This booklet is a Summary Plan Description (SPD) of the Target Corporation Pension Plan (the “plan”) as required by federal law. The booklet is for eligible team members entering or re-entering the plan, actively participating in the plan or terminating their employment on or after July 1, 2014.

The plan is comprised of two different benefits, the Traditional Plan and the Personal Pension Account, both of which are covered in this booklet. The sections of this booklet that describe the Traditional Plan apply only to participants with a Traditional Plan benefit and the sections that describe the Personal Pension Account apply only to participants with a Personal Pension Account.

Team members who were active participants in the pension plan prior to 2003 had the opportunity to make a choice to stay in the Traditional Plan or join the Personal Pension Account part of the plan. All team members who become active participants after January 1, 2003 (including persons hired in 2002 or later and those rehired team members who were not plan participants at the time the pension choice was made) join the Personal Pension Account part of the plan.

Participants entering the plan before January 1, 2003 who elected the Personal Pension Account will have benefits under both versions of the plan. Their Traditional Plan benefit was frozen as of December 31, 2002. Service after that date is credited under the Personal Pension Account.

Read this booklet carefully so that you understand the plan benefits. This booklet should be read completely. Many of its provisions are interrelated — reading just one or two provisions may give you a misleading impression. Please note there is a “Terms to Know” section toward the end of the booklet that you can refer to as you read through this SPD. If you have any questions, call the Target Benefits Center at 800-828-5850.

This booklet summarizes the legal documents that govern how the plan is administered. If there is any conflict between the legal documents and this summary, the legal documents will control. You may obtain copies of the legal documents that apply to you free of charge by calling the Target Benefits Center at 800-828-5850. No person has the authority to make verbal statements of any kind relating to the plan that are legally binding on Target Corporation (hereafter the “company”) or that modify the terms of the plan.

Your participation in the plan and your entitlement to plan benefits are based on the condition that you furnish full, true and complete documents, data or other information and will promptly sign any document reasonably related to the administration of the plan requested by Target Corporation. Your participation in the plan does not constitute a contract of employment between you and Target Corporation or any other participating operating company. Your employer may terminate your employment regardless of your status in the plan.

Clerical errors, such as inaccurate effective dates and termination dates, or erroneous mailings, will not change the rights or obligations of you or Target Corporation under the plan, and will not operate to grant additional benefits to covered persons. You will be required to return to the trust any plan benefit payment(s), or portion thereof, made by a mistake of fact or a mistake of law.

Target Corporation expects to continue this plan indefinitely, but reserves the right to amend, discontinue or terminate the plan at any time by action of its Board of Directors.

Puede obtener mayor información llamando a la línea telefónica del Target Benefits Center (Centro de Beneficios de Target) al 800-828-5850.
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# Administrative Information
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The Personal Pension Account and Traditional Plan are intended to help team members provide for their financial needs during their retirement years.

When you retire, your regular paychecks will stop. The Personal Pension Account and the Traditional Plan are designed to replace a portion of your regular paycheck with a regular pension benefit. Together with Social Security, personal savings and your benefits under the TGT 401(k) Plan, the Personal Pension Account and the Traditional Plan provide a source of income you can count on to pay your bills and meet other living expenses in your retirement years.

You do not contribute any money to the Personal Pension Account or the Traditional Plan. Target Corporation and the other participating employers pay the entire cost of your benefit. The money to pay your benefit is held in the pension plan trust fund.
eligibility and vesting
Eligibility for the Personal Pension Account and Traditional Plan

The information below explains who is eligible to participate in the pension plan.

WHO IS ELIGIBLE?
You’re eligible to participate in the plan on the first day of the month after you meet all of the following:
• You are an eligible team member of a participating employer under the plan; and
• You have reached age 21; and
• You have completed one full year (12 months in a row) of employment; and
• You have completed 1,000 hours of service in your first 12 months of employment (or in any succeeding calendar year).
• You were hired before January 1, 2009 (or originally hired before January 1, 2009 if a rehired team member). However, non-exempt distribution center team members hired after December 31, 2008 will be eligible to participate in the plan after meeting the age and service requirements listed above.

Participation is automatic. You do not need to take any action to enroll.

EXAMPLES
If you are a non-exempt distribution center team member hired on January 13, 2014, you will be automatically enrolled in the pension plan on February 1, 2015, provided you worked at least 1,000 hours in your first year and are at least age 21.

If you worked less than 1,000 hours in your first year of employment, you will be automatically enrolled in the pension plan on January 1 following a calendar year of working 1,000 hours, provided you meet the other eligibility requirements as well. For example, if you were hired on June 13, 2014, did not work 1,000 hours in your first 12 months of employment but did work 1,000 or more hours in 2015, you will be automatically enrolled in the pension plan on January 1, 2016.

Eligibility Service
“Eligibility service” is service required before participation in the plan. The plan measures eligibility service counting actual hours. One year of eligibility service is credited when the team member has 1,000 hours of service during an eligibility computation period. The plan measures eligibility service as of the first anniversary of employment by Target Corporation or an affiliate. If the eligibility service requirement is not met, the plan changes to plan year computation periods. The first plan year measured is the calendar year that begins on the January 1 within the anniversary year. The year of eligibility service is credited on the last day of the relevant computation period.

WHO IS NOT ELIGIBLE?
You are not eligible to participate in this plan during any period if you:
• Are not employed by Target Corporation or one of the other participating employers.
• Are classified by the company as an independent contractor or as any other status in which you are not treated as a common law employee of the company.
• Are covered by a contract or other written agreement that provides that you are not eligible for benefits under this plan.
• Are covered by a union-negotiated collective bargaining agreement unless, and only to the extent, such an agreement provides for coverage under the plan.
• Were hired after December 31, 2008 (unless a non-exempt distribution center team member or a rehired team member originally hired before January 1, 2009).
Vesting for the Personal Pension Account and Traditional Plan

VESTING SERVICE
“Vesting service” is used to determine a team member’s eligibility to receive benefits under the plan.

For vesting purposes, you receive one year of service for each calendar year (or portion of a calendar year) in which you complete 1,000 or more hours of service. After completing three years of vesting service, you are 100% vested and therefore eligible to receive a pension plan benefit.

You may also achieve 100% vesting if the following circumstances apply:

- Two Years and Two Partial Years
  - You have completed two years of 1,000 or more hours per year;
  - During each of your first and last calendar years of employment, you worked less than 1,000 hours;
  - You worked at the rate of 1,000 hours per year during your last year of employment; and
  - The number of months you were employed during the first and last years of employment total at least 12.
  
  These 12 months equal one year of vesting service, for a total of three years.

- You are also 100% vested when you have reached normal retirement age and you have been working for three years after the date you became a plan participant. See the “Terms to Know” section for the complete definition of “normal retirement age.”

What Is a Break in Service Under the Personal Pension Account and the Traditional Plan?

Each full calendar year that you are gone from the company is considered a “break in service.” A break in service is also any year in which you work 500 or fewer hours.

The break in service rules can affect your eligibility service under both the Personal Pension Account and the Traditional Plan. A break in service can also affect your years of vesting service under the Traditional Plan. If your break in service occurred after you became a participant and you are rehired in an eligible position, you will become a participant again immediately upon rehire. Note that somewhat different break in service rules, which are described under “Breaks in Service” on page 8, apply to your “points credited service” under the Personal Pension Account.

If you leave the company after becoming vested, you never lose your prior years of vesting service. However, if you leave the company before becoming vested, you may or may not lose prior vesting service, depending on a number of factors. These factors include:

- The number of years of vesting service you had at your first termination of employment;
- The date of your first termination; and
- The number of years you were gone from the company between your first termination of employment and subsequent rehire.

Prior vesting service is not lost if the prior years of vesting service are greater than the larger of five years or the number of years of a break in service. If the years of a break in service equal or exceed the greater of five years or the number of years of vesting service before the break, then all prior service is lost.

For terminations of employment between February 1, 1976 and December 31, 1984, prior service is retained if the number of years of break in service do not equal or exceed the number of years of vesting service prior to the first termination of employment.

If you have been absent from work for maternity or paternity reasons (whether for pregnancy, birth, adoption or newborn care), you may be credited with up to 501 hours of service for vesting purposes to prevent a break in service.
personal pension account
Personal Pension Account

Under the Personal Pension Account, your pension benefit is tracked as an account.

HOW YOUR PERSONAL PENSION ACCOUNT WORKS
Your Personal Pension Account grows as pay credits are added to it and as it earns interest. The formula for calculating pension benefits under the Personal Pension Account is easy to understand — it’s simply your account balance.

PAY CREDITS
Pay credits are added to your account every quarter, starting with the quarter in which you first become a plan participant. Pay credits are a percentage of your eligible pay. Your age and service points are simply the total of your full years of age added to your full years of points credited service. (Fractions of a year of either are disregarded.) Points are calculated at the end of the quarter (or as of the date your employment terminated during the quarter, if earlier). Here’s how pay credits are determined:

<table>
<thead>
<tr>
<th>YOUR AGE PLUS YEARS OF POINTS CREDITED SERVICE</th>
<th>YOUR PAY CREDIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 40</td>
<td>1.5%</td>
</tr>
<tr>
<td>40 – 49</td>
<td>2.0%</td>
</tr>
<tr>
<td>50 – 59</td>
<td>2.5%</td>
</tr>
<tr>
<td>60 – 69</td>
<td>3.0%</td>
</tr>
<tr>
<td>70 – 79</td>
<td>4.0%</td>
</tr>
<tr>
<td>80 – 89</td>
<td>5.0%</td>
</tr>
<tr>
<td>90 or more</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

For example, let’s say you’re 40 years old, you’ve worked for Target Corporation for 11 years and you earn $35,000. Your age and points credited service total 51, so 2.5% of your eligible pay during the quarter will be added to your Personal Pension Account.

INTEREST
Similar to a savings account, your Personal Pension Account earns interest over time. Each quarter, Target Corporation will add interest to your account calculated on the account balance at the beginning of the quarter. The interest rate used is the greater of 1) the average monthly 10-year Treasury note rate from the 2nd month prior to the beginning of a quarter, or 2) 4.64%. Beginning January 1, 2013, the interest crediting rate was fixed at 4.64%. But your ultimate benefit payable from the Plan will never be less than your Account balance on December 31, 2012, grown with interest credits only that are calculated using the greater of (a) 4.64% or (b) the average monthly 10-year U.S. Treasury rate determined as described above.

CALCULATING YOUR PERSONAL PENSION ACCOUNT VALUE
Here’s how you would calculate a Personal Pension Account value.

Example
• Age at the end of the quarter — 40
• Years of points credited service at the end of the quarter — 11
• Age + service points — 51
• Eligible pay earned during the quarter — $8,750
• Pay credit — 2.5%
• Annual Treasury note rate from the second month prior to the start of the quarter — 4.64%, which is a daily rate of 0.01242699%.
• Personal Pension Account balance at the start of the quarter — $440.78
PAY CREDIT CALCULATION

<table>
<thead>
<tr>
<th>Your quarterly earnings</th>
<th>Times</th>
<th>Pay credit percentage</th>
<th>Equals</th>
<th>Your quarterly pay credits added to your Personal Pension Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>$8,750</td>
<td>x</td>
<td>2.5%</td>
<td>=</td>
<td>$218.75</td>
</tr>
</tbody>
</table>

INTEREST CALCULATION

<table>
<thead>
<tr>
<th>Your Personal Pension Account balance at the beginning of the quarter</th>
<th>Times</th>
<th>Daily Treasury note rate</th>
<th>Times</th>
<th>Number of days in quarter</th>
<th>Equals</th>
<th>Your quarterly interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>$440.78</td>
<td>x</td>
<td>0.01242699%</td>
<td>x</td>
<td>92</td>
<td>=</td>
<td>$5.04</td>
</tr>
</tbody>
</table>

PERSONAL PENSION ACCOUNT BALANCE CALCULATION

<table>
<thead>
<tr>
<th>Your Personal Pension Account balance at the beginning of the quarter</th>
<th>Plus</th>
<th>Your quarterly pay credit</th>
<th>Plus</th>
<th>Your quarterly interest</th>
<th>Equals</th>
<th>Your Personal Pension Account balance at the end of the quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>$440.78</td>
<td>+</td>
<td>$218.75</td>
<td>+</td>
<td>$5.04</td>
<td>=</td>
<td>$664.57</td>
</tr>
</tbody>
</table>

Your Eligible Pay for Benefit Purposes

Your eligible pay used for calculating your pay credits is referred to in the plan as your “certified earnings.” Certified earnings are defined in the “Terms to Know” section.

Points Credited Service for Benefit Purposes

“Points credited service” is used to determine the actual benefit a team member is eligible to receive under the Personal Pension Account. In determining your pay credits, you receive points credited service for all your service beginning in 2003 — regardless of the number of hours you work. If you had service prior to 2003, your points credited service includes the “credited service” that you had on December 31, 2002 determined under the Traditional Plan rules.

For team members with service at companies acquired by Target Corporation (target.direct, formerly known as Rivertown Trading Company; Ayr-Way; TSS, formerly known as The Associated Merchandising Corporation [AMC]; Rowley-Schlimgen, the stores of Chicago-based Marshall Field’s, now known as Macy’s; Walsh Bros. Inc.; and U.S. Business Interiors), only post-acquisition service will be used in determining points under the Personal Pension Account.

Breaks in Service

For purposes of points credited service, a break in service starts on the first day of the month following the date your employment terminates, or if earlier, the date you have been absent from work for 12 months for some other reason (such as a leave of absence). The break ends on the first day of the month in which you return to work.

In addition, if you were not vested in any benefit under the plan when the break began, you may lose your prior points credited service when you return, in two situations:

• You terminate employment before you are eligible to enter the plan and you are not re-employed within the 12-calendar-month period following the termination.
• You terminate employment and the break is 60 or more months long, and the break was longer than your service before the break.

If your points credited service includes service prior to 2003 that was “credited service” under the Traditional Plan, the rules on page 4 are used to determine if a break in service has caused you to lose credit for service before 2003.
When You Can Receive Your Benefit Under the Personal Pension Account

Under the plan, you can take your vested Personal Pension Account benefit with you when you leave Target Corporation or leave it in the plan until a later date.

Here are your options:

1) **Take your vested benefit when you leave Target Corporation.**
   As long as you’re 100% vested, you may take your benefit when you leave employment with the company. You will be 100% vested if you have three years of vesting service.
   - If the balance of your account is more than $5,000, you have the following options:
     - Receive your account balance immediately as a lump sum;
     - Roll over all or part of the payment into your TGT 401(k) account, a new employer 401(k) savings plan, an IRA, a 403(b) plan, a governmental 457 plan or another qualified retirement plan; or
     - Receive your balance immediately as a monthly annuity.
   - If your account balance is $5,000 or less, it must be distributed as soon as reasonably possible after your employment terminates. You can either elect to receive a cash payment, or elect to have your account rolled over to an IRA or other retirement plan of your choosing.

   If you fail to make an election, your account will be distributed as follows:
   - If your account is $1,000 or less, a check will be mailed to you.
   - If your account balance is between $1,000 and $5,000, your benefit will be distributed to a “Rollover IRA.”
     A Rollover IRA is an individual retirement account (IRA) established for your benefit with a financial institution. Once your benefit is transferred to the Rollover IRA, it is no longer part of the pension plan but subject to all of the terms and conditions of the IRA. You will receive information about your IRA from the bank that is acting as custodian after the transfer. The current custodian is Key Bank. If you have questions about your IRA, you should contact:

     Key Bank Retirement Operations
     P.O. Box 1300
     Buffalo, NY 14240-1300
     800-872-5553

     It is your responsibility to manage the investment of your IRA. Once your benefit is moved to the Rollover IRA, it will be initially invested in a money market account. This default investment is designed to preserve principal and earn a reasonable rate of return and liquidity. You can elect to change the investment or move the funds to another IRA.

     The custodian may charge your Rollover IRA the following fees:
     - A $25 annual fee is charged if your balance falls below $1,000.
     - A $25 fee is charged if you directly transfer your Rollover IRA to another IRA provider.
     - You could pay an early withdrawal fee if you invest all or part of your benefit in a certificate of deposit, and you withdraw amounts before the agreed-upon period.
     - You could pay fees related to the performance of requested services as described in the IRA fee schedule.

2) **Defer receiving your vested account balance to a later date.**
   You can defer receiving your vested account balance to a later date (as long as your account balance exceeds the tax code minimum for automatic cashout, which is currently $5,000), allowing it to continue to earn interest in the plan until you decide to receive it later.

   Unless you’re still working for Target Corporation, you must begin receiving the value of your account by the April 1 following the year in which you reach age 70½. If this rule applies to you, after you reach age 70½, you’ll be contacted and advised what your options are.
PAYMENT OF BENEFITS
You must choose the date you want your pension payments to start. This date must be after your last day of employment with the company.

If you meet the eligibility rules, payments are made as follows:

- Annuity payments begin as of the first of a month that is after your retirement date, and after you submit a request that payments start.
- Lump sums are generally paid as soon as administratively possible.
- In all events, the payment will not be made, or pension payouts will not start, until 30 days after your date of termination.

Since I chose to join the Personal Pension Account, how is my previous Traditional Plan benefit affected?
The portion of your benefit earned under the Traditional Plan as of December 31, 2002 will be paid following the Traditional Plan rules. For more information, please see the section of this booklet titled “When You Can Receive Your Benefit Under the Traditional Plan.”

Your Benefit Payment Options Under the Personal Pension Account

A number of benefit payment options are available. Within certain limits set by law, you can choose the method best suited to your personal situation. If you are married, you need to provide your spouse’s notarized written consent in order to choose a payment form other than a joint and survivor annuity with your spouse named as joint annuitant (named survivor).

FORMS OF PAYMENT

Lump-Sum Payment
As long as you are vested, you may receive your Personal Pension Account balance as a lump sum when you leave Target Corporation — regardless of your age when you leave. If you are married, you must obtain notarized written consent from your spouse to elect this option. Once you receive a lump-sum payment, no further pension benefits will be payable to you, your spouse or anyone else you may have designated.

Federal law requires that 20% of a lump-sum payment be withheld for payment of federal income taxes, unless you choose to roll the payment over to an IRA or to a retirement plan of another employer. In addition to federal and state income taxes, a 10% federal excise tax may apply if you are younger than age 59½ and do not elect a rollover. See “Tax Treatment of Your Benefit Payments Under the Personal Pension Account and Traditional Plan” for more information on tax treatment and rollover of plan benefits.

Monthly Payment Options
In addition to a lump-sum payment, various monthly payment options are also available if the present value of your total plan benefit is greater than $5,000. These options provide payments over your lifetime or over the joint lifetime of you and a beneficiary. Actuarial factors are used to convert your lump sum to a monthly payment. These factors include an assumed interest rate, which changes annually as prescribed by IRS regulations.

Single Life Annuity
The Single Life Annuity pays a monthly benefit for as long as you live. Because payments do not continue to anyone else beyond your lifetime, this is the highest monthly benefit you may receive from the plan. If you’re married and want to choose this form of payment, your spouse must provide notarized written consent.
50%, 75% and 100% Qualified Joint and Survivor Annuities

Under the joint and survivor options, a reduced monthly benefit is paid to you, with a provision that upon your death, a percentage of your benefit is paid to your joint annuitant for his or her lifetime. This percentage may be 50%, 75% or 100% of your benefit amount, depending on the option you choose. The joint annuitant is the person named by you when benefits start. You may not change your joint annuitant after your benefits start.

Your joint annuitant does not need to be your spouse. However, if you are married and want to choose an option naming a person other than your spouse as joint annuitant, or if you choose any payment option other than the 50%, 75% or 100% joint and survivor benefit that names your spouse as joint annuitant, then you must submit your spouse’s signed and notarized waiver of the survivor benefit. The waiver must be signed, notarized and submitted during the 90-day period immediately before the date the benefit payments begin. The waiver may also be revoked during this 90-day period. This process is called “spousal consent.”

To determine the amount of your joint and survivor payment, your Single Life Annuity monthly benefit is reduced by a percentage factor. The amount of the reduction depends on the difference in age between you and your joint annuitant and whether you choose a 50%, 75% or 100% joint and survivor option.

The following chart shows an estimate of the percentage of your Single Life Annuity benefit you would receive if you elect one of the three joint and survivor payment options. The chart assumes your age and your joint annuitant’s age are the same. If your joint annuitant is younger, the factor will be lower; if your joint annuitant is older, the factor will be higher. These percentages change annually based on factors prescribed by IRS regulations and changes in interest rates. The sample percentages in the chart are intended to be reasonable approximations of the actual percentages, but they are not necessarily the exact percentages that will apply for a specific year. If you are planning to retire and you need the exact percentage that applies to your situation, contact Target Benefits Center for information.

<table>
<thead>
<tr>
<th>YOUR AGE AND YOUR JOINT ANNUITANT’S AGE</th>
<th>PERCENTAGE OF SINGLE LIFE ANNUITY BENEFIT PAID UNDER THE 50% JOINT AND SURVIVOR OPTION</th>
<th>PERCENTAGE OF SINGLE LIFE ANNUITY BENEFIT PAID UNDER THE 75% JOINT AND SURVIVOR OPTION</th>
<th>PERCENTAGE OF SINGLE LIFE ANNUITY BENEFIT PAID UNDER THE 100% JOINT AND SURVIVOR OPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>65</td>
<td>92.68%</td>
<td>89.41%</td>
<td>86.37%</td>
</tr>
<tr>
<td>64</td>
<td>92.99%</td>
<td>89.84%</td>
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</tr>
<tr>
<td>63</td>
<td>93.28%</td>
<td>90.25%</td>
<td>87.41%</td>
</tr>
<tr>
<td>62</td>
<td>93.58%</td>
<td>90.67%</td>
<td>87.94%</td>
</tr>
<tr>
<td>61</td>
<td>93.87%</td>
<td>91.09%</td>
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</tr>
<tr>
<td>60</td>
<td>94.16%</td>
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</tr>
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<td>59</td>
<td>94.44%</td>
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</tr>
<tr>
<td>58</td>
<td>94.71%</td>
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</tr>
<tr>
<td>57</td>
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<td>92.64%</td>
<td>90.42%</td>
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<tr>
<td>56</td>
<td>95.22%</td>
<td>93.00%</td>
<td>90.88%</td>
</tr>
<tr>
<td>55</td>
<td>95.47%</td>
<td>93.35%</td>
<td>91.33%</td>
</tr>
</tbody>
</table>

Note: The above chart is for illustrative purposes only. Actual percentages may change based on IRS regulations and modifications of the plan from time to time.

Please note that federal regulations require a plan participant’s benefits be paid in such a manner that the majority of the benefit is paid to the participant and not to a survivor. Therefore, the age differences between the participant and a non-spouse joint annuitant are limited. No age difference restrictions apply if the joint annuitant is your spouse.

For example, under the 75% joint and survivor option, the maximum allowable age difference between the participant and a non-spouse joint annuitant is 19 years. The maximum allowable age difference under the 100% joint and survivor option is 10 years. There is no maximum age difference imposed under the 50% joint and survivor option.
Single Life Annuity With Guaranteed Return of Principal
This option provides you with a reduced monthly benefit payable until death. If you die before you have received total monthly payments equal to the balance of your Personal Pension Account, your beneficiary will receive a lump-sum payment equal to the difference between your Personal Pension Account balance at the time that payments began and the total amount of monthly payments you received.

<table>
<thead>
<tr>
<th>YOUR AGE</th>
<th>PERCENTAGE OF SINGLE LIFE ANNUITY BENEFIT PAID UNDER THE GUARANTEED RETURN OF PRINCIPAL OPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>65</td>
<td>87.41%</td>
</tr>
<tr>
<td>64</td>
<td>85.99%</td>
</tr>
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<tr>
<td>57</td>
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<tr>
<td>56</td>
<td>77.13%</td>
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<tr>
<td>55</td>
<td>76.26%</td>
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</tbody>
</table>

**Note:** The above chart is for illustrative purposes only. Actual percentages may change based on IRS regulations and modifications of the plan from time to time.

**EXAMPLE**
If you are age 65 and choose the Guaranteed Return of Principal option, you would receive 87.41% of the Single Life Annuity benefit.

**How will my previous Traditional Plan benefit be paid?**
You’ll make separate elections for the Traditional Plan and Personal Pension Account benefits, according to the optional forms available in each plan. For more information, see the section of this booklet titled “Your Benefit Payment Options Under the Traditional Plan.”
Choosing a Payment Option Under the Personal Pension Account if You’re Married

The following information summarizes issues that may affect your payment option if you’re married.

WHEN SPOUSAL CONSENT IS REQUIRED

The need for spousal consent varies depending on certain circumstances:

- Spousal consent is required unless you choose one of the three joint and survivor annuity options with your spouse as your joint annuitant.
- You must provide spousal consent if you choose the lump sum, Single Life Annuity or Guaranteed Return of Principal forms of payment, or if you choose someone other than your spouse as your joint annuitant.

How to Begin Payment of Your Benefit Under the Personal Pension Account

Payment of your benefit normally begins after required forms and documents are processed.

PROCEDURE FOR RETIREES (AGE 55 AND OLDER WITH THREE OR MORE YEARS OF VESTING SERVICE)

- Work with your manager to determine your retirement date.
- Call the Target Benefits Center at 800-828-5850 at least 45 to 90 days before your retirement date. A benefits representative will answer your questions and help you set a benefits start date. You will receive an information packet about your payment options, including administrative forms and instructions regarding what you need to do to start receiving payments. Alternatively, you may start your pension benefit payments by logging on to www.targetpayandbenefits.com 45 to 90 days before your retirement date. Follow this path: Personal Pension Account tile > Retirement > Retire Now.
- Inform the human resources representative at your work location of your intended retirement.

PROCEDURE FOR TERMINATING TEAM MEMBERS NOT QUALIFYING FOR RETIREE STATUS

Your termination date will be sent to the Target Benefits Center by payroll. If you are 100% vested in your Personal Pension Account, a packet about your account payment options will be mailed to your home address approximately 45 days after your date of termination.

CIRCUMSTANCES IN WHICH BENEFITS WILL NOT BE PAID UNDER THE PERSONAL PENSION ACCOUNT

Under certain circumstances, pension plan benefits may not be paid. Generally, benefits may not be paid:

- If you leave the company prior to the time you are vested; or
- If you or your beneficiary fail to make a timely appeal of a denied claim.
If You Leave the Company and Are Later Rehired

If you leave the company and are later rehired, you’ll need to understand the following information.

If you were originally hired before January 1, 2009, you are eligible to participate in the plan after meeting eligibility criteria.

If you were eligible to make a pension choice and made an active election, you will retain that election throughout your career at Target Corporation.

If you participated in the Traditional Plan at some time prior to 2003, but you were not eligible to make a pension choice, you will participate in the Personal Pension Account if you are rehired in 2003 or later. Any Traditional Plan benefit that you still have at the time you are rehired will be a frozen benefit.

When you are rehired, you will immediately begin participating in the Personal Pension Account again. Your circumstances will vary depending on whether or not you were 100% vested when you left the company.

100% Vested

• If you received a lump-sum payout of your Personal Pension Account when you left the company, your Personal Pension Account balance and points credited service will start at zero.

• If you commenced annuity payments from your Personal Pension Account when you left the company, your annuity payments will continue, and your Personal Pension Account balance will start at zero. You will retain your prior points credited service.

• If you did not take a payout of your Personal Pension Account or start annuity payments when you left the company, you will continue to be credited with your prior Personal Pension Account balance and your points credited service will be restored.

Non-Vested

• If you are rehired before you have a break in service of five years or longer, your prior vesting service, prior points credited service and any prior accrued Personal Pension Account balance will be restored.

• If you are rehired after a break in service of five years or longer, your vesting service, points credited service and Personal Pension Account balance will start at zero.

What Happens to the Pension Benefit You Earned Under the Traditional Plan?

The following information summarizes how prior benefits will be paid to you.

If you moved to the Personal Pension Account, the Traditional Plan benefit you already earned is “frozen.” It will still be payable to you when your employment terminates, provided you have satisfied the vesting requirements. That portion of your benefit will continue to fall under the rules for the Traditional Plan.
Survivor Benefits Under the Personal Pension Account

Your beneficiary (including non-spouse beneficiaries) will receive the full value of your Personal Pension Account.

If you are an active participant, you become immediately vested in the Personal Pension Account upon death. Therefore, your beneficiary is eligible for a benefit if your death occurred before the commencement date of your first pension payment. Benefit payments to your surviving spouse or designated beneficiary are payable following the later of:

- 30 days after the date of your death; or
- The date the appropriate documentation is provided to Target Benefits Center.

If you die before reaching age 70½, your surviving spouse, if eligible for an annuity or lump sum, can elect to defer payment until the December 31 of the year that you would have reached age 70½. If you die after age 70½, annuity benefits to your surviving spouse must begin on or prior to the December 31 of the year after the year in which you die.

If your beneficiary is not your spouse, your Personal Pension Account balance will be automatically paid to your beneficiary as a lump sum distribution approximately 90 days following your death (unless your beneficiary elects to receive a distribution sooner).

SPOUSAL CONSENT FOR BENEFICIARY DESIGNATION

If you are married, you are subject to some special rules. In general, your spouse must be the beneficiary of the total value of your account. If you wish to designate someone else (including a trust for your spouse) as a beneficiary, you may do so, provided you are at least age 35 or have terminated employment. However, your spouse must consent to the different beneficiary. Your spouse’s consent must be obtained in writing in the presence of a notary public.

If you are under age 35, married and actively employed with the company, you may also designate a beneficiary other than your spouse, provided your spouse gives written consent in the presence of a notary public. In this case, however, your designation will expire on January 1 of the year in which you reach age 35, and your spouse will become your beneficiary again. If you want to continue to have a different beneficiary, you must file a new beneficiary designation with a new written and notarized consent from your spouse.

Since I chose to join the Personal Pension Account, how is my previous Traditional Plan benefit affected?

If you are single when you die, your beneficiary is not entitled to any Traditional Plan benefits. However, your beneficiary is entitled to the Personal Pension Account benefit immediately.

If you are married when you die, your spouse will receive both the Traditional Plan benefit (provided you were vested in that benefit) and the Personal Pension Account benefit (unless you named a different beneficiary for this benefit and your spouse consented to that designation). The spousal beneficiary will continue to wait until your earliest commencement date to start receiving the Traditional Plan benefits, but he or she can choose to take the Personal Pension Account benefits immediately.

The portion of your benefit earned under the Traditional Plan as of December 31, 2002 will be paid following the Traditional Plan rules. If you select a payment option for your Traditional Plan benefit when payments of that benefit start which involves a beneficiary, you may choose separate beneficiaries for your Traditional Plan and Personal Pension Account benefits.
traditional plan
The Traditional Plan

The Traditional Plan is a defined benefit pension plan that is designed to provide a lifetime annuity, paid monthly, in an amount determined by a formula.

HOW THE TRADITIONAL PLAN WORKS
The formula used to calculate the amount of your benefit is based on your credited service and your final average pay.

Payment of your pension benefit will normally begin after you terminate employment and reach age 65, but it may also begin as early as age 55 if you satisfy certain requirements. In most cases, your “normal retirement date” is the last day of the month in which you reach your 65th birthday.

You will be entitled to receive a pension benefit from the plan only if you are vested. You will be 100% vested if you have three years of vesting service.

CREDITED SERVICE FOR BENEFIT PURPOSES
For benefit purposes, you receive one year of credited service for each calendar year (or portion of each calendar year) in which you complete 1,000 or more hours of service. During the first and last years of employment, you may receive credit for the number of months worked if you work at the rate of 1,000 hours per year.

If you receive one year of credited service for your first calendar year of employment because you worked 1,000 or more hours, then the months of credited service granted for your last year of employment will be equal to the total months you worked in the first and last years, minus the 12 months already credited for your first year, but never less than zero.

If you receive one year of credited service for your last calendar year of employment because you worked 1,000 or more hours, then the months of credited service granted for your first year of employment will be equal to the total months you worked in the first and last years, minus the 12 months already credited for your last year, but never less than zero.

When used to calculate your benefit amount, credited service is counted in full years and a fraction of a year.

If you were a participant in the plan before February 1, 1976, your years of continuous credited service starting with your latest date of regular employment are preserved without change and are calculated according to plan provisions in effect before February 1, 1976. The Mervyn's Plan uses January 1, 1976 for purposes of the previous two paragraphs. If you were ineligible to participate in the plan before February 1, 1976 because you were a part-time team member normally scheduled to work less than 24 hours per week, only your credited service starting February 1, 1976 counts for vesting and benefit purposes.
EXAMPLE
You were hired on July 1, 2001. You elected the Traditional Plan during the pension choice window and you worked an average of 24 hours a week until September 30, 2011. You will receive credited service as shown below:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>HOURS WORKED</th>
<th>YEARS OF CREDITED SERVICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>624 (6 months)</td>
<td>0.50</td>
</tr>
<tr>
<td>2002 – 2010</td>
<td>1,248 per year</td>
<td>9.00</td>
</tr>
<tr>
<td>2011</td>
<td>936 (9 months)</td>
<td>0.75</td>
</tr>
<tr>
<td><strong>TOTAL CREDITED SERVICE:</strong></td>
<td></td>
<td><strong>10.25</strong></td>
</tr>
</tbody>
</table>

Note that because you were working at the rate of 1,000 hours per year during your last year of employment, you received .75 of a year credit for 2011, even though you worked less than 1,000 hours. Should you be rehired before your pension benefit is paid, your benefit would be recalculated at the time of your second termination to include additional years of credited service, if any. The year 2011 would no longer be credited as a partial year because it would no longer be your final year of employment.

How Final Average Pay Is Determined

Since your final average pay is an important part of calculating your pension plan benefit, this section explains how it is determined.

Your “final average pay” is the average of your five highest-paid calendar years of credited service out of your 10 most recent calendar years of credited service. No year with less than 1,000 hours will be used to calculate final average pay. Earnings include your regular pay, plus additional compensation you may receive such as overtime, paid bonuses and commissions. Workers’ Compensation, long term disability, deferred compensation and non-company-paid short term disability payments are not included in your earnings for the pension plan.

Federal law limits the maximum pay that may be considered. The annual limit as of January 1, 2014 is $260,000. This limit is indexed by federal law to reflect cost-of-living increases.

If you are like most people, your five highest years of earnings will likely be the last five years you work for the company. It may include your final year of employment if it is a year of credited service (a year with over 1,000 hours), even if it is not a complete calendar year. By using your five-year final average pay, the plan relates your benefit to your pay at the time it is likely to be the highest.
Here is an example of how final average pay is determined:

<table>
<thead>
<tr>
<th>STEPS</th>
<th>EXAMPLE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STEP 1</strong></td>
<td><strong>Review the last 10 credited calendar years of pay.</strong></td>
</tr>
<tr>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>STEP 2</strong></td>
<td><strong>Select the five credited years of highest pay.</strong></td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>STEP 3</strong></td>
<td><strong>Calculate the five-year average. (Total the five years of earnings and divide by five.)</strong></td>
</tr>
</tbody>
</table>
Traditional Plan Offers Five Benefit Options

Few of us work for the same company for exactly 30 years and then retire on our 65th birthday. Some of us retire early, while others work past age 80. Because each of us is different, the Traditional Plan offers varied benefit options.

In general, the plan provides five types of benefit options to vested team members:
- Normal pension benefit at age 65. You may start receiving this benefit even though you’re still actively employed by the company.
- Late pension benefit after age 65.
- Early pension benefit between ages 55 and 64.
- Deferred, vested benefit if you leave the company before age 55.
- Surviving spouse’s benefit if you die.

First we will show how the normal retirement benefit is calculated. Then we will show how this benefit is adjusted for the plan’s other benefit options.

HOW THE NORMAL PENSION BENEFIT IS CALCULATED

Your normal pension benefit is the highest benefit calculated under the following formulas:

Current Formula

<table>
<thead>
<tr>
<th>Current Formula</th>
<th>Applies to all participants:</th>
</tr>
</thead>
<tbody>
<tr>
<td>STEP 1</td>
<td>.8% x final average pay x credited service (up to 25 years)</td>
</tr>
<tr>
<td></td>
<td>PLUS</td>
</tr>
<tr>
<td>STEP 2</td>
<td>Applies only if final average pay is greater than the “compensation breakpoint” ($104,000 in 2014):</td>
</tr>
<tr>
<td></td>
<td>.5% x final average pay in excess of the compensation breakpoint x credited service (up to 25 years)</td>
</tr>
<tr>
<td></td>
<td>PLUS</td>
</tr>
<tr>
<td>STEP 3</td>
<td>Applies only if credited service is more than 25 years:</td>
</tr>
<tr>
<td></td>
<td>.25% x final average pay x credited service greater than 25 years</td>
</tr>
<tr>
<td></td>
<td>EQUALS</td>
</tr>
<tr>
<td></td>
<td><strong>Annual Traditional Plan Benefit Payable for Life at Age 65</strong></td>
</tr>
<tr>
<td></td>
<td>(or at normal retirement age, if later)</td>
</tr>
</tbody>
</table>

1 This is a factor used in the Traditional Plan benefit formula. It is adjusted to equal 150% of “covered compensation” as determined by the Social Security Administration, rounded down to the nearest $1,000. “Covered compensation” is the average of the Social Security wage bases for the last 35 calendar years. The compensation breakpoint is $104,000 for 2014. This number is adjusted annually. This step exists to partially compensate for the fact that pay over the covered compensation bases is not included in the Social Security benefit calculations.

2 Payable on the first of the month after normal retirement age, which — for most participants — is the last day of the month in which you reach age 65, under the Single Life Annuity payment option. Other payment options are also available, which are described in “Your Benefit Payment Options Under the Traditional Plan.”
Minimum Benefit Formula
For terminations after January 1, 2000, the minimum monthly annuity benefit for a team member is the greater of $25 or $5 times years of credited service.

Other Benefit Formulas
Certain team members may have benefits determined by an alternate benefit formula. If your benefits are determined by another benefit formula, you will be notified at retirement or upon your request.

Maximum Benefit
The maximum annual benefit payable at normal retirement age under current tax law as of January 1, 2014 is $210,000.

EXAMPLE
A team member retires at age 65. His final average pay is $35,000 and he has 27 years of credited service.

| **STEP 1** | Multiply final average pay by .8%. Then multiply this amount by years of credited service up to 25 years. | \( .008 \times 35,000 \times 25 = \$7,000 \) |
| **STEP 2** | Multiply final average pay over the compensation breakpoint ($104,000 in 2014) by .5%. Then multiply the amount by years of credited service up to 25 years. | Since final average pay does not exceed the compensation breakpoint, this step does not apply in this example. |
| **STEP 3** | Multiply final average pay by .25%. Then multiply the result by the number of years of credited service greater than 25. | \( 27 \text{ years} - 25 \text{ years} = 2 \text{ years} \) \( 0.0025 \times 35,000 \times 2 = \$175 \) |
| **STEP 4** | Add the results of Steps 1, 2 and 3. The result is the total annual benefit payable at age 65 under the Single Life Annuity option. Other payment options are also available. | \( $7,000 + 0 + 175 = \$7,175 \) |
| **STEP 5** | To determine the monthly benefit payable at age 65, divide the annual benefit by 12. | \( 7,175 \div 12 \text{ months} = \$597.92 \text{ per month} \) |

Your normal pension benefit is calculated at the end of each calendar year. Once the calculation’s accuracy is verified, this accrued benefit is stored for future reference. If future calculations obtain a smaller benefit, the highest prior accrued benefit is payable.
HOW THE LATE PENSION BENEFIT IS CALCULATED

If your benefit starts after age 65, your benefit will be calculated in two ways, and you will receive the higher of the two benefits. The two calculations are:

• Your normal retirement date (age 65) benefit, using service and earnings only to age 65, increased by an actuarial factor to reflect that you are older than age 65 when you start to receive this benefit. The actuarial increase factors applicable for benefits starting in 2014 are shown below:

<table>
<thead>
<tr>
<th>AGE</th>
<th>ADJUSTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>66</td>
<td>+8.73%</td>
</tr>
<tr>
<td>67</td>
<td>+18.50%</td>
</tr>
<tr>
<td>68</td>
<td>+29.45%</td>
</tr>
<tr>
<td>69</td>
<td>+41.77%</td>
</tr>
<tr>
<td>70</td>
<td>+55.70%</td>
</tr>
</tbody>
</table>

• Your “all-service” benefit, including years of credited service and earnings up to your current age.

EXAMPLE

You retire at age 66 with 11 years of credited service. Your benefit at age 65 (10 years of credited service) is $100 per month. Because you are now age 66, this benefit is increased by 8.73% to $108.73 per month. This benefit is compared to your benefit calculated at age 66 (including service after age 65), which is $110 per month. The higher benefit of $110 per month will be paid.

If you continue to work after age 65, or decide to go back to work for the company after age 65, you may receive monthly pension benefits with no restriction on the number of hours that you work. At the end of each year in which you work 1,000 or more hours, your pension benefit will be recalculated. This calculation includes an additional year of credited service and an actuarial adjustment to offset the recalculated benefit by the value of pension payments you have already received.

If you have many years of credited service, a benefit increase resulting from an additional year of service may be small and could be offset by the actuarial value of payments you have already received from the plan. The actual benefit you are receiving would never be reduced as a result of recalculations for additional credited service.

EXAMPLE

You retired in 2011 at age 65 and began receiving a monthly pension benefit of $212.50 per month. You later decide to return to work at Target and work over 1,000 hours during 2013. Your pension benefit is recalculated as of December 31, 2013. The pension formula results in a monthly benefit of $231.42, but the actuarial adjustment to reflect the payments you have already received offsets the benefit increase. Therefore, your pension benefit will not increase.

Deferred Payment Beyond Normal Retirement Date

Benefit payments must begin by April 1 following the later of: (a) the year you reach 70½ or (b) the year you terminate employment with the company. An actuarial increase will be calculated for any benefits beginning later than the normal retirement date. If you are actively employed, you are not required to begin receiving your pension benefit until you choose to apply for it, or until your employment ends.
HOW THE EARLY PENSION BENEFIT IS CALCULATED

If you retire after reaching age 55 but before age 65, and you have at least three years of vesting service, you may begin benefit payments. To calculate your early pension benefit, the company first determines your pension benefit using the formula outlined in “How the Normal Pension Benefit Is Calculated.”

Then, the company multiplies your normal pension benefit by an early start percentage since your benefits will begin earlier and you will be receiving benefits for a longer period of time. The percentages below will be adjusted to reflect your age in years and whole months as of the date your benefit begins.

<table>
<thead>
<tr>
<th>AGE WHEN PAYMENTS BEGIN</th>
<th>EARLY START PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>64</td>
<td>93.3%</td>
</tr>
<tr>
<td>63</td>
<td>86.7%</td>
</tr>
<tr>
<td>62</td>
<td>80.0%</td>
</tr>
<tr>
<td>61</td>
<td>73.3%</td>
</tr>
<tr>
<td>60</td>
<td>66.7%</td>
</tr>
<tr>
<td>59</td>
<td>63.3%</td>
</tr>
<tr>
<td>58</td>
<td>60.0%</td>
</tr>
<tr>
<td>57</td>
<td>56.7%</td>
</tr>
<tr>
<td>56</td>
<td>53.3%</td>
</tr>
<tr>
<td>55</td>
<td>50.0%</td>
</tr>
</tbody>
</table>

EXAMPLE

Suppose you retire at age 62 with a normal pension benefit of $2,400 a year, which is payable at age 65. If you elect to have payments begin at age 62, you will receive 80% of $2,400, or $1,920, each year. This amount will not increase when you reach age 65.

Even though you retired early, you can choose to start your pension later than age 65. Payments that start later than age 65 will be increased using factors applicable for late retirement. See “How the Late Pension Benefit Is Calculated” for specific factors.

If you are rehired after taking early retirement and are already receiving monthly payments from the plan, your payments may continue. After your second termination of employment, benefits will be recalculated to include any additional years of credited service, as well as to reflect an actuarial adjustment for the value of benefits already received.
HOW THE DEFERRED, VESTED BENEFIT IS CALCULATED
If you leave the company before age 55, but with three or more years of vesting service, you qualify for a deferred, vested benefit. This benefit is “deferred” because it may not be payable until age 55 or later. Your deferred, vested benefit is calculated in two steps:

| STEP 1 | Your benefit is first calculated in the same way as a normal pension benefit using your final average pay and expected credited service. “Expected credited service” is the credited service for benefit purposes you would have if you worked for the company until age 65. |
| STEP 2 | The result from Step 1 is multiplied by a fraction. This fraction is your actual credited service for benefit purposes, divided by your expected credited service. |

The result of these calculations is the benefit payable starting at age 65. This amount will be further reduced if it begins at an earlier date.

EXAMPLE
A team member leaves the company at age 40 with six years of credited service and final average pay of $20,000. To calculate her benefit, the company first determines “expected credited service,” which is the total number of years of credited service she would have had if she continued to work until age 65. In this case, that number is 31 years (6 actual years plus 25 years remaining until age 65). This is how the team member’s benefit would be calculated:

\[
\begin{align*}
0.008 \times 20,000 \times 25 &= 4,000 \\
0.005 \times 0 \times 25 &= 0 \\
0.0025 \times 20,000 \times 6 &= 300 \\
\end{align*}
\]

\[4,300\] Annual benefit had the team member worked until age 65

Next, the annual benefit is multiplied by a fraction representing the team member’s actual credited service (6 years) divided by the total years of credited service the team member would have had if she continued to work until age 65 (31 years). This fraction is 6/31.

\[4,300 \times \frac{6}{31} = 832\]

\[832\] is the annual amount payable at age 65.

You can elect to defer receiving a benefit until April 1 of the year following the year you reach age 70½. The early retirement reduction, if any, will be based on your age at the pension start date.

SURVIVOR BENEFITS
If You Die While Actively Employed
If you are a married team member and have earned the right to a vested benefit from the plan, your spouse will automatically receive a surviving spouse benefit if you die while actively employed.

If, at the time of your death, you are actively employed by the company, your surviving spouse is eligible to receive a benefit equal to 50% of the pension you would have received at age 65 if you had retired the day before your death. This benefit amount is subject to the following:

- If, at the time of your death, you are age 55 or older, and have 15 or more years of credited service, the benefit is not reduced in the normal manner for payment before age 65.
- If you are under age 55 (or are age 55 or older but have less than 15 years of credited service) at your death, the benefit is reduced both for early payment and to reflect the 50% joint and survivor benefit form.
The benefit is paid to your surviving spouse whether or not he or she is working. Benefit payments may begin on the first of any month following the date of death if you were age 55 or older at the time of your death. If you were under age 55 at the time of your death, payments to your surviving spouse may begin as early as the first of the month you would have reached age 55, but no later than the December 31 of the year that you would have reached age 70½. If you die after age 70½, benefits to your surviving spouse must begin on or prior to the December 31 of the year after you die.

**If You Die After Leaving the Company, but Before Benefit Payments Begin**

If you are a married participant, and upon your termination, have earned the right to a vested benefit from the plan, your spouse will automatically receive a surviving spouse benefit if you die after leaving the company, but before your benefit payments begin.

This protection provides your surviving spouse a lifetime benefit equal to 50% of the pension amount you would have received if you had started receiving benefits the day before your death. The benefit is reduced both for early payment and to reflect the 50% joint and survivor benefit form.

The benefit is paid to your surviving spouse whether or not he or she is working. Benefit payments may begin on the first of the month following the date of death if you are age 55 or older at the time of your death. If you are under age 55 at the time of your death, payments may begin as early as the first of the month after you would have reached age 55 or may be deferred to a later date. Payments must begin no later than the December 31 of the year that you would have reached age 70½.

The cost of this benefit is paid for by a reduction in the ultimate benefit amount paid to you or your surviving spouse. This reduction is related both to your age and to the amount of time between the date you left the company and the date you commence your pension benefit or die, whichever is earlier. The following chart shows these reductions:

<table>
<thead>
<tr>
<th>AGE</th>
<th>PERCENTAGE OF BENEFIT REDUCTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>44 and younger</td>
<td>0.01% per month</td>
</tr>
<tr>
<td>45 – 54</td>
<td>0.03% per month</td>
</tr>
<tr>
<td>55 – 64</td>
<td>0.05% per month</td>
</tr>
<tr>
<td>65 and older</td>
<td>0.09% per month</td>
</tr>
</tbody>
</table>

**EXAMPLE**

If you are married and leave the company at age 45, defer benefit payment until age 65 and live to begin retirement benefits, your normal retirement benefit will be reduced for surviving spouse benefit protection as follows:

120 months x 0.03% (ages 45 – 54)
PLUS
120 months x 0.05% (ages 55 – 65)
EQUALS
A 9.6% reduction

You may choose not to have this death benefit protection. However, your spouse’s written and notarized consent is required if you decline.

You should promptly notify the Target Benefits Center at 800-828-5850 of a change in your marital status. For example, notification of divorce or death of your spouse will ensure that no reduction is made to your benefit for periods of time during which you do not have a spouse. If you marry, protection is automatic unless you waive it.
When You Can Receive Your Benefit
Under the Traditional Plan

Your vested pension benefit is payable to you upon retirement.

If you meet the vesting requirements of the plan, you have earned a benefit from the plan.

You can decide to:
- Receive the full value of your benefit if you retire at normal retirement age;
- Receive a reduced benefit, if you retire early, based on your age at the time you retire; or
- Defer receiving your vested pension benefit to a later date (as long as the value of your total plan benefit exceeds the automatic cash-out amount, which is currently $5,000). Unless you’re still working for Target Corporation, you must begin receiving your benefit by the April 1 following the year in which you reach age 70½. If this rule applies to you, after you reach age 70½, you’ll be contacted and advised what your options are.

PAYMENT OF BENEFITS
You must choose the date you want your pension payments to start. This date must be after your last day of work with the company, unless you continue working after your normal retirement date.

If you meet the eligibility rules, payments are made as follows:
- Annuity payments begin as of the first of the month after your retirement date or your requested payment start date.
- Lump sums are generally paid as soon as administratively possible. Any qualified lump-sum payment made from the plan is eligible for a direct rollover to your TGT 401(k) account, a new employer 401(k) savings plan, an IRA, a 403(b) plan, a governmental 457 plan or another qualified retirement plan.

See “How to Begin Payment of Your Benefit Under the Traditional Plan” for information on this process.

Your Benefit Payment Options Under the Traditional Plan

A number of benefit payment options are available. Within certain limits set by law, you can choose the method best suited to your personal situation. If you are married, you must provide your spouse’s notarized written consent in order to choose a payment form other than a joint and survivor annuity with your spouse named as the joint annuitant (named survivor).

NORMAL FORMS OF PAYMENT

Single Life Annuity
This is the normal form of payment for a team member who is single on the date benefits begin. The Single Life Annuity pays a monthly benefit for as long as you live. Because payments do not continue to anyone else beyond your lifetime, this is the highest monthly benefit you may receive from the plan. If you’re married and want to choose this form of payment, your spouse must provide notarized written consent.

50% Qualified Joint and Survivor Annuity
This is the normal form of payment for a team member who is married on the date benefits begin. Under this option, you receive a reduced monthly benefit payable until death. In the event of your death, 50% of the reduced monthly benefit will be payable to your surviving spouse for life. “Surviving spouse” for this purpose means the person to whom you were married when payments began. The 50% Qualified Joint and Survivor Annuity can be waived if there is spousal consent.
OPTIONAL FORMS OF PAYMENT
The following information summarizes the optional forms of payment available.

50%, 75% or 100% Joint and Survivor Annuity
Under the joint and survivor options, a reduced monthly benefit is paid to you, with a provision that upon your death, a percentage of your benefit is paid to your joint annuitant for his or her lifetime. This percentage may be 50%, 75% or 100% of your benefit amount, depending on the option you choose. The joint annuitant is the person named by you when benefits start. You may not change your joint annuitant after your benefits start.

Your joint annuitant does not need to be your spouse. However, if you are married and want to choose an option naming a person other than your spouse as joint annuitant, then you must submit your spouse’s signed and notarized waiver of the survivor benefit. The waiver must be signed, notarized and submitted during the 90-day period immediately before the date the benefit payments begin. The waiver may also be revoked during this 90-day period. This process is called “spousal consent.”

To determine the amount of your joint and survivor payment, your Single Life Annuity monthly benefit is reduced by a percentage factor. The amount of the reduction depends on the difference in age between you and your joint annuitant and whether you choose a 50%, 75% or 100% joint and survivor option.

The following chart shows an estimate of the percentage of your Single Life Annuity benefit you would receive if you elect one of the three joint and survivor payment options. The chart assumes your age and your joint annuitant’s age are the same. If your joint annuitant is younger, the factor will be lower; if your joint annuitant is older, the factor will be higher. These percentages change annually based on factors prescribed by IRS regulations and changes in interest rates. The sample percentages in the chart are intended to be reasonable approximations of the actual percentages, but they are not necessarily the exact percentages that will apply for a specific year. If you are planning to retire and you need the exact percentage that applies to your situation, contact Target Benefits Center for information.

<table>
<thead>
<tr>
<th>YOUR AGE AND YOUR JOINT ANNUITANT’S AGE</th>
<th>PERCENTAGE OF SINGLE LIFE ANNUITY BENEFIT PAID UNDER THE 50% JOINT AND SURVIVOR OPTION</th>
<th>PERCENTAGE OF SINGLE LIFE ANNUITY BENEFIT PAID UNDER THE 75% JOINT AND SURVIVOR OPTION</th>
<th>PERCENTAGE OF SINGLE LIFE ANNUITY BENEFIT PAID UNDER THE 100% JOINT AND SURVIVOR OPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>65</td>
<td>92.68%</td>
<td>89.41%</td>
<td>86.37%</td>
</tr>
<tr>
<td>64</td>
<td>92.99%</td>
<td>89.84%</td>
<td>86.89%</td>
</tr>
<tr>
<td>63</td>
<td>93.28%</td>
<td>90.25%</td>
<td>87.41%</td>
</tr>
<tr>
<td>62</td>
<td>93.58%</td>
<td>90.67%</td>
<td>87.94%</td>
</tr>
<tr>
<td>61</td>
<td>93.87%</td>
<td>91.09%</td>
<td>88.46%</td>
</tr>
<tr>
<td>60</td>
<td>94.16%</td>
<td>91.49%</td>
<td>88.97%</td>
</tr>
<tr>
<td>59</td>
<td>94.44%</td>
<td>91.89%</td>
<td>89.47%</td>
</tr>
<tr>
<td>58</td>
<td>94.71%</td>
<td>92.27%</td>
<td>89.95%</td>
</tr>
<tr>
<td>57</td>
<td>94.97%</td>
<td>92.64%</td>
<td>90.42%</td>
</tr>
<tr>
<td>56</td>
<td>95.22%</td>
<td>93.00%</td>
<td>90.88%</td>
</tr>
<tr>
<td>55</td>
<td>95.47%</td>
<td>93.35%</td>
<td>91.33%</td>
</tr>
</tbody>
</table>

Note: The above chart is for illustrative purposes only. Actual percentages may change based on IRS regulations and modifications of the plan from time to time.

Please note that federal regulations require a team member’s benefits be paid in such a manner that the majority of the benefit is paid to the team member and not to a survivor. Therefore, the age differences between the participant and an allowable non-spouse joint annuitant are limited. No age difference restrictions apply if the joint annuitant is your spouse.

For example, under the 75% joint and survivor option, the maximum allowable age difference between the participant and a non-spouse joint annuitant is 19 years. The maximum allowable age difference under the 100% joint and survivor option is 10 years. There is no maximum age difference imposed under the 50% joint and survivor option.
LIFETIME INCOME WITH “10-YEAR CERTAIN” GUARANTEE
Under this option, benefits are paid monthly to you for your lifetime, with payments guaranteed for 120 months (10 years). If you die before the guaranteed number of payments have been made to you, your designated beneficiary will receive your monthly payment for the remainder of the guaranteed period. If you die after receiving the guaranteed number of payments, benefit payments end upon your death. If you’re married when your pension payments begin, your spouse must consent to this form of payment.

Because of the guarantee, monthly payments are less than you would receive under the Single Life Annuity option. The amount of the reduction depends on your age at the time you begin payments. The following chart shows the amount of the reduction for ages 55 through 65. If you begin benefit payments after age 65, contact Target Benefits Center for assistance.

<table>
<thead>
<tr>
<th>YOUR AGE WHEN BENEFIT PAYMENTS BEGIN</th>
<th>PERCENTAGE OF SINGLE LIFE ANNUITY BENEFIT PAID UNDER THE 10-YEAR CERTAIN &amp; LIFE OPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>65</td>
<td>96.50%</td>
</tr>
<tr>
<td>64</td>
<td>96.91%</td>
</tr>
<tr>
<td>63</td>
<td>97.28%</td>
</tr>
<tr>
<td>62</td>
<td>97.61%</td>
</tr>
<tr>
<td>61</td>
<td>97.92%</td>
</tr>
<tr>
<td>60</td>
<td>98.20%</td>
</tr>
<tr>
<td>59</td>
<td>98.44%</td>
</tr>
<tr>
<td>58</td>
<td>98.66%</td>
</tr>
<tr>
<td>57</td>
<td>98.84%</td>
</tr>
<tr>
<td>56</td>
<td>99.00%</td>
</tr>
<tr>
<td>55</td>
<td>99.15%</td>
</tr>
</tbody>
</table>

Note: The above chart is for illustrative purposes only. Actual percentages may change based on IRS regulations and modifications of the plan from time to time.

EXAMPLE
If you retire at age 65 with a monthly Single Life Annuity benefit of $100, you would receive $96.50 per month (96.50% of $100) under the 10-year certain & life payment option.

LUMP-SUM PAYMENT
A lump sum represents the amount of money that, if invested today, would provide you with your age 65 monthly benefit for your expected lifetime. If the lump-sum value of the total benefit that would be payable to you in your lifetime, including your Traditional Plan benefit and any Personal Pension Account, is $5,000 or less, you will automatically receive the value of your benefit in a single lump-sum payment.

If the lump-sum value of your total benefit is more than $5,000, but the value of your Traditional Plan benefit does not exceed $10,000, you may choose to receive your benefit in an immediate lump-sum payment or you may instead elect a Single Life Annuity or a 50% Qualified Joint and Survivor Annuity, which may begin immediately or at a later date. If the value of your Traditional Plan benefit exceeds $10,000, you are not eligible for a lump-sum payment of that benefit. However, you would be eligible to select one of the monthly payment options that may be paid starting at or after age 55. If you are paid a lump-sum benefit, no further Traditional Plan benefits are payable. The method of calculating lump sums is prescribed by federal regulations. The interest rate and mortality basis of the lump sum factors is provided by the Internal Revenue Service.

An example of how a lump sum is calculated is shown on the next page.
EXAMPLE
A team member leaves the company at age 40 with an age 65 monthly benefit of $75. The company would calculate the lump-sum value of this benefit payable in 2014 as follows:

<table>
<thead>
<tr>
<th>STEP</th>
<th>Description</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Convert the monthly benefit to an annual amount.</td>
<td>$75 x 12 months = $900</td>
</tr>
<tr>
<td>2</td>
<td>Multiply the annual amount by a factor representing the team member’s age. This factor is developed by the plan’s actuaries, based on specified interest rates and life expectancy assumptions. These factors change annually and can go up or down, depending on interest rate movement.</td>
<td>$900 x 3.2218 = $2,899.62</td>
</tr>
<tr>
<td>3</td>
<td>Amount of lump sum payable.</td>
<td>$2,899.62</td>
</tr>
</tbody>
</table>

Federal law requires that 20% of a lump-sum payment be withheld for payment of federal income taxes, unless you choose to have the payment rolled over directly to your TGT 401(k) account, a new employer 401(k) savings plan, an IRA, a 403(b) plan, a governmental 457 plan or another qualified retirement plan. In addition to federal and state income taxes, a 10% federal excise tax may apply if you are younger than age 59½ and do not elect a rollover. See “Tax Treatment of Your Benefit Payments Under the Personal Pension Account and Traditional Plan” for more information on tax treatment and rollover of plan benefits.

Choosing a Payment Option Under the Traditional Plan if You’re Married

The following information summarizes issues that may affect your payment option if you’re married.

WHEN SPOUSAL CONSENT IS REQUIRED
The need for spousal consent varies depending on certain circumstances:
- Spousal consent is required unless you choose one of the three joint and survivor annuity options with your spouse as your joint annuitant.
- You must provide spousal consent if you choose the lump sum, Single Life Annuity, or certain and life annuity forms of payment, or choose someone other than your spouse as your joint annuitant.
If You Leave Before Retirement
Under the Traditional Plan

The following information summarizes what happens to your Traditional Plan benefit if you leave Target Corporation before you retire. To qualify for retirement, you must be age 55 or older on your date of termination and have earned three years of vesting service.

If you leave Target Corporation before you retire:
• If the value of your total plan benefit is $5,000 or less, you automatically receive a lump-sum payment.
• If the value of your total plan benefit (Personal Pension Account plus Traditional Plan benefit) is over $5,000 but the value of the Traditional Plan benefit is $10,000 or less, you can take a lump-sum payment or leave it in the plan until retirement age. However, a lump sum may not be available at a later date if it is greater than $10,000.
• If the value of the Traditional Plan benefit is over $10,000, you cannot receive your Traditional Plan benefit until retirement age.

How to Begin Payment of Your Benefit
Under the Traditional Plan

Payment of your benefit normally begins after required forms and documents are processed.

PROCEDURE FOR RETIREES (AGE 55 AND OLDER WITH THREE OR MORE YEARS OF VESTING SERVICE)
• Work with your manager to determine your retirement date.
• Call the Target Benefits Center at 800-828-5850 at least 45 to 90 days prior to your retirement. A benefits representative will answer your questions and help you set a benefits start date. You will receive an information packet about your payment options, including administrative forms and instructions regarding what you need to do to start receiving payments. Alternatively, you may start your pension benefit payments by logging on to www.targetpayandbenefits.com 45 to 90 days before your retirement date. Follow this path: Traditional Pension Plan tile > Retirement > Retire Now.
• Inform the human resources representative at your work location of your intended retirement.

PROCEDURE FOR TERMINATING TEAM MEMBERS NOT QUALIFYING FOR RETIREE STATUS
The Target Benefits Center will automatically receive information regarding your termination of employment through the payroll system. If you are 100% vested in your Traditional Plan benefit, a packet regarding your payment options will be mailed to your home address on file approximately 45 days after your date of termination.
If You Leave the Company After Participating in the Traditional Plan and Are Later Rehired

If you leave the company and are later rehired, you’ll need to understand the following information.

If you were eligible to make a pension choice and made an active election, you will retain that election throughout your career at Target Corporation.

If you had participated in the Traditional Plan prior to 2003 but you were not eligible to make a pension choice, any benefits you earn after being re-employed will be under the Personal Pension Account. Any Traditional Plan benefit that you will have at the time you are rehired will be a frozen benefit.

Circumstances in Which Benefits Will Not Be Paid Under the Traditional Plan

Under certain circumstances, pension plan benefits may not be paid.

Generally, benefits may not be paid:
- If you leave the company prior to the time you are vested.
- If you die prior to commencing pension payments with no surviving spouse.
- If you or your surviving spouse fail to make a timely appeal of a denied claim.
- If you work less than 1,000 hours during a calendar year, you would not receive credited service for that year. If you work 500 or fewer hours, you would have a break in service (see “What Is a Break in Service Under the Personal Pension Account and the Traditional Plan?”).

AMC Employees’ Pension Plan

The AMC Employees’ Pension was merged into the Target Corporation Pension Plan on December 31, 2000. AMC is now known as the Target Sourcing Services Corporation.

The pension benefits earned under the AMC Employees’ Pension Plan before January 1, 1999 and optional forms of payment of those benefits are protected by the Employee Retirement Income Security Act (ERISA). These optional forms of payment include the following: 5-year certain and life annuity, joint & 66-2/3% survivor annuity (married participants only), and an actuarially equivalent lump-sum payment with no maximum limit.

Age 65 monthly benefits are not subject to QPSA charges while payment of those benefits is deferred. A QPSA charge is the cost of a potential surviving spouse benefit (Qualified Preretirement Survivor Annuity).

The plan benefit formula is 1.5% of Average Annual Compensation multiplied by Years of Service. Reduced benefits are payable starting at age 55.

Inquiries regarding AMC Employees’ Pension Plan benefits may be sent to TargetPension@Target.com.
important pension plan details
Target 401(k) to Pension Rollover

ADDITIONAL OPTION AT RETIREMENT PROVIDING LIFELONG MONTHLY PAYMENTS

The 401(k) to Pension Rollover provides you with the opportunity to roll over money from your Target 401(k) account into the Target Pension Plan, giving you greater flexibility in how you receive your retirement income. The amount you roll over will be used to “purchase” additional monthly benefit payments from the Pension Plan. You may roll over all, or a portion, of your taxable 401(k) account. Target is offering the 401(k) to Pension Rollover to encourage team members to consider many options in their retirement planning. It also gives team members the opportunity to turn their 401(k) benefit into a lifelong stream of payments without paying insurance commissions or loads. This has been designed to be “cost neutral” to the Pension Plan, meaning that Target and the Pension Plan do not make or lose money by offering this option.

If you are a participant in the Target 401(k) with a balance of at least $50,000, you are eligible for a 401(k) to Pension rollover, regardless of whether you are a participant in the Target Pension Plan.

Examples of monthly benefits payable at various rollover amounts can be found below.

Considerations for choosing a 401(k) to Pension Rollover are:

- It converts 401(k) funds to a lifetime monthly annuity — you can’t outlive your benefit.
- It saves you money since no insurance commissions or “loads” are charged. If you purchase an annuity outside of Target, a portion of your purchase price includes a commission fee, thereby reducing the total annuity benefit amount.
- It provides flexibility. You can choose to roll over all or just a portion of your taxable 401(k) balance.
- It transfers the investment risk to the Pension Plan. This means that the amount of your monthly annuity payment is set once you have elected the 401(k) to Pension Rollover. As a result, you lose the potential of investing in higher risk investments that typically provide higher returns; however, you are protected from any downturns in the market because the Pension Plan is obligated to pay your monthly annuity payment for your lifetime.

You have the same payment options as those available under the Personal Pension Account other than a lump-sum distribution. Your rollover election is permanent. Once you choose to roll over any money from your 401(k) account to the Pension Plan, you are committed to the choice you make.

- Prior to requesting a 401(k) to Pension Rollover, you may want to consider changing the investment of your 401(k) account to a fund with minimal market fluctuation.

If you choose to do a 401(k) to Pension Rollover, your payments will begin effective the first of the month following your rollover from the 401(k) to the Pension Plan. The request for rollover must be made by the 20th day of the month prior to the month benefit payments begin.

Your signed forms for a 401(k) to Pension Rollover must be received at least 30 days prior to the date monthly benefit payments begin. Forms received later than that will be processed as soon as possible but your first payment may be delayed and include a retroactive payment.

For more information or to learn about the next step, call the Target Benefits Center at 800-828-5850. As with all investment decisions, be sure to talk with your tax advisor, financial advisor or attorney to review your financial considerations for retirement.
The following forms of benefit are available:

**Single Life Annuity**
Monthly benefit payments are made for your life only. When you die, payments stop.

**50% Qualified Joint and Survivor Annuity**
Monthly benefit payments are made to you for your lifetime. When you die, your designated joint annuitant receives 50% of the monthly benefit payment you were receiving for as long as he or she lives.

**75% Qualified Joint and Survivor Annuity**
Monthly benefit payments are made to you for your lifetime. When you die, your designated joint annuitant receives 75% of the monthly benefit payment you were receiving for as long as he or she lives.

**100% Qualified Joint and Survivor Annuity**
Monthly benefit payments are made to you for your lifetime. When you die, your designated joint annuitant receives 100% of the monthly benefit payment you were receiving for as long as he or she lives.

**Guaranteed Return of Principal Annuity**
Monthly benefit payments are made to you for your lifetime. If you die before your total rollover amount is paid out to you, your beneficiary will receive a lump-sum payment of your remaining rollover amount.

You may select a different form of payment and a different joint annuitant for your 401(k) to Pension Rollover than for your regular pension benefit.

If you choose one of the joint and survivor annuity options and your joint annuitant dies before you do, payments stop at your death.

If you are married and obtain your spouse’s notarized written consent, you may choose the Single Life Annuity or the Guaranteed Return of Principal option, or you may choose a Qualified Joint and Survivor Annuity with a joint annuitant other than your spouse. If you do not obtain your spouse’s notarized written consent, you must choose from the 50%, 75% or 100% Qualified Joint and Survivor Annuity options, with your spouse designated as your joint annuitant.

The monthly benefit payment varies depending on your age on the date of your rollover, the amount you roll over, interest rates at the time of your rollover, and the life expectancies of you and your joint annuitant.
The table below is an estimate of the Single Life Annuity, based on a 5% interest rate, that would be generated by various rollover amounts:

<table>
<thead>
<tr>
<th>ROLLOVER AMOUNT</th>
<th>AGE AT START OF MONTHLY PAYMENTS</th>
<th>MONTHLY PAYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50,000</td>
<td>55</td>
<td>$272</td>
</tr>
<tr>
<td></td>
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<td></td>
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<tr>
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<tr>
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<td>$4,930</td>
</tr>
<tr>
<td></td>
<td>70</td>
<td>$6,015</td>
</tr>
</tbody>
</table>

**Note:** If you select any of the Qualified Joint and Survivor Annuity or the Guaranteed Return of Principal payment options, the monthly payments will be less than those listed above for a Single Life Annuity.

Only before-tax money in your 401(k) account can be rolled over into the Pension Plan. After-tax contributions are not eligible for rollover and may remain in your 401(k) account. The rollover of your 401(k) account into the Pension Plan is a direct rollover.

You will not be taxed on the amount rolled over into the Pension Plan at the time of the rollover. You pay taxes on the money as it is paid to you from the Pension Plan.

Your entire rollover will be paid in cash as a direct rollover to the Pension Plan. The value of the Target Corporation Common Stock Fund will not be distributed in shares of Target common stock. Your after-tax contributions and any required minimum distributions upon reaching age 70½ are not eligible for the Pension Rollover.
Tax Treatment of Your Benefit Payments Under the Personal Pension Account and Traditional Plan

Because of income tax implications, the company recommends that you obtain professional tax advice concerning payment of your pension plan benefit.

Benefit payments you receive from the pension plan are taxable in the year you receive them. In addition to income tax withholding, payments made due to termination of employment before age 55 will generally be subject to a 10% penalty tax. The penalty tax may not be imposed, however, if benefit payments are:

- Deferred to age 59½.
- Taken as monthly pension payments over your lifetime.
- Made to a beneficiary because of your death.
- Made because of permanent and total disability.
- Made to an Alternate Payee under a Qualified Domestic Relations Order (QDRO).
- Rolled over to an IRA or another employer retirement plan.

Federal tax law requires 20% withholding on lump-sum payments that are not directly transferred to an IRA or other employer retirement plan. In a direct transfer, the plan trustee issues the lump-sum check to the IRA or other plan and mails it to you. No withholding is taken. You are then responsible for forwarding the check to your IRA custodian or new plan administrator. Note that you may also roll over your pension lump sum to your TGT 401(k) account.

If you decide not to roll over your lump-sum distribution, you will receive a check payable to you for 80% of your lump sum, because 20% will have been withheld for payment of federal income tax. During the 60-day period following receipt of this check, you may still roll over your distribution if you wish. The IRS tax notice included in your initial pension benefit package provides details about how to do this.
Claim Denial and Appeal Information for the Personal Pension Account and Traditional Plan

The following information explains how to file a claim and how to appeal a denied claim.

**HOW TO FILE A CLAIM**
If you think your pension benefit was inaccurately administered, call Target Benefits Center and request a claim form. Upon receipt of this form, you must complete the form and mail or fax it to the Plan Administrator.

The Plan Administrator will research your claim and respond to you within 90 days after receiving your claim form. If the Plan Administrator cannot make a decision on your claim within 90 days, you will be given a notice extending the period (not more than 90 additional days).

**IF YOUR CLAIM IS DENIED**
The Plan Administrator will deny your claim if it is determined that the claim does not meet the provisions of the plan. You will be provided with a written notice of denial or approval of the claim. The notice will include a specific reason for the denial, reference to the plan provisions on which the denial is based and information on the claims appeal procedure.

If you do not receive a written response to your claim within 90 days (or 180 days if notice of extension is given) of your claim submission, you may consider the claim denied and you can appeal.

**HOW TO APPEAL A CLAIM**
The Vice President, Pay & Benefits is the Plan Administrator for purposes of ERISA. The Plan Administrator or its designees control and manage the operation and administration of the plan and make all decisions and determinations. In carrying out its plan responsibilities, the Plan Administrator has discretionary authority to interpret the terms of the plan.

You or your authorized representative may request a review of the denied claim within 60 days after receiving the denial notice. The appeal must be made in writing and directed to:

Target Corporation  
Pension Plan Administration, CC-1712  
33 South 6th St.  
Minneapolis, MN 55402

You or your representative may also review pertinent plan documents and submit issues and comments.

You will be advised in writing within 60 days from the date your appeal is received as to the decision of the Plan Administrator and the reasons for that decision. Under special circumstances, this period may be extended to 120 days.

Upon completion of the appeal process, you have the right to bring suit with a court of competent jurisdiction, provided all of the following restrictions are met:

- You have not executed a release;
- You meet all deadlines for submitting claims and appeals for the plan and completely exhaust the plan’s claims and appeals procedures; and
- You commence suit within two years from the earlier of (a) the date your claim is denied, or (b) the date you knew or reasonably should have known of the facts behind your claim.
Situations Affecting Your Personal Pension Account and Traditional Plan Benefits

The pension plan is designed to provide you with income during your retirement years. But some situations could affect plan benefits.

SUMMARY OF SITUATIONS
Several situations are summarized here:

• Other than in the case of a plan termination as described under the “If the Personal Pension Account or Traditional Plan Changes or Ends” section, if your employment terminates permanently before you are fully vested, all your accrued benefits are forfeited.

• If you do not make the proper application for benefits, do not provide necessary information or do not provide your current address, your benefits could be delayed.

• If you die before pension benefits begin and are unmarried, your Personal Pension Account will be paid to your beneficiary, but no death benefit will be paid with respect to any Traditional Plan benefit.

• If there is a mistake or misstatement about eligibility of participation or service, or if the amount of payment made to a team member or beneficiary is incorrect, the Plan Administrator has authority to correct the situation. This may be done by withholding, accelerating or adjusting payments as necessary to ensure the proper payment from this plan is made, or by recovering any overpayment from the person who received it.

• If you are a highly paid team member, the law limits the annual benefits that can be distributed to you from the pension plans. The amount of annual compensation, which may be considered in determining benefits from this plan, is also limited by law. You will be notified if this affects you.

ASSIGNMENT OF BENEFITS
Your pension benefit belongs to you and may not be sold, assigned, transferred, pledged or garnisheed, except under a Qualified Domestic Relations Order (QDRO) or as otherwise required under applicable law.

• Certain court orders could require that part of your benefit be paid to someone else — for example, to your former spouse if you become divorced or legally separated, or to support your children. This is known as a “Qualified Domestic Relations Order.” A QDRO could affect benefits paid to you or your beneficiaries. As soon as you are aware of any court proceedings that may affect your pension benefit, call Target Benefits Center and ask to be transferred to the Qualified Order Team. See the section of this booklet entitled “If You Are Getting a Divorce” for additional information.

• If you are unable to care for your own affairs, any payments due may be paid to someone who is authorized to manage your affairs. This may be a relative, a friend or a court-appointed guardian.

IF THE PLAN BECOMES “TOP-HEAVY”
As required by law, the plan contains alternate provisions that would go into effect if the plan becomes top-heavy. The plan would be “top-heavy” if more than 60% of accumulated account balances or benefits are payable to certain “key employees.” Key employees are certain officers of Target Corporation, any 1% owners of Target Corporation who are paid over $170,000 per year, 5% owners of Target Corporation and beneficiaries of these key employees. It is extremely unlikely that the plan could ever become top-heavy.
If the Personal Pension Account or Traditional Plan Changes or Ends

Target Corporation reserves the right to suspend, amend or terminate the plan at any time. If the plan is terminated, benefits generally would be paid as described in this section, to the extent funded.

IF THE PLAN IS AMENDED
Target Corporation may make modifications or amendments to the plan if appropriate or necessary. Amendments will normally not decrease your accrued benefit as of the time an amendment is adopted.

IF THE PLAN IS TERMINATED
If the plan is terminated, or if there is a partial termination affecting you, you immediately will be 100% vested as of the date of the termination. Benefits will be paid, according to law, as described in the following section. Any money left in the trust will be returned to Target Corporation after all required benefit obligations have been met.

DISTRIBUTION OF BENEFITS UPON TERMINATION
Before terminating the plan, Target Corporation would be required to notify the Pension Benefit Guaranty Corporation (PBGC), a federal government agency. You would also receive notice of this termination. Once approval has been received, plan benefits would be paid in the order prescribed by law. If for any reason the funds are insufficient to pay full benefits to all team members, payments would be made as prescribed by law. Benefits for certain highly paid team members are limited when the plan terminates. If this applies to you, you will be provided with details.

MERGERS, CONSOLIDATIONS OR TRANSFERS
If the plan is merged or consolidated with another plan, or if plan assets are transferred to another plan, your accrued benefit will be protected. Your accrued benefit under the new plan would, immediately after the change, be at least equal to the amount you would be entitled to immediately before the merger if the plan had terminated just before the merger.

PENSION BENEFIT GUARANTY CORPORATION
Your pension benefits under this plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers:
• Normal and early retirement benefits;
• Disability benefits if you become disabled before the plan terminates; and
• Certain benefits for your survivors.

The PBGC guarantee generally does not cover:
• Benefits greater than the maximum guaranteed amount set by law for the year in which the plan terminates;
• Some or all benefit increases and new benefits based on plan provisions that have been in place for less than five years at the time the plan terminates;
• Benefits that are not vested because you have not worked long enough for the company; and
• Benefits for which you have not met all of the requirements at the time the plan terminates.

Even if certain of your benefits are not guaranteed, you may still receive some of those benefits from the PBGC depending on how much money your plan has and how much the PBGC collects from employers. For more information about the PBGC and the benefits it guarantees, contact the PBGC’s Technical Assistance Division, 1200 K Street, NW, Suite 930, Washington, DC 20005-4026 or call 800-400-7242. TTY/TDD users may call the federal relay service toll-free at 800-877-8339 and ask to be connected to 800-400-7242.

Additional information about the PBGC’s pension insurance program is available through the PBGC’s Web site on the Internet at www.pbgc.gov.
General Information That Applies to Both the Personal Pension Account and the Traditional Plan

The following general information applies to both the Personal Pension Account and the Traditional Plan.

PLAN INFORMATION
You can call the Target Benefits Center at 800-828-5850, or log on to www.targetpayandbenefits.com at any time, for information on your pension. Please note that quarter-end interest is added to accounts on a “posting” date, which is later than the end of the quarter for which the interest is credited. For example, interest credited for the first quarter of a year will be posted on or about April 10.

HOW IS THE PENSION PLAN FUNDED?

Company-Paid Benefit
The company pays the entire cost of your pension plan benefit. Your benefit is paid by the trustee from the pension plan trust fund. This trust accumulates in two ways:
• By company contributions; and
• By investment growth.

To ensure that sufficient funds are accumulated to fund all of the benefits of team members, the company uses an independent actuarial firm to determine the amount of the company’s annual contribution.

Who Holds the Money?
After the funding requirements are determined, the company directs funds to the State Street Bank and Trust Company, which is the plan trustee. The company delegates to the trustee the responsibility of holding the money contributed to the plan in trust for your exclusive benefit. The bank’s mailing address for plan purposes is:

State Street Bank and Trust Company
Global Cash Operations - Client Cash
177b Heritage Dr. - J A B I S E
North Quincy, MA 02171

Who Invests the Money?
The selection of appropriate investments for the plan requires skillful and careful decisions of investment professionals. The Plan Investment Committee has appointed professional investment managers who direct the buying and selling of plan assets held by the trustee. These appointments may be terminated by either party at any time. The trustee also manages the investment of certain assets.

IF YOU ARE GETTING A DIVORCE
If you are getting a divorce, your benefit may be divided by a Qualified Domestic Relations Order (QDRO). You may work with the Qualified Order Team to write, submit and obtain qualification for a domestic relations order. You may also refer your attorney to the Qualified Order Team. Visit www.qocenter.com for information about the general process and model language that you can use to create a QDRO. You may contact the center via fax at 847-883-9313 or telephone at 800-828-5850 (ask to be transferred to the Qualified Order Team). Fax cover sheets should include your name, employer’s name, plan participant’s name, plan name, and the last four digits of the participant’s Social Security Number. Postal mail should be addressed to Qualified Order Team, Post Office Box 1433, Lincolnshire, IL 60069-1433. Note that a charge is assessed for dividing benefits under the 401(k) (but not the pension).
DEDUCTIBLE IRA CONTRIBUTIONS
Under current tax law, participation in the plan may restrict your ability to make deductible contributions to an Individual Retirement Account (IRA) if your income exceeds certain limits under the tax law. Once you become an active participant in the plan, you continue to be an active pension plan participant for IRA purposes until you leave the company. You are considered an active participant for the year in which you leave the company. The year after the year you leave the company is the first year you would no longer be an active pension plan participant for IRA purposes.

YOUR DUTIES AND RESPONSIBILITIES
Marital status changes, address changes, beneficiary changes and retiree death notification need to be reported as soon as possible.

Notification of Marital Status Change
Active Team Members
To report a marital status change, contact your local human resources representative as soon as possible.

Team Members Who Have Left or Retired
To report a marital status change, call Target Benefits Center at 800-828-5850 as soon as possible.

Notification of Change of Address
Active Team Members
To report a change of address, contact your local human resources representative as soon as possible.

Team Members Who Have Left or Retired
To report a change of address, call Target Benefits Center at 800-828-5850 as soon as possible.

Notification of Beneficiary Change
Active Team Members
To make a beneficiary change, call Target Benefits Center at 800-828-5850 as soon as possible.

Team Members Who Have Left or Retired
To make a beneficiary change, call Target Benefits Center at 800-828-5850 as soon as possible.

Notification of Retiree Death
To report a retiree death, call Target Benefits Center at 800-828-5850 as soon as possible.

LONG TERM DISABILITY
You may begin pension payments or take a lump-sum distribution regardless of whether you receive long term disability payments, in accordance with plan rules, upon termination of employment.

If you receive payments from a company-sponsored long term disability plan, your disability benefit may be reduced by the amount of your pension payment. Check with your long term disability carrier.
terms to know
Terms to Know

Certain terms have special meaning for the pension plan. To understand your benefits, you need to know how the plan defines these terms.

Below is a summary of common terms used in this pension plan SPD.

ANNUITY
A sum of money paid out in regular monthly installments for your lifetime.

BENEFICIARY
A person, trust, estate or other entity that you name to receive all or a portion of your benefit that is payable in the event of your death. Note that the Traditional Plan generally does not pay benefits if you die when you are no longer working at Target. Regarding Personal Pension Account balances, if a participant should die without a named beneficiary on file, or if the beneficiary does not survive the participant, the plan provides that the participant’s beneficiary shall be:

1) Spouse
2) Estate

CERTIFIED EARNINGS
“Certified earnings” to be included in the determination of final average pay and Personal Pension Account credits include the following items paid to the team member:

- Salary;
- Hourly wages;
- Commissions;
- Overtime pay;
- Military differential pay;
- Bonus pay (in year paid);
- Amounts deferred by the team members under IRC Sections 401(k) or 125; and
- Other cash incentives.

Other elements of compensation not described above will be excluded. The excluded elements include:

- Earnings in excess of annual government limits. The annual limit as of January 1, 2014 is $260,000. The limit is indexed by federal law to reflect cost-of-living increases.
- Allowances or reimbursement for expenses.
- Payments or contributions to or for the benefit of the team member under any employee benefit plan;
- Deferred payments under any deferred compensation plan;
- Merchandise discounts;
- Benefits in the form of property or the use of property;
- Severance benefits; and
- Moving-related expense reimbursements, or rent or mortgage assistance payments.

COMPENSATION BREAKPOINT
“Compensation breakpoint” is an amount equal to 150% of the 35-year average of the maximum compensation taxable for Social Security. This amount changes each year. In 2014, the compensation breakpoint is $104,000. The compensation breakpoint is used to calculate your benefit under the Traditional Plan formula.

CONVERSION INTEREST RATE
The IRS defines assumptions for converting a monthly benefit into a lump-sum value and vice versa. IRS assumptions include an interest rate based on the 30-year Treasury bond rate and a specific assumption for life expectancy.
CREDITED SERVICE
In general, you receive a year of “credited service” for each calendar year in which you work 1,000 or more hours at Target Corporation. Team members with service at target.direct, formerly known as Rivertown Trading Company; Ayr-Way; TSS, formerly known as The Associated Merchandising Corporation (AMC); Rowley-Schlimgen; the stores of Chicago-based Marshall Field’s now known as Macy’s; Walsh Bros. Inc.; and U.S. Business Interiors will generally only have post-acquisition service used.

ELIGIBILITY SERVICE
“Eligibility service” is service required before participation in the plan. The plan measures eligibility service counting actual hours. One year of eligibility service is credited at the end of an eligibility period in which the team member has 1,000 hours of service. The plan measures eligibility service as of the first anniversary of employment by Target Corporation or an affiliate. If the eligibility service requirement is not met, the plan changes to plan year computation periods. The first plan year measured is the calendar year that begins on the January 1 within the anniversary year.

FINAL AVERAGE PAY
“Final average pay” is the pay used in the Traditional Plan formula, which is the annual average of your certified earnings for the five highest-paid calendar years out of the last 10 years of credited service.

INTEREST CREDITS
The interest amount added to your Personal Pension Account on a quarterly basis, using a daily rate that is based on the greater of 1) the average 10-year Treasury note rate for the month two months before the beginning of the quarter or 2) 4.64%. Beginning January 1, 2013, the interest crediting rate was fixed at 4.64%. But your ultimate benefit payable from the Plan will never be less than your Account balance on December 31, 2012, grown with interest credits only that are calculated using the greater of (a) 4.64% or (b) the average monthly 10-year Treasury rate determined as described above. Interest is posted to accounts as soon as administratively possible following the end of the quarter.

LUMP-SUM PAYMENT
A payment option where you choose to receive your Personal Pension Account, or to receive a Traditional Plan benefit that has a value of less than $10,000, as a one-time cash payment. If you receive a lump-sum payment prior to age 59½, in addition to the 20% automatic withholding, you will be required to pay a 10% excise tax along with regular income taxes, unless you roll over the payment to an IRA or other retirement plan. Certain exceptions apply to this rule — consult your tax advisor to discuss your personal circumstances.

NORMAL RETIREMENT AGE
For most participants, “normal retirement age” is the date a person reaches age 65. However, the plan defines “normal retirement age” as the later of age 65 or the earlier of:
• The third anniversary of the date the person entered the plan; or
• The date the person completes three years of vesting service.

For example, for someone hired at age 65, normal retirement age will probably be around age 68. For simplicity, this booklet just uses “age 65” because that is what applies to most people. If your normal retirement age is later than age 65, you should substitute that age for “age 65” wherever it appears in this booklet.

NORMAL RETIREMENT DATE
“Normal retirement date” is the last day of the month in which a person reaches normal retirement age.

PAY CREDITS
A percentage of your certified earnings that is credited to your Personal Pension Account each quarter.

VESTING
“Vesting” is the process of earning the right to receive a pension benefit.

VESTING SERVICE
“Vesting service” is used to determine a team member’s eligibility to receive benefits under the plan. Vesting service is also used to determine if the vesting service and benefit service that a rehired team member had before his or her break in service will be reinstated following his or her re-employment. In general, you receive a year of vesting service for each calendar year in which you have 1,000 or more hours of service. A plan participant must have a minimum of three years of vesting service to be 100% vested.
administrative information
Administrative Information for Both the Personal Pension Account and the Traditional Plan

This section provides important legal and administrative information you may need.

ERISA STATEMENT OF RIGHTS
As a participant in the pension plan, you’re entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA).

ERISA provides that all plan participants shall be entitled to:

**Receive Information About Your Plan and Benefits**
- Examine (without charge) at the Plan Administrator’s office and at other specified locations — such as work sites — all documents governing the plan, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration (EBSA).
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the plan, copies of the latest annual report (Form 5500 Series) and an updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the plan’s annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (in most cases, age 65), and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The plan must provide the statement free of charge.

**Prudent Actions by Plan Fiduciaries**
In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries.

No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.
Enforce Your Rights
If your claim for a pension benefit is denied or ignored — in whole or in part — you have a right to know why this was done, to obtain copies of documents relating to the decision without charge and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce your ERISA rights. For instance:

• If you request a copy of the plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials — unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

• If you have a claim for benefits that is denied or ignored — in whole or in part — you may file suit in a state or federal court.

• If you disagree with the plan’s decision or lack thereof concerning the qualified status of a Qualified Domestic Relations Order (QDRO), you may file suit in federal court.

• If it should happen that plan fiduciaries misuse the plan’s money, or if you’re discriminated against for asserting your ERISA rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court.

If you file suit against the plan, the court will decide who should pay court costs and legal fees. If you’re successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees — for example, if it finds your claim is frivolous.

Assistance With Your Questions
If you have any questions about the plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory or write to the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration (EBSA), U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, DC 20210.

You may also obtain certain publications about your rights and responsibilities under ERISA by:

• Calling the Employee Benefits Security Administration (EBSA) Brochure Request Line (also called the “Publications Hotline”) at 866-444-3272;

• Logging on to the Internet at www.dol.gov/ebsa; or

• Contacting the EBSA field office nearest you.

PLAN ADMINISTRATION

Plan Sponsor
Target Corporation
33 South 6th St., CC-1711
Minneapolis, MN 55402

Plan Administrator
Vice President, Pay & Benefits
Target Corporation
33 South 6th St., CC-1712
Minneapolis, MN 55402

Day-to-Day Administration
Target Pension Plan Administrator
Target Corporation
33 South 6th St., CC-1712
Minneapolis, MN 55402

All benefit appeals relating to the interpretation of the plan will be determined by the Plan Administrator. The financial aspects of the plan will be determined by the Plan Investment Committee.

Agent for Service of Legal Process
Timothy Baer, General Counsel
Target Corporation
1000 Nicollet Mall, TPS-2670
Minneapolis, MN 55403

Legal process may also be served on the Plan Trustee at the address on page 39 of the SPD.
Plan Administration
The Plan Administrator is responsible for the day-to-day administration of the plan. The Plan Administrator controls and manages the operation and administration of the plan and makes all decisions and determinations. All benefit appeals will be determined by the Plan Administrator. In carrying out its plan responsibilities, the Plan Administrator, through its designees, shall have sole and full discretionary authority, to the maximum extent permitted by the law, to interpret the terms of the plans and determine the eligibility for and amount of each participant’s benefit.

Type of Plan
The plan consists of two components — the Personal Pension Account and the Traditional Plan. The pension plan is classified as a defined benefit pension plan, and it is intended to be a qualified plan under Section 401(a) of the Internal Revenue Code. The Personal Pension Account part of the plan is a variety of defined benefit plan known as a “cash balance plan.” A legal document specifies the terms of the plan.

Employer Identification Number
Target Corporation: 41-0215170

Plan Number
001 — Target Corporation Pension Plan

Plan Year
December 31 is the end of the year for purposes of maintaining plan records.

Collective Bargaining Agreements
Currently, no team members are covered by collective bargaining. If you become covered by a union-negotiated collective bargaining agreement in the future, your participation in the plan would depend on negotiations. You would not be eligible to participate in the plan unless, and only to the extent that, such an agreement provides for coverage for you under the plan.

For More Information
If you have any questions that are not answered in this booklet, call the Target Benefits Center at 800-828-5850. Outside of the United States, call 847-883-0433. Correspondence regarding the plan may be addressed to the Target Pension Plan Administrator at the following address:

Target Corporation
Pension Plan Administration
33 South 6th St., CC-1712
Minneapolis, MN 55402

Participating Employers
The following employers are “participating employers.” Team members at these participating employers are currently eligible to participate in the plan:
- Target Corporation
- Target Commercial Interiors, Inc.
- Target Brands, Inc.
- Target Custom Brokers, Inc.
- TSS/AMC
- Target Bank
- High Bridge Co.
- Target Food, Inc.
- Target Enterprise, Inc.
- Target Corporate Services, Inc.
- Target General Merchandise, Inc.
SUMMARY OF MATERIAL MODIFICATIONS
TARGET CORPORATION PENSION PLAN

This notice updates the Target Corporation Pension Plan summary plan description (SPD) for both a recent amendment and to clarify existing language. You should keep this notice with your SPD.

Target 401(k) to Pension Rollover
Page 32: The definition in paragraph 2 of eligibility to request a Target 401(k) to Target Pension Plan rollover is updated to clarify that a participant must be no longer actively employed by Target.
Page 34: The definition of rollover-eligible 401(k) funds is updated to clarify that Roth 401(k) and after-tax contributions are excluded.

Traditional Plan Survivor Benefits – If You Die After Leaving the Company but Before Benefit Payments Begin
Page 24: The following definition sentence should be added to the end of paragraph 1: “This benefit is called a Qualified Pre-Retirement Survivor Annuity or QPSA.”

Traditional Plan Lump Sum Payment
Page 27: The first and second sentences of the second paragraph are updated to define the allowable amount of a lump sum distribution, from not exceeding $10,000 to not exceeding $20,000, effective May 1, 2016.

Traditional Plan – If You Leave Before Retirement under the Traditional Plan
Page 29: The allowable maximum amount of a lump sum distribution referenced in the bullet points in this section are updated from $10,000 to $20,000, effective May 1, 2016.

Terms to Know – Lump Sum Payment
Page 43: The allowable maximum amount of a lump sum distribution is updated from $10,000 to $20,000 effective May 1, 2016.

How to Begin Payment of Your Benefit under the Personal Pension Account
Page 12: The path to retire on-line is now as follows: Savings & Retirement Tab>Pension>Start Your Pension Benefit>Make Pension Choices.

How to Begin Payment of Your Benefit under the Traditional Plan
Page 29: The path to retire on-line is now as follows: Savings & Retirement Tab>Pension>Start Your Pension Benefit>Make Pension Choices.

Participating Employers – The list of participating employers on page 47 is updated to read as follows:

- Target Corporation
- Target Brands, Inc.
- Target Custom Brokers, Inc.
- TSS/AMC
- Target Food, Inc.
- Target Enterprise, Inc.
- Target General Merchandise, Inc.

FOR MORE INFORMATION
If you have any questions about these changes, please call the Target Benefits Center toll free at 800-828-5850. Outside the United States, call 847-883-0433. Target Customer Service Representatives are available between 9 a.m. and 7 p.m. Central time, Monday through Friday.
Target Corporation Pension Plan
Notice of Plan Amendment

To: All Participants in the Target Pension Plan

Re: Plan Amendment – Effective January 1, 2020

This notice is being provided to you as a participant in the Target Corporation Pension Plan (the “Plan”) and is intended to inform you of a recent amendment made to the Plan. This amendment only affects Plan participants who are rehired on or after January 1, 2020.

No action is required.

The amendment provides that Plan participants who terminate employment with Target and are rehired on or after January 1, 2020 will not be eligible to reenter the Plan and earn additional benefits. Rather these rehired team members will be treated like newly hired team members, who are not eligible for Plan benefits.

For example, Plan participants who leave Target during 2018 and are rehired in 2021 would not earn Plan benefits during 2021 or any future year. However, their rehire service will count for purposes of determining whether they are vested in a Plan benefit earned during a prior period of employment. And eligibility for any early retirement subsidies will be determined using their actual age at the time of retirement, even if those calculations are performed during a period of rehire service that began in 2020 or later.

An exception applies to participants who are rehired within 91 days of their employment termination. Their termination and rehire are disregarded for Plan purposes—these participants are treated as if they were continuously employed. Therefore, they will earn additional Plan benefits after their rehire date.

This Plan amendment will not result in the loss or reduction of any accrued pension benefit.

For More Information

If you need additional information, access My Pay & Benefits online at www.targetpayandbenefits.com or call the Target Benefits Center toll-free at 1-800-828-5850. Outside the United States, call +1-847-883-0433. Target Customer Service Representatives are available between 9 a.m. and 7 p.m. Central time, Monday through Friday.
SUMMARY OF MATERIAL MODIFICATIONS
TARGET CORPORATION PENSION PLAN

This notice updates the Target Corporation Pension Plan summary plan description (SPD) for a recent amendment. You should keep this notice with your SPD. The contents of page 3 are replaced with the following.

Eligibility for the Personal Pension Account and Traditional Plan
The information below explains who is eligible to participate in the pension plan.

WHO IS ELIGIBLE?
You’re eligible to participate in the plan on the first day of the month after you meet all of the following:

• You are an eligible team member of a participating employer under the plan; and
• You have reached age 21; and
• You have completed one full year (12 months in a row) of employment; and
• You have completed 1,000 hours of service in your first 12 months of employment (or in any succeeding calendar year).
• You were hired before January 1, 2009.
• You were originally hired before January 1, 2009 and rehired before January 1, 2020.
• The following special rule applies to non-exempt distribution center team members: You were hired before January 1, 2017 (or originally hired before January 1, 2017 and rehired before January 1, 2020).

Participation is automatic. You do not need to take any action to enroll.

Eligibility Service
“Eligibility service” is service required before participation in the plan. The plan measures eligibility service counting actual hours. One year of eligibility service is credited when the team member has 1,000 hours of service during an eligibility computation period. The plan measures eligibility service as of the first anniversary of employment by Target Corporation or an affiliate. If the eligibility service requirement is not met, the plan changes to plan year computation periods. The first plan year measured is the calendar year that begins on the January 1 within the anniversary year. The year of eligibility service is credited on the last day of the relevant computation period.

WHO IS NOT ELIGIBLE?
You are not eligible to participate in this plan during any period if you:

• Are not employed by Target Corporation or one of the other participating employers.
• Are classified by the company as an independent contractor or as any other status in which you are not treated as a common law employee of the company.
• Are covered by a contract or other written agreement that provides that you are not eligible for benefits under this plan.
• Are covered by a union-negotiated collective bargaining agreement unless, and only to the extent, such an agreement provides for coverage under the plan.
• Were hired after December 31, 2008 (unless originally hired before January 1, 2009 and rehired before January 1, 2020).
• The following special rule applies to non-exempt distribution center team members: Were hired after December 31, 2016 (unless originally hired before December 31, 2016 and rehired before January 1, 2020).