

Retirement Benefits

This information is designed as a summary of the retirement process and the retirement benefits available to eligible associates. Please read this information carefully. It may also be helpful to contact a tax advisor or financial planner for advice on achieving your retirement goals.

Benefit Contact List

Benefit / Topic	Contact Information
Pension (Kmart and Sears Legacy)	Pension Benefit Guaranty Corporation https://www.pbgc.gov 1-800-400-7242
Savings Plans	Transformco Benefits Center 1-888-887-3277 Option 2 Your Benefits Resources
COBRA Benefits	Transformco Benefits Center 1-888--887-3277 Option 1
Life Insurance	MetLife 1-800-638-6420 Allstate 1-800-521-3535
Social Security Benefits	Social Security Administration www.ssa.gov
Medicare Benefits	Centers for Medicare and Medicaid www.medicare.gov
Discount Card	Transformco HR Support Services 1-888--887-3277, Option 6

What happens to my Benefits at Retirement?

Benefits available during retirement (subject to eligibility rules)	Coverage ends on the last day of the month in which retirement / termination occurs	Coverage ends on the last day of employment
Discount Card Pension (Kmart and Sears Legacy) Transformco Savings Plans (investment rights continue until account is distributed) Life insurance (if ported or converted)	<ul style="list-style-type: none"> ▪ Active medical ▪ Dental ▪ Vision ▪ Long-term disability ▪ Critical Illness ▪ Accidental Injury ▪ Hospital Care 	Flexible spending accounts (unless COBRA is elected) Transformco Savings Plans (no additional contributions) Short-term disability Business travel insurance Life insurance (unless ported or converted) Commuter Benefits

Pension (Kmart and Sears Legacy)

	Kmart	Sears
Eligibility for the Plan	As of January 31, 1996, you must have been at least age 21 with at least 1 year of vesting service and worked in a location that participated in the Kmart Pension Plan.	You must have been hired before January 1, 2004 and worked in a location that participated in the Sears Pension Plan.
Eligibility to retire and begin receiving benefits	To retire under the Pension (begin receiving benefits) you must be at least age 55 with at least 5 years of vesting service. If you are under age 55 at the time you terminate from the Company and you have at least 5 years of vesting service, you are eligible for a deferred pension commencing any time on or after age 55.	To retire under the Pension (begin receiving benefits) you must be at least age 55 with at least 5 years of vesting service at the time of your retirement. If you are under age 55 at the time you terminate from the Company and you have at least 5 years of vesting service, you are eligible for a deferred pension commencing any time on or after age 55.

How to Start Your Pension (Kmart and Sears Legacy)

With the Sears Holdings Corporation bankruptcy filing in October 2018, the Kmart and Sears Legacy Pension Plans were terminated, and administration of the former plans was taken over by the Pension Benefit Guaranty Corporation (PBGC). All benefit information for associates who were actively employed by Sears Holdings or who were terminated with a vested unpaid benefit was transferred to the PBGC.

1. Visit <https://www.pbgc.gov>
2. Follow the instructions on the PBGC website to create an account.
3. Follow the instructions to determine if you have a benefit due from Sears Holdings Pension Plans
4. You can also reach the PBGC by calling 1-800-400-7242

The Transform Savings Plans

Payment Options

Shortly after your termination of employment, the Transformco Benefits Center will mail a packet to your home address. It will contain your payment options, which include:

- receive a distribution in cash of your entire account balance which could be subject to tax withholdings
- roll over your entire account balance to an eligible retirement plan (IRA or another employer's qualified plan)
- roll over a portion of your account balance and receive the rest in cash

- defer payment of your entire account balance (available only if your balance is over \$5,000)

If you elect to defer payment of your account, you may leave your money in your account until age 72. While your account is active, it will be subject to all applicable fees. You may request a distribution at any time through the Your Benefits Resources TM site via www.88sears.com or by contacting the Transformco Benefits Center through 1-888-887-3277, Option 2. While you are deferring payment, it is important to keep your address up-to-date with the Transformco Benefits Center.

For additional information, refer to the "Other Information" section in the applicable [Benefits Handbook](#).

COBRA Continuation Coverage (Medical, Dental, and Health Care Spending Account)

Shortly after you terminate from the Company, you will receive a notice of your right to continue medical, dental, vision and/or health care spending account coverage. Under the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA), a federal health benefits law that was passed in 1986.

COBRA medical and dental coverage generally ends after 18 months (may be longer if a secondary event occurs during the 18 months entitles you or your dependents to a longer COBRA period). COBRA coverage for the health care spending account ends at the end of the calendar year in which you retire.

COBRA premiums are 102% of the total cost of coverage – this includes the portion you were paying as an associate and the portion Transformco was paying. You will be billed directly for your COBRA coverage.

For additional information, refer to the "Other Information" section in the applicable [Benefits Handbook](#).

Life Insurance

Your Transformco life insurance coverage ends of the date of your termination of employment from the Company.

Conversion / Portability Options

- You may elect to convert your Company Paid Life Insurance coverage to an individual policy.
- If you were enrolled in Optional Life Insurance (associate, spouse or child) for the 12 months prior to your termination:
 - You may elect to port up to 50% of your own Optional Life Insurance (and AD&D, if applicable), or \$1 million, whichever is less. You also have the option of “converting” the remaining amount of your Optional Life insurance to an individual life policy. If you do not elect the portability option, you are eligible to convert the whole amount to an individual policy.
- You may also elect to convert any spouse or child life to an individual policy.

Shortly after you terminate your employment from the Company, you will receive information about your conversion and portability rights. The information will include instructions and the applicable premiums for porting your coverage. For conversion premiums, contact MetLife Customer Service at 1-800-638-6420. **You have 31 days from your termination date to elect to port or convert your Optional Life Insurance**, regardless of when you receive your information packet from MetLife.

For additional information, refer to the “Company Paid Life Insurance”, “Optional Life Insurance”, and “Other Information” sections in the applicable [Benefits Handbook](#).

Every effort has been made to ensure that the information contained on this site and linked pages is accurate. However, this site and linked pages do not constitute the legal plan documents of the plans and programs summarized nor do they constitute a guarantee of current or future benefits. If there are any conflicts between the information presented and the legal plan documents that governs each benefit plan, the legal plan documents will govern. Transformco reserves the right to change or terminate any or all benefit plans at its discretion.

Retiree Discount

All associates who are retiree benefits eligible and retire in accordance with company policies are granted a retiree discount privilege when employment terminates. Upon retirement retiring associate/spousal discounts will convert automatically to a dollars-off discount. Retiring associates and their eligible spouses should retain their current discount cards. No retiree-specific discount cards will be issued. Replacement discount cards can be obtained by calling 1-888-887-3277, Option 6 to speak to a Transformco HR Support Center customer service representative.