2026 Annual Enrollment Frequently Asked Questions (FAQs)

We've tried to anticipate and answer questions you may have about your 2026 benefits. For support with more specific questions once Annual Enrollment opens on November 5, 2025, please visit the 2026 Annual Enrollment Portal via **www.88sears.com**.

1. When is Annual Enrollment for 2026?

Annual Enrollment for 2026 benefits will take place Wednesday, November 5 through Wednesday, November 19, 2025.

In the spirit of encouraging all associates to shop each year for the health benefits that best fit their individual needs, you must enroll for medical, dental, vision, and spending accounts during Annual Enrollment. If you don't enroll, you **will not** have these coverage's for 2026. Keep in mind, if you don't select a medical plan, you won't have prescription drug coverage either.

You will also need to "refresh" your spousal surcharge and tobacco status elections as part of Annual Enrollment.

2. Who is Eligible to enroll during Annual Enrollment?

Annual Enrollment is your chance to enroll and change your benefits for the plan year 2026.

Benefits-eligible associates **MUST** actively enroll in benefits for 2026. This includes all Full-time Hourly and Salaried associates, PT associates working on average of 20 hours per week and those New-Hires that fall into a Dual Enrollment scenario.

Dual Enrollment: Hourly associate with a hire date between October 3, 2025 and October 14, 2025 will be eligible to elect benefits beginning October 15, 2025. Your benefits will be effective the 1st of the month following 90 days of employment, which will occur in 2026.

Be sure to print or download a copy of your final confirmation page and Benefits Summary for your records and verify that your coverage elections are correct.

3. **How do I enroll in my 2026 coverage?**

Beginning November 5, 2025, go to **www.88sears.com** to see costs, compare options, check which providers are in-network, use available tools, and enroll.

Step-by-Step Instructions to the Benefits Site

1. Go to **www.88sears.com**
2. Under **Quick Links**, click on **Health Benefits Center**
3. Enter your Enterprise ID and Password
4. Click **Start Here** to begin enrollment

4. **What happens if I do not enroll?**

As in past years, you **must** enroll or you **will not** have medical and prescription drug, dental, or vision coverage in 2026, or be able to participate in a flexible spending account or open a Health Savings Account (HSA) next year. You must also "refresh" your spouse surcharge and tobacco-free credit elections. These elections will not carry over from 2025.

5. **What are my options for medical and prescription drug coverage?**

Medical:

We continue to offer two medical carriers in 2026, Blue Cross Blue Shield (BCBS) and Kaiser Permanente (if available in your area). If you want medical coverage through Transformco in 2026, you must enroll with one of these carriers.

- All continental U.S. associates nationwide will have access to medical coverage through BCBS, a well-respected insurance provider, known for outstanding customer service and a large network of doctors.
- Associates located in California, Colorado, Georgia, Maryland, Oregon, Washington (state), Washington, D.C., and Virginia will also have the option of choosing coverage through another reputable carrier, Kaiser, which is available in your area. Please note Kaiser does not offer Out-of-Network benefits.
- Both BCBS and Kaiser offer the following medical options for 2026:
  - Enhanced: This coverage level is a preferred provider organization (PPO) option.
  - Basic: This coverage level is a high-deductible option that provides you the opportunity to contribute to an HSA.

NOTE: *The BCBS Basic Plan, Employee Only medical tier will be the only 2026 plan offering that will be priced to the ACA Safe Harbor affordability calculation.*

- BCBS also offers the Blue High Performance Network (HPN) option. Blue HPN provides access to a select group of quality doctors and hospitals in more than 55 major U.S. cities. The plan is limited to areas that have High Performance Network coverage. Blue HPN plan does not offer Out-of-Network benefits. Eligible associates will see the BlueHPN plan as an enrollment option.

Prescription Drug Coverage:

- If you choose medical coverage through BCBS, prescription drug coverage will be provided through Express Scripts, Transformco's chosen pharmacy benefit manager for BCBS.
- If you choose medical coverage through Kaiser, prescription drug coverage will be provided through Kaiser.
- Your prescription drug coverage depends on the coverage level you choose, Basic, Enhanced, or BlueHPN

Hawaii Medical Plan Coverage in 2026:
Hawaii Medical Plans will transition to Kaiser Permanente exclusively effective January 1, 2026.

  - HMSA will no longer be offered in Hawaii
  - Kaiser KP220 (Basic Plan) and KP420 (Enhanced Plan) will be offered as a full replacement in Hawaii

6. Where can I learn more about my medical and prescription options for 2026 and how they directly affect me?

Once Annual Enrollment begins on November 5, 2025, you will have access to all of the details via **www.88sears.com,** including rate information. In addition, for specific information on the carriers and coverage options through BCBS and Kaiser, you can visit the following websites:

- Blue Cross Blue Shield**: www.bcbsil.com/transform** (or call 1.855.547.1393)
- Kaiser: **www.my.kp.org/transform** (or call 1.877.580.6125)

7. What's New and Changing in 2026?

Annual Enrollment is the perfect time to revisit all benefits to make sure you are taking advantage of all the options Transformco makes available to associates. The Annual Enrollment eGuide, which will be posted on the benefits page on PeopleDock in October, contains a recap of these important other benefits to consider.
The AE Newsletter outlines What's New and Changing, Reminders and Important 2026 AE meetings to help get informed (AE Newsletter link).

8. Which (if any) carriers send identification cards after enrollment?

If your insurance carrier sends out physical ID cards for Annual Enrollment, you will typically receive them by the end of December.

New: BCBS will be sending new ID cards to all members enrolled in the Basic and Enhanced plans to include the Virtual Primary Care information effective January 1, 2026.

Please note not all carriers distribute ID cards, so if you have any questions, please contact your insurance carrier directly.

9. How do I get a temporary or replacement identification card?

You can go online to the respective carrier's website to request a new card and to acquire a digital copy of your identification card as necessary. If you have questions or need assistance, call the Transformco Benefits Center: 1.888.887.3277 and choose Option 1 for health benefits. Calls hours are Monday through Friday 7a.m. to 7 p.m. Central Time.

For links to the carrier websites,

a. Go to www.88sears.com
b. Under Quick Links, click on Benefits Resources Page
c. Under How To – Enroll or Make Change, click on Reference Guide: How to Access Member ID Cards

10. What benefits-related informational resources does Transformco have available?

Transformco remains committed to helping you select the right benefits for your situation. That's why we make available a number of tools and resources to help you make your enrollment decisions.

a. Annual Enrollment opens on November 5, 2025, you'll have access to:

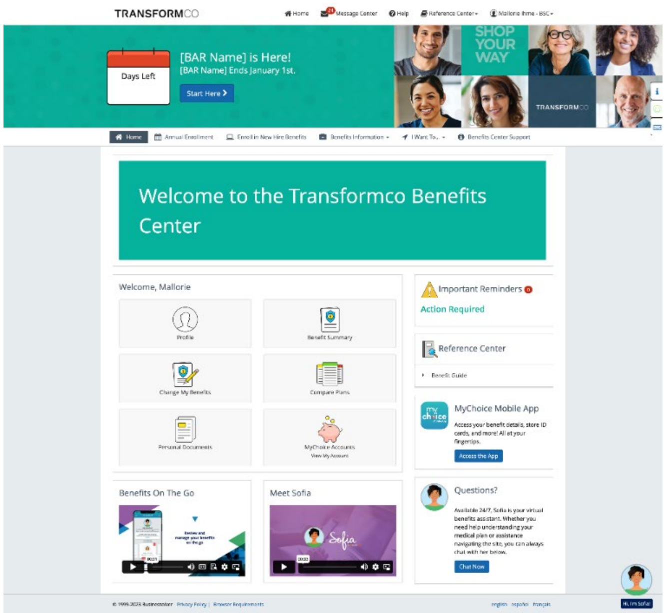
- Decision Support Tool: helps employees determine which benefits might be the best options for their own individual situation through a series of health and lifestyle questions. Employees can either accept the recommendation or still make their own choices.
- Sofia 24/7 Benefits Assistant: the feature uses "chatbot" functionality to help you with more advanced searches in the portal.
- MyChoice Mobile App: associates will be able to access their benefits on the go with a new mobile app and a one stop for Spending and Savings Accounts administration.
- MyChoice Accounts: your HSA, FSA, DCFSA, Commuter Accounts, and Adoption Assistance administrator.

b. If you have questions or need assistance:

- Call the Transformco Benefits Center: 1.888.887.3277 and choose Option 1 for health benefits. 7a.m. to 7 p.m. Central Time.
- Benefits Department Office Hours:
  - Wednesday: 7 – 7:30am CT – Dial in +1 878-787-7709,,53547993# Phone Conference ID: 348 991 699#
  - Thursday: 6 – 6:30pm CT – Dial in +1 878-787-7709,,372786494# Phone Conference ID: 298 447 207#

11. **To enhance user experience and make navigation more intuitive, we have made updates to page layouts. All the essential information and functionalities that you've been accustomed to are still available.**

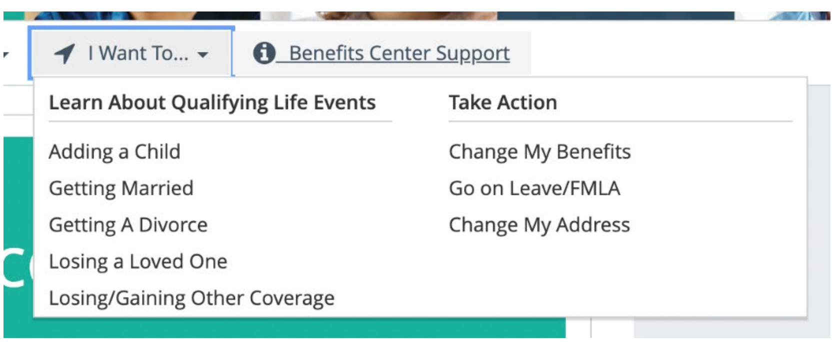
    Your Transformco Benefits Center homepage has new navigation bars. Note the box on the top pointing you to the 2026 Annual Enrollment event.



12. **Can I change my health insurance plan after enrollment?**

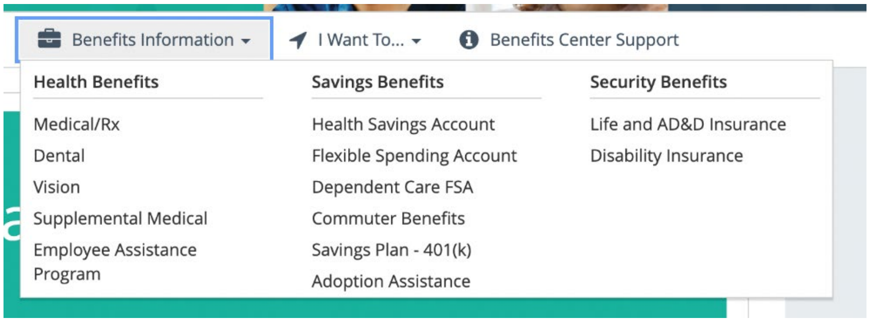
    Outside of Open Enrollment, you can change plans if you have a life event that qualify you for a Special Enrollment Period.

    Learn more about Qualifying Life Events from Transformco Benefits Center homepage



13. **Where do I go to learn more about Transformco Benefits information?**

Benefits information can be accessed from Transformco Benefits Center homepage.



14. What is a Health Savings Account (HSA)?

An HSA is a special bank account that you can use when you enroll in the Basic coverage level, which is a high-deductible health plan. It allows you to set aside tax-free money by paycheck deduction to pay for qualified health care expenses, like your medical, dental, and vision copays, deductibles, and coinsurance. Because you'll be responsible for 100% of your medical and prescription drug expenses until you meet your deductible in the Basic coverage level, an HSA is a great way to pay less for those out-of-pocket expenses because you're using tax- free money.

Just make sure you use money in your HSA only for qualified health care expenses. Otherwise, you'll pay income taxes on that distribution and an additional 20% penalty tax if you're under age 65. Keep careful records of your health care expenses and the corresponding withdrawals from your HSA, in case you ever need to provide proof that your expenses were qualified. You can find additional information on HSAs, including eligible expenses, at www.irs.gov/publications/p502.

You can decide whether to enroll in an HSA and how much (if any) money you want to contribute tax- free from your paycheck to an HSA when you enroll. And if you don't have a lot of health care expenses, your money can stay in your account year after year and earn tax-free interest. If you have questions about the use and appropriateness of an HSA as it applies to your specific situation, you should consult a tax professional.

15. Can I enroll in both HSA and Health Care FSA?

Yes. If you enroll in the Basic coverage level, you can participate in both an HSA and a limited purpose Health Care FSA. If you contribute to your HSA, your Health Care FSA will be "limited purpose" and can only be used to pay eligible dental and vision expenses until you have met the medical plan deductible. Once you have met the medical plan deductible, your Health Care FSA can be used to pay eligible medical expenses.

16. Why would I want to use both an HSA and FSA?

An HSA lets you set aside money to pay for qualified health care expenses, like your medical, dental, and vision copays, deductibles, and coinsurance. You decide how much money you want to save, and you can change it at any time.

The HSA has the following tax advantages:

- Your contributions to an HSA are tax-free, meaning that they are deducted from your paycheck before taxes are taken out.
- Interest earnings on your HSA balance are not taxed.
- You are not taxed on the HSA dollars when you use them to pay eligible expenses.