Health Savings Account (HSA)

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Your Health Savings Account (HSA)

Eligible employees of Chevron Phillips Chemical Company LP (Chevron Phillips Chemical or the Company) who elect medical coverage under the *Value CDH Plan* have the opportunity to participate in a tax-advantaged Health Savings Account (HSA) that lets them save tax dollars on eligible health care expenses.

To be eligible to enroll in an HSA:

- You must be enrolled in the *Value CDH Plan*,
- You must not be covered by any other medical plan other than an IRS-qualified high deductible medical plan, even if it is another family member's coverage. If you are covered by any other non-high deductible medical insurance, such as your spouse's employer's PPO or HMO plan, you cannot contribute to an HSA, even if you are enrolled in the *Value CDH Plan*,
- You must not be enrolled in, be eligible for reimbursement under, or receive reimbursement from a Health Care Flexible Spending Account (HCFSA), including as a dependent under your spouse's HCFSA. However, you or your spouse can be enrolled in a Limited-Purpose Flexible Spending Account (LPFSA) (see the ***Flexible Spending Accounts*** chapter starting on page H-1 for more information),
- If you are a retiree, you must not have an outstanding balance in your Retiree Reimbursement Account (RRA),
- You and your spouse must not have a Retirement Health Reimbursement Account (Retirement HRA, similar to an RRA) with another employer that covers you,
- You must not be enrolled in Medicare,
- You must not be enrolled in TRICARE or TRICARE for Life (military),
- You must not be claimed as dependent on anyone else's tax return, and
- You must not have received Veterans Administration (VA) benefits within the past three months (preventive care, dental and vision services are permitted).

Please refer to IRS Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans, available at http://www.irs.gov/pub/irs-pdf/p969.pdf, for more information about eligibility for HSAs.

Enrolling in the *Value CDH Plan* as your medical plan option doesn't automatically open your HSA. You must authorize Alight to open an HSA with Fidelity as a separate step. For more information, see ***How the HSA Works*** below.

NOTE:

Health Savings Accounts (HSAs) do not constitute "employee welfare benefit plans" for purposes of the provisions of Title I of ERISA. For more information on HSAs, please contact Fidelity at www.netbenefits.com or 1-866-771-5225 and/or refer to IRS Publication 969.

How the HSA Works

The HSA, administered by Fidelity, allows you to set aside pre-tax dollars to reimburse yourself for eligible health care expenses. You must be enrolled in the *Value CDH Plan* to contribute to an HSA; however, the reverse is not true. You do not have to open an HSA with Fidelity to be enrolled in the *Value CDH Plan* but if you don't, you will lose out on the Company's contributions to your HSA. In 2026, for active employees who enroll in the *Value CDH Plan* and who open or already have an HSA with Fidelity, the Company will contribute money to their HSA — $500 for Employee-Only coverage and $1,000 for Employee + Spouse, Employee + Child(ren) or Employee + Family coverage. An employee and any dependent spouse or children, who are enrolled in family coverage as dependents at any time during a plan year, are limited to a combined $1,000 HSA Company contribution for that plan year.

ADVANTAGES OF THE FIDELITY HSA

You can decline to open the HSA that is offered through Fidelity, or you can go to any bank that offers an HSA. However, when you open an HSA through Fidelity:

- Chevron Phillips Chemical's annual contributions are deposited into your Fidelity HSA.
- You can make contributions through automated payroll deductions.
- Chevron Phillips Chemical will pay your monthly account maintenance fee for a Fidelity HSA as long as you remain an employee or retiree.

You will not receive these benefits from Chevron Phillips Chemical if you open an account elsewhere.

In order to receive the Company's contributions, you must read and agree to Fidelity's HSA terms and conditions on the Alight site during enrollment, which authorizes Alight to set up an HSA with Fidelity for you. The process for setting up and contributing to the HSA is as follows:

Step 1

Decide how much you want to contribute to your HSA. Then make your election through the CPChem Benefits Service Center website at digital.alight.com/cpchem or by calling 1-833-964-3575.

Step 2

Read and agree to Fidelity's HSA terms and conditions on the Alight site during enrollment, authorizing Alight to set up an HSA account with Fidelity for you.

You will receive a New Account Profile from Fidelity Personal Investments confirming that your HSA has been approved. At that time, you will be able to view your account at www.netbenefits.com.

Contribution Amount

You decide how much to contribute to the account based on the health care expenses you expect to have during the year. When you open an HSA through Fidelity, contributions are deducted from your paycheck in equal installments throughout the year. The IRS establishes an annual dollar limit on total contributions each year. If your pre-tax contributions, when combined with the Company's contributions, reach the dollar limit during the year, your contributions are automatically suspended. The maximum combined employer and employee HSA contribution limits for 2026 are:

Employee-Only	$4,400
Employee + Spouse, Employee + Child(ren) or Employee + Family	$8,750

In addition to the maximum amounts listed above, you may contribute an additional $1,000 in any year you are age 55 or older, including the year you turn age 55.

The IRS treats married couples as a single tax unit, which means you share one family HSA contribution limit of $8,750 if you are covered under the same health plan. If you and your spouse each have your own self-only health coverage, you may each contribute up to $4,375 annually into separate HSA accounts.

During open enrollment, you can enter an amount to be contributed each paycheck and/or an amount to be contributed as a one-time lump sum in January. The total of these two elections cannot exceed the IRS annual contribution limits. Also, if you do not plan to work a full year, you should consider how that will affect your contribution limits as outlined in ***Prorated Contributions*** later on this page.

As long as you're covered by the *Value CDH Plan* on December 1 of a given year, you may contribute up to the maximum annual amount specified in the chart on page I-2, regardless of the month you establish your HSA. Please refer to IRS Publication 969, available at www.irs.gov/publications/p969, for more information about eligibility and maximum annual contribution amounts.

It's a good idea to open your account promptly so the Company contributions can be deposited and your contributions can begin with the first eligible pay period.

You may start, stop, increase or decrease the amount of your HSA contribution at any time, and regardless of whether or not you have experienced a qualified status change event — for example, if you start your contributions late or if your estimated medical expenses increase — as long as you don't exceed the annual maximum. Your change request will be effective as soon as administratively feasible, typically the first or the second pay period following the date you submit your request. To make a change, log on to the CPChem Benefits Service Center website at digital.alight.com/cpchem or call 1-833-964-3575.

The amount you authorize to contribute to your Fidelity HSA is automatically deducted on a pre-tax basis from your paycheck. You can also make contributions by check.

Your money is held in a Fidelity brokerage account that includes a core FDIC bank account through which deposits and withdrawals are made. You can leave your money in the core account or choose to invest your funds in a wide variety of options, including Fidelity and non-Fidelity mutual funds, ETFs, CDs, and individual stocks and bonds. You must meet certain minimums to invest in mutual funds. Any earnings on your Fidelity investments are automatically invested and grow tax-free — although your account is also subject to possible market losses.

HEALTH SAVINGS ACCOUNTS AND TAX SAVINGS

A Health Savings Account can help lower the taxes you pay. When you participate in an HSA through Fidelity, your contributions are taken out of your pay before federal income taxes, Social Security taxes and, in most states, state income taxes are calculated. This means you lower your taxable income — so you pay less tax.

Because this is a pre-tax benefit, your participation may slightly reduce your Social Security benefits. You should consult your personal tax advisor to determine the tax consequences for you personally.

Prorated Contributions

If you end coverage under the *Value CDH Plan* during the year, your pre-tax, lump-sum and catch-up contributions to the HSA must be prorated based on the number of months during the year that you were covered under the *Value CDH Plan* as of the first day of the month. Please refer to IRS Publication 969, available at www.irs.gov/publications/p969, for more information.

Excess Contributions

If you contribute more than the annual IRS maximum to your HSA, the additional funds will be considered taxable income and you may need to make adjustments on your annual tax filings. These funds are subject to standard income tax rates, plus a 6% penalty unless the excess contributions (and any earnings on these excess contributions) are withdrawn by your federal tax filing deadline (including any extensions) for the applicable year. Please refer to IRS Publication 969, available at www.irs.gov/publications/p969, for more information.

Note: Although the Chevron Phillips Chemical payroll system will automatically suspend your HSA contributions for the rest of the plan year when you reach the annual IRS family maximum contribution limit, you are responsible for monitoring and adjusting your contributions throughout the year to ensure compliance with federal laws and limitations that apply to HSAs.

Special IRS Rules

Because HSAs operate under Internal Revenue Service guidelines, special rules apply:

- **No enrollment in Health Care Flexible Spending Account (HCFSA):** You cannot enroll in an HSA if you are enrolled in, are an eligible dependent under, or receive reimbursement from an HCFSA, other than a Limited-Purpose Flexible Spending Account (LPFSA). Because it is considered a health plan, enrollment in an HCFSA makes you ineligible for an HSA, but you can be enrolled in an LPFSA and an HSA.
- **No account balance in your Retiree Reimbursement Account (RRA) or Retirement Health Reimbursement Account (Retirement HRA):** If you are a retiree, you cannot contribute to an HSA if you have an outstanding balance in your RRA or a Retirement HRA.
- **No "use it or lose it":** Unlike a flexible spending account, your HSA is not "use it or lose it." Any money remaining in your HSA at the end of the year rolls over, and you can add more money or spend the money on eligible expenses in future years. The funds in your HSA are always yours even if you change medical plans, leave the Company or retire. For detailed information about the Fidelity HSA, see "Your Guide to Understanding a Health Savings Account" at www.mycpchembenefits.com/health.
- **Rollovers from other HSAs:** Rollovers from other HSAs are permitted with the following restrictions:
  - You are permitted to make only one rollover of an HSA during a one-year period,
  - Rollovers to your HSA must be completed within 60 days of the date you receive the distribution from the other HSA, and
  - Direct rollovers to or from retirement accounts, such as 401(k), 403(b) and 457 plans, are not permitted.
- **Transfer funds to another HSA:** You can transfer your funds to another HSA administrator at any time, but transfer fees apply. Please contact Fidelity at www.netbenefits.com or 1-866-771-5225 for more information.

Using the HSA

You can use your HSA to pay certain health care expenses incurred by you or any of your dependents. You (or your dependents) do not have to be enrolled in a Chevron Phillips Chemical medical plan to receive reimbursements from this account for eligible expenses. Also, you can receive reimbursement for your dependents' eligible health care expenses even if they are enrolled in a non-high deductible health plan. However, you must be enrolled in the *Value CDH Plan* to make contributions to your HSA.

Please note that the definition of a child dependent for HSA purposes uses a different "age test" than other Chevron Phillips Chemical health plan dependent definitions, generally ending at age 19 if not a student and at age 24 if a student, unless disabled. Refer to IRS Publication 501 for the full IRS child dependent definition.

YOUR HSA IS PORTABLE

Your HSA is still your account even if you:

- Change jobs or become unemployed,
- Change your medical coverage,
- Move to another state, or
- Change your marital status.

Although your pre-tax contributions will stop if your employment with Chevron Phillips Chemical ends or you drop your coverage under the *Value CDH Plan*, you may continue to receive reimbursement for eligible expenses.

Accessing Your HSA Funds

If you want to use your HSA funds to pay for eligible health care expenses, you can:

- Use your HSA debit card to pay for services when you receive them,
- Write an HSA check to the provider or to yourself (if you have an HSA checkbook),
- Use Fidelity's online bill paying service to make payments directly to health care providers, and
- Distribute money from your HSA by requesting an Electronic Funds Transfer (EFT) to your personal bank account or request that a distribution check be mailed directly to you.

You can make payments or withdrawals from your HSA only up to your current account balance.

Note that you must keep your own records of eligible medical expenses — you don't submit claims documentation to Fidelity.

Health Care Expenses Allowed by the IRS

Only allowable expenses that are adequately documented and are not covered by insurance are reimbursed. The following is a partial list of expenses that may be eligible for reimbursement if not paid by insurance.

- Abdominal supports,
- Acupuncture,
- Automobile equipment to help any physically disabled eligible dependent,
- Back supports,
- Birth-control-related expenses,
- Bone marrow transplants,
- Braille books and magazines,
- Certain schooling for any disabled eligible dependent,
- Charges in excess of recognized charges limits under the medical plan and/or dental plan, or any other health plan under which you have coverage,
- Childbirth preparation classes,
- Chiropractic care,
- Cost of a note-taker for a hearing-impaired child while in school,
- Cost of a special diet when medically necessary and only to the extent that cost exceeds that of a normal diet,
- Crutches,
- Deductibles/co-insurance/copayments under the medical plan, dental plan and/or vision plan, or any other health plan under which you have coverage,
- Dental cleanings and fillings,
- Detoxification or drug abuse centers,
- Diabetic supplies,
- Diathermy,
- Elevators (in home) for any disabled eligible dependent,
- Expenses for services connected with donating an organ,
- Eye exams, eyeglasses, contact lenses and supplies,
- Fees to use a swimming pool for exercises prescribed by a doctor to alleviate a specific medical condition,
- Feminine hygiene products,
- Guide or guide dog for any eligible dependent who is visually or hearing-impaired,
- Hearing aids,
- Home pregnancy tests,
- Household visual-alert systems for any hearing-impaired eligible dependent,
- Infertility treatment,
- Limited types of insurance premiums, including premiums for Medicare if you are age 65 or older, qualified long-term care insurance, and health care continuation coverage (such as COBRA),
- Medically necessary mattresses and boards,
- Orthodontia,
- Orthopedic shoes,
- Over-the-counter medications used to treat illness,
- Physical therapy,
- Prescription drugs,
- Psychotherapy,
- Radial keratotomy or LASIK surgery,
- Radiation treatments,
- Respirators,
- Routine physical exams,
- Smoking-cessation programs and products,
- Special devices, such as tape recorders and computers, for any eligible dependent who is visually impaired,
- Specialized equipment for any disabled eligible dependent,
- Speech therapy,
- Sterilization and reverse-sterilization surgery,
- Surgical stockings,
- Well-baby and well-child care,
- Wheelchairs,
- Wigs for hair loss due to disease, and
- X-rays.

Limited Health Insurance Premium Expenses Allowed by the IRS

Certain premiums are eligible expenses for reimbursement under the HSA. These include:

- Qualified long-term care insurance premiums,
- Medicare premiums, if you are age 65 or over, and
- Premiums for health care continuation insurance, such as COBRA.

Health Care Expenses Not Allowed by the IRS

The following are examples of expenses not eligible for reimbursement. These include, but are not limited to:

- Cosmetic surgery and procedures (except to improve a deformity or repair injury),
- Cosmetics and toiletries,
- Custodial care in an institution,
- Expenses claimed on your income tax return,
- Expenses for which you receive reimbursement under the medical plan, dental plan, or any other health plan under which you have coverage,
- Funeral or burial expenses,
- Health club fees and dues,
- Household help,
- Meals,
- Mileage in your own car,
- Most insurance premiums, including premiums for plans maintained by the employer of your spouse or other dependent,
- Transportation to/from work for the handicapped,
- Vacation travel for health programs,
- Vitamins, and
- Weight loss programs (except in the case of proven medical necessity).

For more information about eligible expenses under HSAs, see IRS Publication 502, Medical and Dental Expenses. This publication is available online at http://www.irs.gov/pub/irs-pdf/p502.pdf.

Using Your HSA for Non-Qualified Medical Expenses

Distributions from your Fidelity HSA that are used to pay for or reimburse non-qualified medical expenses will be included in your gross income for tax purposes and are subject to an additional 20% penalty. The 20% penalty does not apply to distributions made if you become disabled, once you reach age 65 or after your death.

An expense is incurred when the service is rendered — not when you are charged or billed, or when you pay the expense.