EVERSOURCE

2026 Compensation Cycle



February 2026

Merit Information

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- **Merit:**
  - The merit budget is typically around 3%
  - The lump sum threshold is 115% of market rate
    - If an employee's compa-ratio (position to market) exceeds the 115% threshold, we recognize performance through a lump-sum payment
  - Lump sums are payable in one installment and will be processed in the **April 2, 2026** paycheck
  - This year the effective date for merit increases is **March 15, 2026**
  - New Hires **November 2, 2025 or later** will be EXCLUDED from Merit

	Position to Market				
Performance Rating	**Below 80%**	**80-94%**	**95-105%**	**106-115%**	**Above 115%**
Top Achiever	5-7%	4-6%	3-5%	2-4%	Lump Sum of 0-3%
High Contributor	4.5-6.5%	3.5-5.5%	2.5-4.5%	1-3%	Lump Sum of 0-3%
Successful Contributor	4-6%	3-5%	2-4%	0-2%	Lump Sum of 0-2%
Improvement Needed to be a Successful Contributor	0-2%	0-2%	0-2%	0.0%	0.00
Did Not Meet Performance Expectations	0.0%	0.0%	0.0%	0.0%	0.00

Merit Lump Sum Guidelines: All award totals should follow the matrix above. For employees who may have awards split between base rate and lump sum, any remainder lump sum should comply with the overall awards range specified.

Incentive Information

- **Incentive:**
  - Incentives are included in 401k contributions, and a separate communication will be published via the Source to help employees make changes to their contribution levels in advance of their incentive payments
  - Incentive payouts are linked to performance and HR will provide recommended ranges
  - Employees should be evaluated based on their performance in the most recent program year
  - Incentive payouts **cannot** exceed 200%
  - Employees must be active employees of Eversource on the incentive payment date in order to be eligible for an incentive payment
  - All New Hires **November 2, 2025 or later** will be EXCLUDED from Incentive

KEY DATES AND WORKFLOW

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- **February 4 – 18:** Management completes merit and incentive recommendations in Workday
  - **February 4:** Worksheets are available in first level Manager's Workday Inbox
  - **February 16 – 18:** Officers and Senior Officers review and approve worksheets and forward to HR
- **Feb 25 – Mar 4:** Supervisors and Managers communicate merit and incentive decisions to employees
- **March 5:** Incentive payouts delivered in paychecks
- **March 15:** Merit increases effective
- **April 2:** New base rates visible in paychecks and lump sum awards paid

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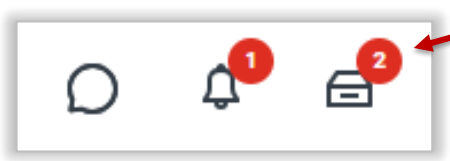
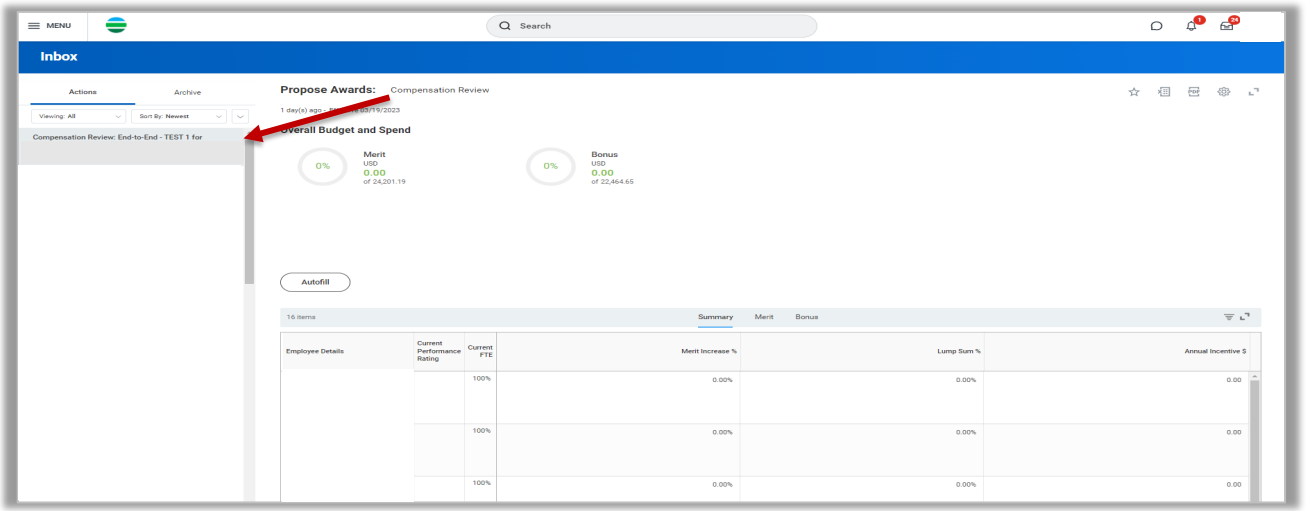
Accessing the Compensation Cycle Tool

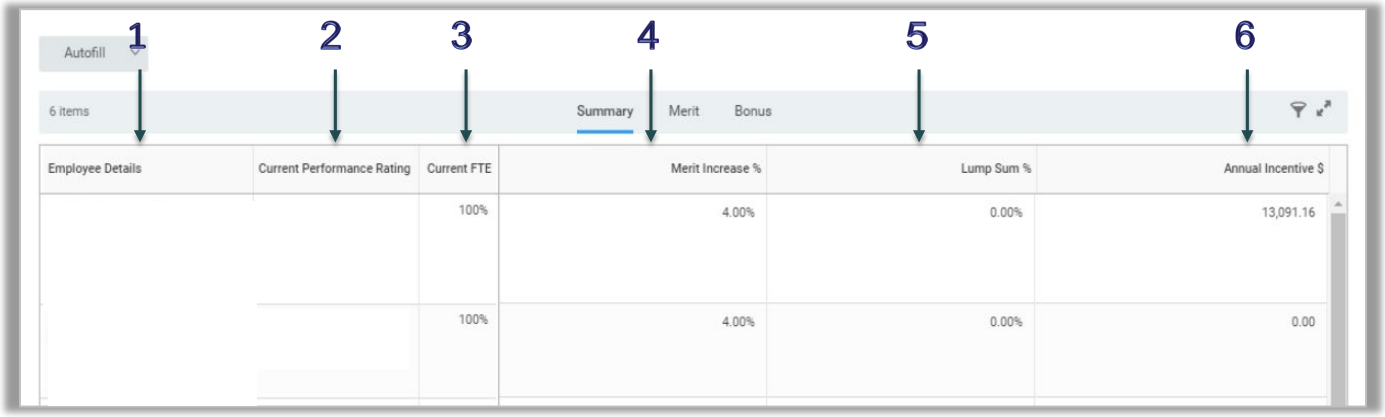
To go to your worksheets access Workday and click your **Inbox**.





Summary Tab Details

1. **Employee Details** – includes each employee's indicative information: Name, Workday ID, Supervisory Organization, and Job Profile
2. **Current Performance Rating** – includes each employee's current performance rating
3. **Current FTE** - indicates each employee's Full-Time Equivalency (FTE)
4. **Merit Increase %** - allows Managers to populate / review a merit increase
5. **Lump Sum %** - allows Managers to populate / review a lump sum
6. **Annual Incentive $** - allows Managers to populate / review an annual incentive award



Merit Tab Details

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7. Current Base Pay - This field shows each employee's current actual base pay

8. Merit Increase % - Enter the proposed merit increase % here. Once entered, all other calculations, except lump sum, will update

9. Merit Increase $ - The dollar amount of the proposed merit increase will show here

10. New Base Pay - Each employee's new base rate will show here (this will not include any lump sum awards)

11. Compa-Ratio Proposed % - This field will show each employee's Compa-Ratio

12. Soft Warning - Any warning messages helpful for completing the worksheet will appear here

13. Lump Sum % - Lump Sum awards can be entered here as a percentage of Current Base Pay

14. Lump Sum $ - Lump Sum awards can be entered here as a dollar amount



Incentive Tab Details

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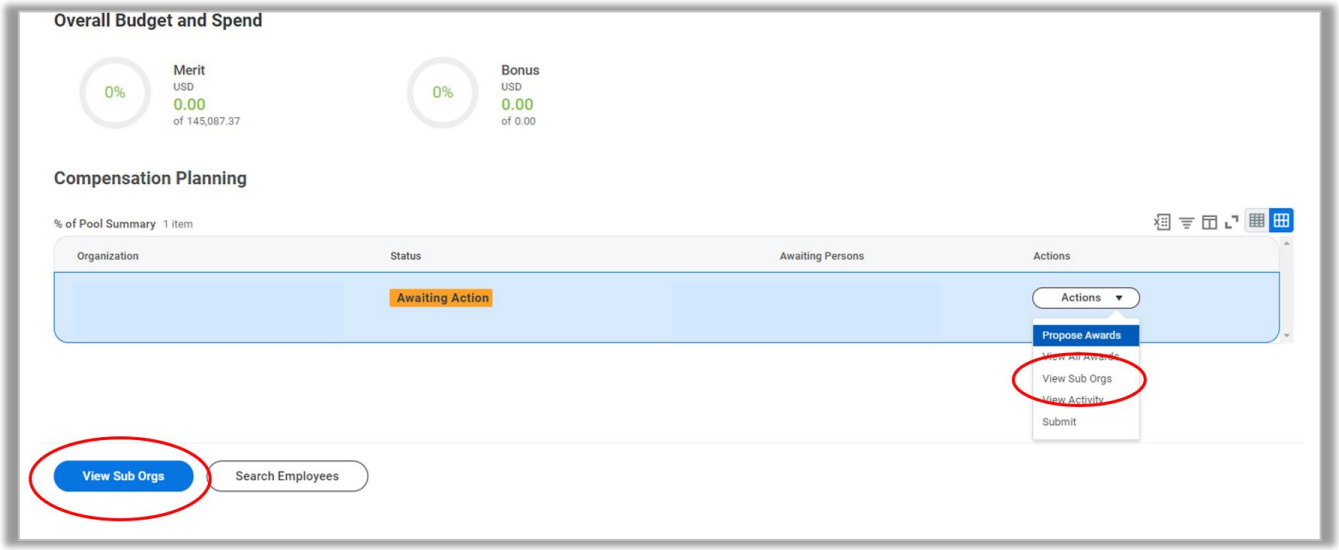
15. **Current Base Pay** - This field shows each employee's current actual base pay
16. **Eligible Earnings** - Eligible earnings for incentive awards includes year-end base rate for Exempt employees and base rate, overtime and any other applicable premiums earned during the program year for Non-Exempt employees
17. **Target %** - Each employee's individual incentive target percent is shown here
18. **Award at Target** - The starting award at target will be shown here (e.g., Eligible Earnings X Target %)
19. **Annual Incentive $** - Enter the proposed annual incentive award dollar amount here
20. **Annual Incentive Award as a % of Target** – Displays the annual incentive award as a % of the targeted award (e.g., performance multiplier from 0% - 200% of target)

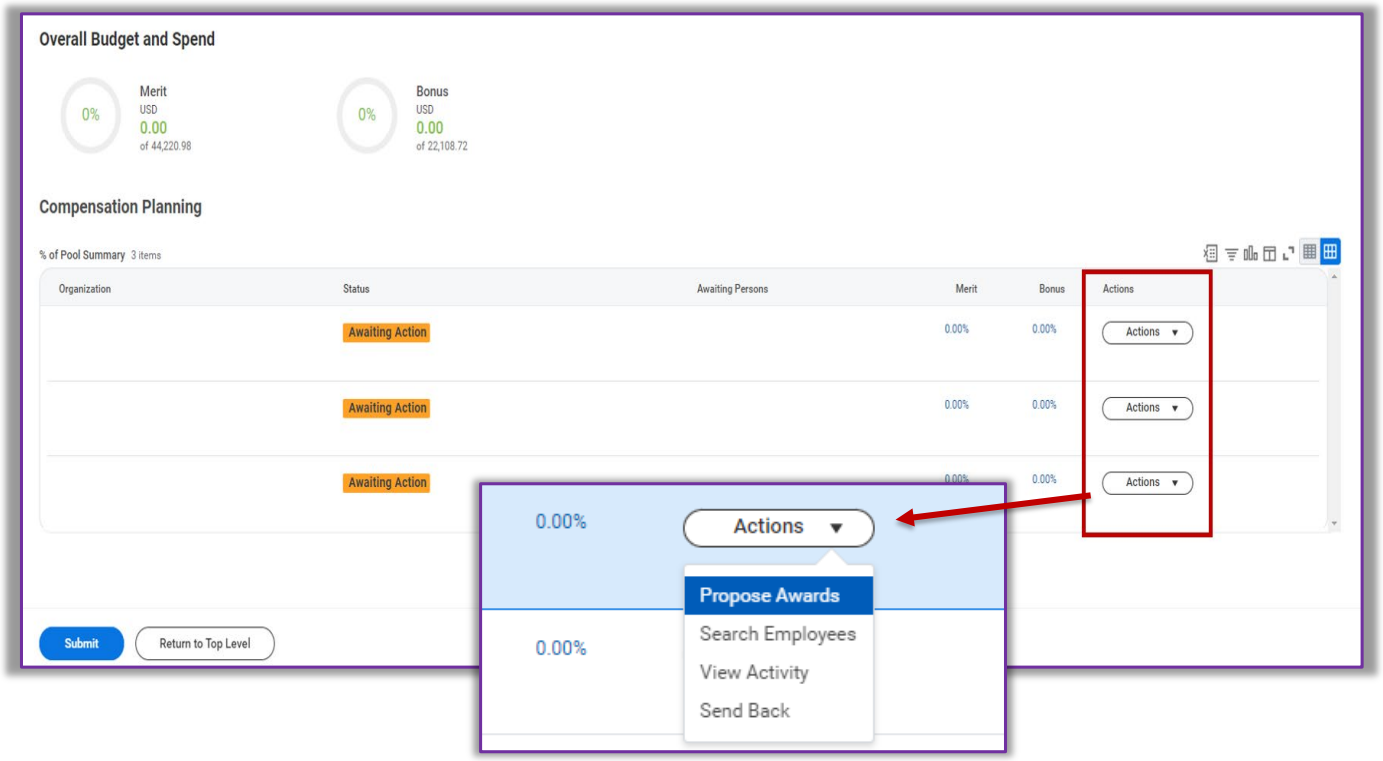


Worksheet Navigation

- For supervisors and above with more than one worksheet to approve, a summary page will appear first
- Access to all worksheets remains via managers inbox

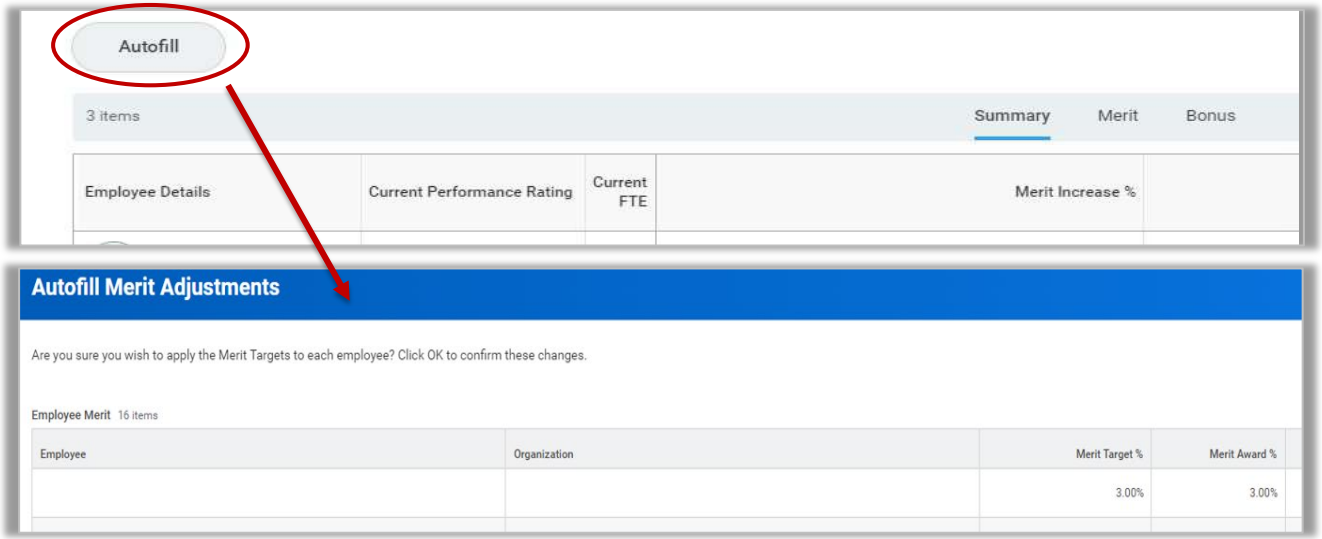


Worksheet Navigation – continued



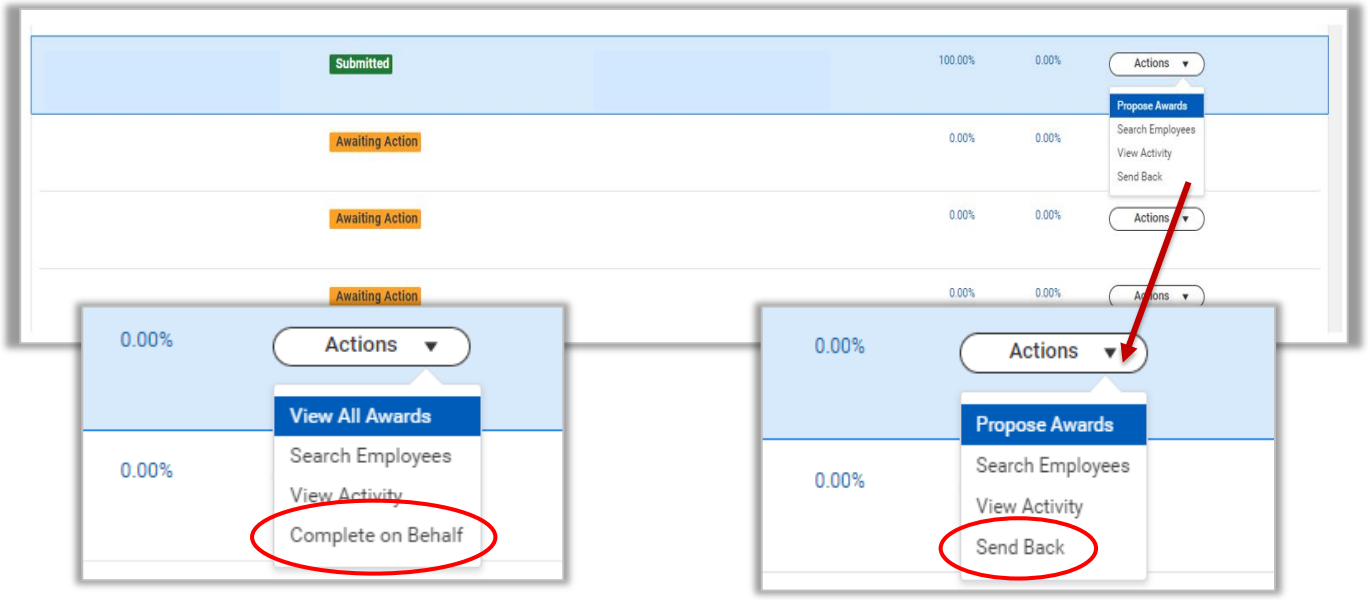
Workday Helpful Functions

- Autofill
  - The autofill function allows you to prefill merit awards at the approved budget percentage for everyone on a worksheet



Workday Helpful Functions (cont'd)

- Moving worksheets forward or back
  - Can be done by managers / worksheet owners



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Thank You