

## CVS Health Investing in Long-Term and Sustainable Wage Increases and Benefits Enhancements Following the Passage of the Tax Cuts and Jobs Act

**WOONSOCKET, R.I., February 8, 2018** – In a continuing commitment to investing in the growth and success of its employees, CVS Health (NYSE:CVS) today announced three major programs that will enable employees to share in the tax savings created by the U.S. Tax Cuts and Jobs Act. The improvements in employee wages and benefits, which are long-term and sustainable compensation investments, total \$425 million annually and create continued growth opportunities for the company and its employees. The programs announced today include the following employee-focused investments:

- CVS Health will increase the starting wage rate for hourly employees to \$11 an hour, effective April 2018. As part of this change, the company also plans to adjust pay ranges and rates for many of its retail pharmacy technicians, front store associates and other hourly retail employees later in the year to ensure a competitive compensation structure that supports the company's plans to evolve its retail stores into a health care destination.
- As part of ensuring access to affordable health care, CVS Health will not increase employee premiums for the 2018-2019 plan year. While medical and prescription costs have increased 5% year-over-year, CVS Health will absorb the entire increase for the 100,000 employees who have elected to enroll in the company-sponsored health plan.
- The company is also creating a new paid parental leave program. Effective April 1, 2018, full-time employees who welcome a new child into their home can take up to four weeks away from work at 100% of their pay to ensure the newest addition to their family gets off to a strong start in life.

"As part of our ongoing commitment to the patients, customers and communities we serve, we said that we would invest our tax savings back into our business, and that's exactly what we're doing," said Larry Merlo, CVS Health president and CEO. "Today, we're building on the investments we've been making in our employees, in their wages, benefits and career development. It's our employees who drive our performance and we appreciate how hard they work every day to deliver on our purpose of helping people on their path to better health."

As part of the company's fourth quarter 2017 earnings announcement this morning, CVS Health indicated that it anticipated spending the remaining tax benefit on investments in data analytics, care management solutions and store service offering pilots to improve health outcomes and lower costs for patients, as well as on debt reduction related to its planned acquisition of Aetna.

"We are also making additional, significant, infrastructure investments that will allow us to accelerate our long-term growth objectives," Merlo added.

As a leading health care company with more than 240,000 employees across the country, CVS Health has continued to invest in a wide range of benefits and programs that speak to the company's commitment to helping employees better manage their physical and financial health, as well as their work/life balance. The company offers a 401(k) plan that matches 100% of the first 5% of an employee's

contribution toward their retirement savings as well as a sizeable company contribution at each pay period to a Health Savings Account to offset out-of-pocket healthcare expenses. In addition, more than 50% of the prescriptions filled by CVS employees and their family members are available at zero copay to the colleague. At the same time, the company's Strive Wellbeing program offers convenient, low- or no-cost benefits and activities that make it easier for employees to invest in their health, either at work or during their own free time. These include free flu-shots, smoking cessation and weight-management programs, health screenings, and physical fitness activity challenges.

### **About CVS Health**

CVS Health is a pharmacy innovation company helping people on their path to better health. Through its more than 9,800 retail locations, more than 1,100 walk-in medical clinics, a leading pharmacy benefits manager with more than 94 million plan members, a dedicated senior pharmacy care business serving more than one million patients per year, expanding specialty pharmacy services, and a leading stand-alone Medicare Part D prescription drug plan, the company enables people, businesses and communities to manage health in more affordable and effective ways. This unique integrated model increases access to quality care, delivers better health outcomes and lowers overall health care costs. Find more information about how CVS Health is shaping the future of health at <https://www.cvshealth.com>.

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