



OVERVIEW OF HEALTH AND WELFARE BENEFIT CHANGES

Hopefully by now you've heard that changes are coming to HBC's Benefits. Changes that allow us to offer one unified, high-value Total Rewards program to all US Associates.

We're sure you're anxious to learn about these improvements effective January 1, 2016, so let's get to it.

Benefit Costs and Options

The majority of Associates will see a decrease in premium costs across most of our benefits. **Not only are we lowering the costs for most benefits, we're also expanding the options.** Benefits don't always fall into a "one size fits all" category. Having more choices will allow each Associate the flexibility to design a benefits package that fits their individual needs.

Eligibility

Eligibility rules for most programs will be the same for all Salaried and Full-time Hourly Associates across banners. Beginning January 1, 2016, Associates will be eligible for most benefits on the first of the month following 60 days of service. In addition, while we already offer coverage for spouses and same-sex domestic partners, new this coming year, we're extending eligibility to opposite-sex domestic partners as well. Finally, part-time Associates working 20 or more hours per week will be eligible to participate in the new Dental, Vision and Supplemental Benefits plans.

Core Benefits

Medical/Rx: Our medical plans are going through the most significant change. Starting January 1, 2016, we're bringing you new medical plan options. These include three consumer driven health plan (CDHP) options (Gold, Silver and Bronze), and each will include an available Health Savings Account (HSA) to help you with out-of-pocket costs. The Gold and Silver plan options will even offer company contributions to the HSA, while the Bronze plan is a low premium cost option that also satisfies the requirements of the Affordable Care Act. All three of these plans encourage you to be accountable and to take an active role in your health care decisions.



Dental: You will be able to choose from three dental plan options, including a low cost in-network only option, and a new four-tier rate structure. Overall, you will have access to a wider network of providers and greater overall discounts.

Vision: We're providing an enhanced vision plan design, all while being able to offer most Associates the plan at a lower cost for 2016.

Life/AD&D/Disability Insurance

We've expanded the coverage options available to you and your eligible dependents for Life, AD&D and Disability Insurance. For example, you will be able to elect Optional Life and Optional AD&D Insurance up to five times your earnings. We're also offering expanded life insurance coverage for spouses and children. Many of the coverage options will be available at a lower cost.

Supplemental Benefits

Completely new for the 2016 plan year - we're introducing several Supplemental Benefits! These include Critical Illness Insurance, Accident Insurance and Permanent Life Insurance. These benefits help protect you from the high cost of a serious illness or injury and help cover your family if something happens to you. Legal insurance will also be made available to all Associates working at least 20+ hours on average.

Additional Resources

Employee Assistance Program (EAP): This program offers you and your dependents 24/7 access to confidential support on personal issues, legal help, financial guidance, and other resources and information to help you get through life's challenges.

Adoption Benefit: You will be eligible for reimbursement of certain adoption costs.

We're confident these changes will help you get the most out of your Total Rewards.

We encourage you to check our Benefits Website regularly (www.myhbcbenefits.com)! More information on these changes, specific plan design details, rates, and much more, will be available in the coming weeks.