This service is not meant to replace your relationship with your Primary Care Physician or personal doctor. You can use telemedicine for non-emergency issues such as a cold, flu, rash or a child's stomach or earache. In addition to being convenient, it's affordable – a visit only costs a \$15 co-pay.

You can access telemedicine beginning January 1 from your computer (internet access and webcam required) or by using the Amwell smartphone mobile

app. Register at www.NVS.Amwell.com or by calling 1-855-818-DOCS (3627). You can get the Amwell mobile app at the App StoreSM or Google PlayTM.

*Telemedicine is not available to associates located in TX or AR.

New! Optum Fertility Solutions

Infertility treatment can be an overwhelming process with both medical and financial impact. To assist our associates enrolled in the UnitedHealthcare Health Savings Account (HSA) or the Horizon BCBS Preferred Provider Organization (PPO) Plans with determining the best course of treatment for themselves, we are increasing the maximum lifetime benefit for medical procedures from \$10,000 to \$25,000 and to provide access to specialty nurse services through the Optum Fertility Solutions Program. Any amounts already applied to your current \$10,000 lifetime will be applied towards the \$25,000 maximum. Additionally, the up to \$10,000 lifetime maximum for fertility drugs will continue to be provided

Beginning January 1, 2017, **in order to receive benefit coverage for infertility treatments, associates enrolled in the HSA or PPO are required to enroll in the Fertility Solutions program prior to receiving services.** The requirement to enroll has been put in place to help associates maximize their infertility benefit and select effective care options for treatment.

Upon enrollment, you will have access to the following services:

- Infertility Nurse Services** — A designated infertility nurse is available throughout the treatment process. Experienced nurses understand the challenges of infertility and will help select a clinic that meets an associate’s individual needs, review treatment options, and answer treatment questions.
- Infertility COE Access** — Access to care from specialized infertility Centers of Excellence (COEs). At these COEs, patients have a higher likelihood of getting pregnant and a lower likelihood of getting pregnant with twins or triplets. You will still be able to choose which provider to use, but COEs are recommended for their higher success rates.

Effective January 1, 2017 if you or your covered dependent is currently receiving infertility treatment or are considering it, and wish to ensure uninterrupted coverage under your infertility benefit, you will need to contact **Optum Fertility Solutions from 8:00 am to 4:30 pm CT, Monday through Friday, at 866-774-4626 to validate benefit eligibility and enroll in the program. If you are currently receiving treatment you will also receive a letter from Optum Fertility Solutions regarding transition to the new program.**

New! Optum Maternity Support Program

Effective January 1, 2017, Novartis will begin offering a new Maternity Support Program which will replace the existing Be Healthy Family Matters program. The new Maternity Support Program is provided through Optum and is available to all associates and their covered dependents. The Maternity Support Program is designed to help expectant families from the time they consider starting or expanding their family, through the first few months of the new baby’s life.



The Maternity Support Program was created to help support our associates and their families as they navigate the maternity process. Some of the features of the program include:

- Dedicated, experienced maternity nurses** — provide support before, during and after pregnancy to offer assistance, guidance and education.
- Preconception and pregnancy consultations** — multiple phone consultations focus on wellness and screen for health risks. The number of consultations depends upon when an individual enrolls in the program and their unique situation. Consultations are designed to provide a comprehensive maternity experience.
- Support for high-risk pregnancy needs** — nurses are experienced in high-risk pregnancies and preterm births provide specialized support services throughout the pregnancy.
- Customized maternity education materials** — important education materials covering a wide range of topics. Topics include: eating healthy, prenatal care, exercise, information on how a baby grows, premature labor, birth and more.
- Referrals to, and integrations with, other programs** — if needed/appropriate—referrals to resources such as Neonatal Resources, Optum Fertility Solutions, Congenital Heart Resources, disability, Employee Assistance Program, and more.
- Additional Benefits** — if an associate or covered dependent engages in the program they will receive 25 BRAVO points and an expectant Mother enrolled in our MetLife DPPO will have access to an additional dental cleaning.

Enrolling in the Optum Maternity Support Program is easy! Just contact the Optum Maternity Support Program after January 1, 2017 at 877-201-5328 24/7.

New! Critical Illness and Accident Coverage Available

To help support associates’ financial wellbeing, Novartis is introducing two new coverages Critical Illness and Accident Insurance through MetLife. These coverages are designed to help protect your family finances and to be better prepared in the event you experience an unexpected potentially costly health situation.

Critical Illness Insurance provides you with a lump-sum payment that can be used to pay for expenses not usually covered by medical or disability income, if you meet the policy and certificate requirements.

- Critical Illness Insurance provides a lump-sum payment (\$10,000 or \$20,000 depending on your election) for covered conditions such as heart attack, cancer or stroke
- Guaranteed acceptance for you and other eligible family members

Accident Insurance payments can be used to help pay out-of-pocket expenses if you or another eligible dependent has an accident. Accidents can come with unexpected expenses not covered by medical insurance, such as insurance deductibles, copays, transportation to/from medical centers, childcare expenses and more. Plus, this coverage features:

- Over 150 covered events that could trigger benefits
- Guaranteed acceptance for you and other eligible family members

To learn more about either the Critical Illness or Accident Insurance plans visit www.metlife.com/mybenefits or call 1-800-GET-MET8.

***Please note:** If you have already been diagnosed with a serious condition and want to understand how coverage may apply, please call MetLife at 1-800-GET-MET8.

New! Livongo Diabetes Management Pilot Program

The Livongo Diabetes Program is a new health program we are piloting for our eligible associates in the Hicksville, Melville and Wilson sites that combines the latest technology and coaching to make living with diabetes easier. The program is offered at no cost to associates and their adult covered family members on the Novartis plan who have been diagnosed with diabetes.

Associates who are eligible to enroll in the program will receive a number of resources designed to help them manage their diabetes, including:

- Glucose meter that provides personalized real-time tips
- Support from Certified Diabetes Educators when you need it
- Unlimited test strips at no cost

The goal of the Livongo Diabetes Program is to help you in managing your diabetes. Associates enrolled in the program will receive personalized support through the Livongo meter, mobile app, and coaches to help you make decisions about your diabetes wherever you are. In addition, Livongo provides you with as many test strips and lancets as you need and ship them to your front door with the click of a button.

Associates located in our pilot sites, who are eligible to participate in this program will be contacted regarding participation in this program. Enrollment begins January 2017.

New! Omada Health Improvement Program Pilot

The Omada® program is new online weight loss and lifestyle improvement program that inspires healthy habits and helps maintain them long-term. This is a pilot program that is designed to support associates and their covered dependents age 18 or older who are at risk of diabetes or cardiac conditions. It combines the science of behavior change with unwavering personal support, so you or your eligible family members can make changes that

actually stick. It's an approach shown to potentially help reduce risk factors for type 2 diabetes and heart disease. What's more, historical data suggests that the average participant could lose over 10 pounds through their participation.

The Omada® program includes:

- A personal health coach** to help keep you on track
- A wireless scale** to monitor your progress
- An interactive program** that adapts to you
- Weekly online lessons** to educate and inspire
- A small group of participants** for real-time community support

Eligible Duluth and Sinking Springs associates will be invited to participate in the pilot beginning in January 2017. Associates at these sites will receive an email invitation to learn more about Omada. Those who are interested in participating can complete an online application and will receive an email 1-2 days later to let them know if they are eligible.

Eligible associates will have the entire cost of the program covered by Novartis. Participants receive a welcome kit in the mail and have access to the health coach, lessons and peer group from the convenience of your own home or mobile device.

New! Wellness Program- Healthy Guidance!

Beginning on January 1, 2017, Novartis is pleased to offer a new, wellness program called HealthyGuidance® which will replace WebMD. This free, confidential program includes several features to help you improve your overall health and meet your wellness goals.

HealthyGuidance offers an online Health Assessment, telephonic and online health coaching, informational videos, tools and trackers, ideas about healthy recipes and exercise, and other wellness resources for you and your family.

You can participate in one-on-one telephonic coaching sessions that focus on areas such as:

- Weight Management**
Creating a custom program just for you: exercise, nutrition habits and positive reinforcement

- Lifestyle Coaching**
Aimed at improving overall health and building resilience
- Sleep Coaching**
- Healthy Families**
- Healthy Pregnancy**
- Back Care**
- Tobacco Cessation**

After January 1, 2017, you can contact HealthyGuidance at 866-923-9193 to speak with a wellness coach or visit the Healthy Guidance website. You can access the site via single sign on from the Health and Wellness section of Resources4ME or via the internet at www.guidanceresources.com. Please note first time users will be prompted to enter the company ID: NV5886 and to register for the site. Associates who have previously registered will be required to re-register for the site.

New! Commuter Benefit Administrator

Effective January 1, 2017, the Commuter Benefit administration will transition from Wired Commute to WageWorks. NIBR associates already utilize the Wageworks platform. In addition, the subsidy provided to all eligible Cambridge-based associates, and grandfathered Corporate associates will harmonize to the current NIBR subsidy level of \$130/ month for transit or \$100 for parking. If you have both transit and parking and request that the subsidy be split between parking and transit, the combined subsidy cannot exceed \$100.

The Commuter Benefit is a pre-tax benefit account used to pay for public transit—including train, subway, bus, ferry, and eligible vanpool—and qualified parking as part of your daily commute to work. WageWorks Commuter is a great way to put extra money in your pocket each month and make your commute more convenient and affordable. You can contribute up to a maximum of \$255 per month for transit and eligible vanpools and \$255 per month for qualified parking. Simply decide how much to contribute up to the allowed monthly limit. Funds are withdrawn from your paycheck for deposit to your account before taxes are deducted. Pause or cancel contributions to your



account at any time. There's no “use it or lose it” as long as you're employed by your current employer.

How It Works

Using the Commuter Benefits Program is easy, quick and hassle-free. It works from month to month with no annual election required you can sign up, make changes or cancel at any time subject to monthly election and cut-off deadlines applicable to your transit agency and required by the administrator. To have an election in place for the following month you must make your election by the fourth of preceding month. To have a January 2017 election in place you must make your election by December 4, 2016.

How You Use It

Use a variety of convenient payment methods associated with your account. Buy transit and parking passes and vouchers using the WageWorks Commuter Card. Pay your parking provider or automatically load monthly transit passes directly from your account. Get reimbursed for eligible commuting expenses you pay out of pocket.

How You Manage It

In order to enroll and make elections you must first register and establish a user id and password at the Wageworks site www.wageworks.com/mycommute. You will then be able to manage your account on any computer or mobile device that's connected to the Internet or via the WageWorks EZ Receipts mobile app. To learn more or to enroll visit www.wageworks.com/mycommute. If you have any questions you can contact WageWorks at 877-924-3967 Monday-Friday 8:00 am to 8:00 pm ET.





Now Available! Health Savings Accounts through Fidelity

Fidelity Investments® is now offering a Health Savings Account (Fidelity HSA®) option to Novartis associates enrolled in an HSA-compatible health plan. An HSA is an easy and smart way to save and pay for qualified medical expenses for you, your spouse and eligible dependents. Like a Flexible Spending Account, you can save taxes on qualified healthcare expenses. However, the added benefit of an HSA account is that any unused amounts can roll over from year to year—even into retirement.

Contributing to your HSA

Contributions will be made by direct payments from you to your Fidelity HSA—pre-tax payroll contributions are not available for funding your HSA. These after-tax contributions can be made online through transfers from an outside bank account or by check at any time. If you currently have your paycheck deposited to only one bank account, you could split your check to have HSA contributions made by payroll into your Fidelity HSA account, but they would be on an after-tax basis, just like depositing funds to any other bank account. After-tax contributions are federal income tax deductible to the extent that total contributions, including any contributions do not exceed IRS annual maximum contribution limits.

Interested in opening up an HSA with Fidelity? Visit NetBenefits® and follow the steps below:

How to open a Fidelity HSA:

1. Log in to Fidelity NetBenefits®.
2. Click the Open link in the Health Savings Account box on the home page.
3. Certify that you are enrolled in an HSA-eligible health plan at Novartis.
4. Follow the online instructions.

Have an existing HSA?

You may only have one HSA account at a time. Your options are:

1. Transfer assets to a Fidelity HSA using a Transfers of Assets process. This can be initiated via paper form or online, submitted to Fidelity.
2. Make a rollover contribution from the existing HSA to the Fidelity HSA by writing a check to Fidelity and designating the contribution as a rollover contribution.
3. Leave your HSA at your current provider.

Novartis is making the Fidelity HSA available as a convenience to its associates. Novartis is neither sponsoring nor endorsing the Fidelity HSA. You may elect to maintain your HSA with any provider you choose. Have questions? Want to know more about the Fidelity HSA®? Call the Novartis Service Center at Fidelity at 800-354-3971 or visit netbenefits.com.

Using Flexible Spending Accounts in 2017

To help offset the cost of healthcare and child/elder care expenses, you may consider enrolling in a Flexible Spending Account (FSA). FSAs give you an opportunity to put aside money from your paycheck on a before-tax basis to pay for eligible health and/or child/elder care expenses. FSAs provide significant tax advantages, but they are governed by strict Internal Revenue Services (IRS) regulations.

The pre-tax money you put aside can only be used for specific expenses and the expenses must be incurred during the calendar year 2017. The money you defer is also “use it or lose it”. This means that if your reimbursable expenses for the year are less than the amount you put into the FSA, your leftover money will not be refunded to you. However, If you participate in the Healthcare FSA you can carryover \$500 from one plan year to another. This provision does not apply to the Child/Elder Care FSA. That is why it is important to estimate your medical and/or child/elder care expenses as accurately as possible to ensure that you defer only as much money as you think your expenses will be.

Eligible Expenses: For 2017, the maximum amount you can defer into a Healthcare FSA is \$2,550. You can defer up to \$5,000 into the Child/Eldercare FSA.

Examples of allowable healthcare expenses include out-of-pocket medical, dental, and vision expenses such as:

- Deductibles (except for the HSA)
- Co-payments
- Co-insurance
- Other health care expenses allowed by the IRS but that may not be covered by Novartis plans

Examples of allowable child/elder expenses include:

- Daycare
- Before/after school care
- Summer camp as long as it is not overnight.

To receive reimbursement for childcare expenses both parents must work and the care must be for children age 13 or younger.



A complete list of allowable expenses is available on the Novartis Benefits Directions website, www.mybenefitsdirectory.com/novartis or by calling the Novartis Benefits Resources Center at 877-515-0005.

Automatic Rollover Feature

If you participate in a Novartis-sponsored medical plan with the exception of the HSA or HMO, your out-of-pocket medical and prescription drug expenses will automatically be transferred to Your Spending Account. Additionally, the same process applies to the Dental PPO and the Vision Service Plan. For these out-of-pocket expenses, you will automatically receive a check from Your Spending Account. You can also set up direct deposit to your checking account if you wish. Visit your FSA account on the Novartis Benefits Directions website for instructions.

You must make an election each year to participate in the Flexible Spending Accounts. Your 2016 FSA election will not automatically continue for 2017. If you do not make an election during Annual Enrollment, you will not participate in the FSA for 2017.

InfoArmor Identity Protection

In 2015 more than 13.1 million Americans were victims of identity theft, costing more than 15 billion in damages. Cleaning up the mess can be a nightmare and take hundreds of hours to resolve. Don't risk going through the process alone - help protect your digital identity and financial wellness by activating PrivacyArmor®, identity protection from InfoArmor®. While remediation and \$1,000,000 Identity Theft Insurance Policy are automatically available to associate, you will need to enter your personal information into your online account at InfoArmor.com/Novartis to initiate all features and ensure you have the most comprehensive coverage.

- Proactive identity and credit monitoring
- Free annual credit report and monthly credit scores

- Social media reputation management
- Digital wallet storage and monitoring
- Password management solution
- Digital Exposure Report
- Additional tools and resources to help protect your identity

Fight back against identity fraud and join the nearly 13,000 Novartis associates and family members that have already activated their identity protection benefit at InfoArmor.com/Novartis. Novartis associates have received over 20,000 alerts about suspicious activity.

If you have any questions, contact InfoArmor at 855-367-9337 or email clientservices@infoarmor.com. They are available 24 hours a day, 7 days a week.



Vacation and Leave Policy Changes

To better support associates life/work balance, Novartis is making several changes to our time off and leave policies.

Vacation

In 2015, exempt associates of NPC, NSI, and Corporate provided faster rates of vacation accrual for associates with 6 to 19 years of service. Effective for 2017, non-exempt associates of these companies will receive those same improvements. The change does not apply to other business units such as NIBRI, GNF, Genoptix and Alcon as they are on different vacation accrual schedules.

The change will be effective January 1, 2017, but the HR Core Time system may not reflect the change until late in the first quarter of 2017. Any non-exempt associates who terminate in these companies will be paid based on the higher rate even if the system does not reflect the change.

NPC, NSI & Corporate Days of Vacation			
Years of Service	2016 Exempt Non-Executive	2016 Non-Exempt	2017 Non-Exempt
0-4	15	10	10
5	15	15	15
6	16	15	16
7	17	15	17
8	18	15	18
9	19	15	19
10-11	20	20	20
12-13	21	20	21
14-15	22	20	22
16-17	23	20	23
18-19	24	20	24
20-30	25	25	25
30+	30	30	30

Birth & Adoption Related Leaves

Novartis recognizes how critical it is for parents to spend time to bond with newborns and newly adopted children. As a result, we are improving our paid time off related to these types of leaves.

- New Maternity Leave benefit – Birth mothers will have an additional two weeks of paid time off following the end of the MetLife approved short term disability period.
- Improved leave for Secondary Care Givers – Secondary caregivers will have up to 6 weeks of paid time off related to the birth of a child.
- Improved leave for Adopting Parents – Associates adopting a child will also have up to 6 weeks of paid time off to bond with the newly adopted child

The change is effective for maternity disabilities and adoptions that begin in 2017 or beyond.

To be eligible for these leaves, you must have at least one year of service (does not include contractor service). The leaves would be offset by any state-paid family leave where applicable, (such as NJ or CA). You must use the leave within 12 months of the birth or adoption. The leave would



run concurrent with the Family Care Leave / Family Medical Leave Act (FMLA) if eligible. So your total FMLA job-protection entitlement won't increase—but the amount of paid time related to bonding may increase.

To learn more, contact MetLife at 888-857-6645 to understand both your available disability and leave benefits.

In further support of adoptions, we are improving the adoption assistance benefits for Alcon and Sandoz associates to \$5,000 per child adopted. Contact Scholarship America at 1-866-931-0621 to learn more.

Bereavement Leave

Losing a family member is difficult and we recognize that sometimes you need some time to deal with the loss. All Novartis companies will provide 5 days of bereavement leave for the loss of an immediate family member (including spouse or qualifying

domestic partners, children, parents, parents-in-law, siblings, grandparents, or grandparents-in-law). You must use the leave within 12 months of the loss.

Elimination of the Organ Donor Leave

Currently, NPC, NSI and Corporate have an Organ Donor Leave policy. However, any time off you might require due to organ donation should be covered under the Short and Long-Term Disability plans. Therefore, we are eliminating this leave.

Expanding Available Personal Leaves of Absence for Sandoz Associates

Beginning in 2017, Sandoz will align their personal leave policy with other Novartis US Group Companies and allow associates to take up to three months of unpaid personal time (up from two months in 2016).



Details

Medical Plan Option	Provision	Change
Preferred Provider Option	Infertility	Lifetime maximum increased from \$10,000 to \$25,000 for medical procedures. Associates must enroll in Optum Fertility Solutions program to access Infertility benefits. Amounts incurred towards current \$10,000 lifetime maximum applied towards the \$25,000.
	Organ Transplants	Cover transplants and related eligible travel/lodging expenses at in-network BCBS transplant center of excellence (BDC/BDC+) ONLY; will not be covered at other in-network facilities or out of network.
	Injection Therapy	Specialty Medications - infusion therapy in the home covered at 100% after \$25 copay, no deductible applied
	Hospice: Inpatient	Cover at 100% in-network, no limit
	Hospice: Outpatient	Cover at 100% in-network, no limit
	Gender Transformation Treatment	Thyroid chondoplasty Augmentation mammoplasty (including breast prosthesis if necessary) Both procedures subject to medical policy requirements
	Telemedicine	Expand program to all states where it is legally permissible (excludes AR & TX)
Health Savings Account	Biofeedback and Acupuncture Services	Combined limit of 20 visits for acupuncture and biofeedback
	Second Surgical Opinion	100% after deductible in-network services; subject to standard deductible and coinsurance for out-of-network services
	Infertility	Lifetime maximum increased from \$10,000 to \$25,000 for medical procedures. Associates must enroll in Optum Fertility Solutions program to access Infertility benefits. Amounts incurred towards current \$10,000 lifetime maximum applied towards the \$25,000.
	Applied Behavioral Analysis (ABA) Therapy	Therapy covered subject to pre-authorization, use of approved provider, and on-going medical necessity review through Optum. No coverage if treatment plan not approved.
	Wigs	Eliminate dollar maximum; Wigs greater than \$1,000 need to be authorized
	TMJ (including surgery)	Cover surgical treatment of TMJ only; non-surgical treatment not covered

Medical Plan Option	Provision	Change
Anthem HMO (GNF Only)	Tier 4 Drug Copayment	30% of maximum allowed amount/\$250 maximum copayment per fill
	Mail Order Copayment	\$37.50/\$90/\$150/30% up to maximum of \$250
Prescription Drug Coverage PPO, EPO, HSA	Proton Pump Inhibitors coverage	Exclude all prescription PPI's. Exceptions: Dexilant, Sandoz generics, Omeprazole
	Obesity Medications	Covered subject to Prior Authorization covered if BMI 30 or greater, or a BMI of at least 27 + a co-morbid condition, verified by a physician. Associates who are prescribed an obesity medication will be provided with the opportunity to enroll in HealthyGuidance weight loss coaching.
Dental Preferred Provider Organization (DPPO)	Cone Beam Imaging	1 in 60 months
	Inlays/Onlays/ Crowns (Cast Restorations)	1 in 60 months
	Crown Buildups/ Post & Core	1 in 60 months
	Scaling & Root Planning	1 quadrant per 24 months
	Dentures-- Complete/Partial/ Overdenture	1 in 60 months
	Implant Services	1 in 60 months
	Implant Supported Prosthetic	1 in 60 months
	Fixed Bridges	New bridges - 1 in 60 months. Repairs - no limit.
	Labial Veneers	1 in 60 months
	Deductible	Deductible will not apply to orthodontia or TMJ treatment
	Periodontal surgery	Limit of one of the same surgery to the same area per 36 month period
	Orthodontia Lifetime Maximum	Increase lifetime maximum to \$1,750 from \$1,500

Medical Plan Option	Provision	Change
Cash Back Option	Medical Cash Back Option for MA & VT	Option eliminated effective January 1, 2017
Short Term Disability (STD)	STD integration with Worker's Compensation	STD will be paid for work related injuries in coordination with worker's compensation. Associates must apply for both STD and worker's compensation for work related injuries. STD will be offset by 125% of the worker's compensation amount
Voluntary Benefits	Critical Illness & Accident Insurance	New offerings to associates of critical illness and accident insurance coverages
Wellness & Health Management	WebMD	WebMD to be replaced by ComPsych's Healthy Guidance program as Novartis' national wellness provider
	Annual Wellness Exam Credit	\$50 credit eliminated
	Optum Maternity Management Program	Optum Maternity Management Program will replace the Be Healthy Family Matters program
	Horizon BCBS Diabetic Incentive Program	Incentive increased from \$100 to \$200 To receive the incentive an individual must: Develop a Nursing Plan of Care with nurse and participate in at least 3 calls with the nurse, AND – Reduce HA1c level to less than 7% or, if higher than 7% by at least 1% from starting measurement, AND – Close one of the following gaps in care: 1. Get a Dilated Retinal Eye Exam if had not had one in past 12 months 2. Have an LDL cholesterol level of less than 100 3. Get a Urine Protein (macro albuminuria) test if had not had one in past 12 months
	Omada Health pilot program	Offered at select locations to assist associates with pre-diabetic/metabolic syndrome to make healthy choices & life style changes for weight loss
	Livongo pilot program	Offered at select locations to assist identified diabetics manage their condition
	Optum Fertility Solutions	Infertility support program for associates and covered dependents enrolled in Horizon BCBS PPO or UnitedHealthcare HSA are required to engage with Fertility Solutions for services to be covered.

Medical Plan Option	Provision	Change
Retiree Life Insurance	Retiree Life Insurance at subsidized rates associates who are 55&5	Option eliminated for those retiring January 1, 2017 or later
	Voluntary retiree life insurance	Associates retiring January 1, 2017 or later will be offered the option to purchase life insurance through MetLife
Other Benefits	Commuter Assistance	Consolidate with WageWorks. Harmonize subsidy for all Cambridge associates and grandfathered Corporate associates to \$130 for transit or \$100 parking. Subsidy not offered outside of these areas or groups.
	HSA Accounts	Fidelity sponsored HSA account; not sponsored by Novartis; funded through after-tax contributions directly to Fidelity.



For purposes of this Benefits Update, “Novartis” refers to the Novartis Group Company that employs you.

This Benefits Update summarizes the benefits and service features available under various Novartis Group Company benefit plans for eligible employees who participate in the benefit programs of Novartis Pharmaceuticals Corporation, Novartis Institutes for BioMedical Research Inc., Novartis Corporation, Novartis Clinical Operations, Novartis Finance Corporation, Novartis Services Inc., Genomics Institute of the Novartis Research Foundation (GNF), Genoptix, Inc., Sandoz Inc., Fougere Pharmaceuticals, Inc., and other participating non-Novartis Group Companies, such as Cartesian Medical Group, Inc., and Novartis Federal Credit Union.

The information here is intended only to summarize these benefit programs and service features available to eligible employees. More detailed descriptions about these programs and your eligibility to participate in them can be found in the Plan documents and Company policies that legally govern these benefits. The description of any change to a benefit Plan constitutes a Summary of Material Modification affecting the terms of your current Summary Plan Description (SPD) for that Plan. Please keep this Benefits Update with your SPDs and other important benefits related documents for future reference. If there is any discrepancy between the information included here and the Plan documents or policies, the Plan documents or policies will govern. In addition, statements of Company policies, benefits, and rules in this plan summary do not constitute the terms and conditions of an employment contract, either expressed or implied, Novartis Corporation and each employing Company reserves the right to change its policies, benefits, and rules at any time, with or without notice.

