



“Reboot Your Benefits” During Annual Enrollment: **October 15 – October 29**

A lot happens in the course of a year. Sometimes the events are big—like job changes or welcoming a child to your family. Other times, change happens more gradually—like managing new health needs or recommitting to saving for the future. No matter the amount or reason for change, it’s important each year to “reboot your benefits” and make sure they are the right fit for you and your family. You have this opportunity each year as part of benefits Annual Enrollment, which will take place this year from October 15 – 29. This newsletter highlights what’s new or changing for 2015 and what you need to do to prepare to make your active elections. This year, there are other important reasons to take a close look.

- **Medical**—Continental U.S. associates must actively enroll in a medical plan during Annual Enrollment. Otherwise, you will not have medical or prescription drug coverage for 2015. Your current election will not carry over into next year. For associates in Hawaii, Puerto Rico, Guam, and the U.S. Virgin Islands, Sears Holdings Corporation (SHC) will not require an active enrollment for medical in 2015. Your current election will continue unless you make a change during Annual Enrollment.

In addition, be sure to take these three important steps during Annual Enrollment:

1. Determine whether your doctors participate in the various carrier networks to ensure your providers will continue to care for you and your covered family members at in-network coverage levels.
2. Research how each carrier covers any prescription medications you or your covered family members may take.
3. Select the right level of coverage for your needs.

- **Dental, vision, spending accounts, and elections for spouse/domestic partner surcharge and tobacco credit (all associates)**—All associates must actively enroll in these benefits as part of Annual Enrollment. Otherwise, you will not have dental or vision coverage, or participate in flexible spending accounts or a Health Savings Account (HSA) for 2015. In addition, all associates must “refresh” their spouse/domestic partner surcharge and tobacco credit elections. Your elections from 2014 will not carry over.

> IMPORTANT NOTE!

This year during Annual Enrollment:

- Continental U.S. associates must actively elect their medical benefits.
- All associates must actively elect their dental, vision, and spending account benefits.

Otherwise, you will not have benefits in these areas for 2015.

All associates must also “refresh” their spouse/domestic partner surcharge and tobacco credit elections. Your current elections will not apply after December 31, 2014.

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SHOP YOUR WAY®

benefits for SHC associates

Take Time to Shop

As a business, SHC offers choice, convenience, and value to help members of our innovative Shop Your Way® program make informed buying decisions. As an employer, our approach is the same when it comes to your benefits. How? We will once again be providing medical benefits to our continental U.S. associates through the Aon Active Health Exchange™** (previously called the Corporate Health Exchange). This leading-edge approach provides associates the flexibility to shop for medical coverage in much the same way as our members shop for our products. In fact, starting with this communication, you'll begin to see a new "Benefits for SHC Associates" version of the Shop Your Way® logo on our benefits-related materials.** Although the Aon Active Health Exchange is offered to those based in the continental U.S., the

Shop Your Way® experience also extends to associates in Hawaii, Guam, Puerto Rico, and the U.S. Virgin Islands, who also have choices when it comes to their SHC benefits.

Take the time this year to look at all the programs available to you—from new vision and commuter benefits that will be offered as part of our core platform to the Sears Holdings Savings Plan and more. This newsletter will outline these areas, as well as some other benefit changes and enhancements that you'll want to closely consider as you make your plan decisions for 2015.

*The Aon Active Health Exchange is not related to the public (government-run) state and federal health insurance exchanges, or marketplaces, mandated by the federal Patient Protection and Affordable Care Act (ACA) legislation. It does, however, provide benefits consistent with the law's requirements.

**Benefit plans offered to associates are sponsored by Sears Holdings Corporation, not Shop Your Way®.

Give Yourself a Benefits "Checkup"

SHC offers a wide range of benefits to full-time associates based in the U.S. (including Hawaii), U.S. Virgin Islands, Guam, and Puerto Rico. During Annual Enrollment, take the time to "check up" on all programs available to you. This year, a new vision plan and commuter benefits will be offered as part of our core platform, which means you can elect them as part of the same enrollment process as your medical plan. Other benefits, like the Dental Plan, Savings Plan and Employee Assistance Program (EAP) are also part of the total package SHC offers associates. Following is a brief overview of benefits available to associates.



Understanding Your Medical Coverage

Once again, SHC will continue to pay a portion of your medical coverage costs. Please see the chart below for the medical options available in your area:

Location	Medical Coverage Option(s)
Continental U.S.	Aon Active Health Exchange
Hawaii	Health Plan of Hawaii HMSA Hawaii Kaiser Permanente
Guam	NetCare
U.S. Virgin Islands	Blue Cross Blue Shield (Triple S)
Puerto Rico	Blue Cross Blue Shield (Triple S) Humana Puerto Rico

SHC provides a credit that you can apply toward the purchase of your medical coverage. Your cost—or paycheck contribution—is the difference between your medical option’s price and the company credit.

For nearly all SHC associates, the cost of medical coverage will increase for 2015. Your specific cost increases are influenced by a number of factors, including your plan

and insurance carrier, whether you cover family members, and where you live.

The advantage of the exchange is that if you determine that your current coverage is no longer affordable or doesn’t meet your needs, there are other insurance carriers or coverage options available.

Here are a few examples of how carefully evaluating your options and needs could help you find the right medical coverage fit for 2015:

Before	After
<p>Joe has “employee only” coverage with the lowest-cost Platinum medical option. If he remains with the same plan for 2015, his monthly cost will increase.</p>	<p>Joe chooses to “buy down” to a Bronze medical option, minimizing the increase to his monthly cost. He will take the money he saves on his premium and open an HSA to set aside money for future eligible health care expenses.</p>
<p>Maria covers herself and her husband with SHC medical coverage. If she remains with the same plan for 2015, her costs will increase, and she will also pay \$100 per month for the spouse/domestic partner surcharge because her husband is offered coverage through his employer.</p>	<p>Maria’s husband just started a new job, so he will choose his employer’s medical coverage, which will save Maria money in 2015 by avoiding the spouse/domestic partner surcharge. In addition, her medical coverage will cost less per month when she elects single coverage with the same coverage level and carrier. Maria also will discuss with her husband benefits beyond medical. That way they will be sure to appropriately elect the right coverage from their employers.</p>
<p>Chris covers himself and his two children with the Silver medical option. His insurance carrier is not the lowest-cost option and if he chooses the same coverage for 2015, his costs will increase.</p>	<p>Chris confirms his family’s doctors participate in several insurance carriers’ networks. He remains with Silver in 2015, but by choosing a less expensive insurance carrier, he will save money each month.</p>

> When Can You See Your 2015 Costs?

Because of all the factors that influence associate paychecks across SHC, we cannot publish medical plan costs before Annual Enrollment. Be sure to visit Your Benefits Resources™ at www.88sears.com when Annual Enrollment opens on October 15.

Look for this button to access pricing for the various 2015 coverage and carrier options. >

Get Started

Resources to Help You Choose

Helpful Tools

As you compare options and evaluate what's best for you and your eligible dependents for 2015, be sure to use the available online tools to help you make the right selections for your needs.

- > **Make It Yours**—a website available through www.88sears.com, Make It Yours will help continental U.S. associates understand the Aon Active Health Exchange and how medical options work. The site contains videos, checklists, educational content, and a reference guide.
- > **Provider Search Tool**—search for doctors by name or by location and find out if they participate in the networks you may be considering.
- > **DecisionDirect (available to those enrolling through the Aon Active Health Exchange)**—recommends a medical plan based on your answers to a few short questions about how you would like to use and pay for medical coverage.
- > **Medical Expense Estimator**—organizes medical services and their costs. That way you can estimate how the plan you choose will pay benefits, and how much you will pay in deductibles, copayments, and coinsurance. For those enrolling through the Aon Active Health Exchange, costs can be based on your actual medical claims data from 2014.
- > **Health Plan Comparison Charts**—compare benefits from several options, side-by-side.

Advocacy Services: Solve Problems, Save Time

Aon Hewitt Advocacy Services provide a helping hand when you and your family are facing tough challenges specific to your health benefits. Health care advocates are experienced professionals who can make a real difference when you aren't getting the help you need. If you've called your insurance carrier and health care providers and haven't gotten the coverage that you expected or aren't satisfied with their responses to your questions, a health care advocate is waiting to help you. Your health care advocate is looking out for you and will ensure your issue is handled confidentially, quickly, and fairly. When you call, you:

- > **Get expert help at no cost to you.** Advocacy Services is totally free for you.
 - > **Save time.** The typical issue takes an experienced advocate more than four hours to resolve. That's time you can use.
 - > **Get problems solved.** The health care advocates average more than 18 years of benefits experience and can put that experience to work for you. They have the health care expertise necessary to get to the bottom of even the most challenging situations.*
- If you have a difficult issue and you can't solve it with your insurance carrier or health care providers, call the Sears Holdings Benefits Center at **1-888-88sears**, choose option 1 for health and financial benefits, and follow the prompts to advocacy services. The representative will give you a status update and do everything possible to resolve your issue within five business days.

*Advocacy Services cannot guarantee your issue will be resolved exactly as you would like. Terms of the benefits and health plans are used to determine the proper outcome.

Other Important Considerations for 2015

Reminder! Spouse/Domestic Partner Surcharge and Tobacco Credit Elections Do Not Carry Over

In 2014, SHC introduced a \$100 per month pre-tax (\$1,200 per year) surcharge for associates to cover a spouse (including opposite and same-sex legal spouses) or domestic partner who has access to medical coverage from another employer. If you enroll a spouse or domestic partner in your medical coverage for 2015, this surcharge will apply unless you indicate online via the enrollment process that he or she does not have access to another employer's coverage. Keep in mind that your election from 2014 will not carry over. This year, your certification will be collected online, and you won't need to send in any signed forms.

Similarly, you will also need to report your tobacco status for 2015. Associates who do not use tobacco products or who commit to participating in a tobacco cessation program during 2015, will receive a \$40 credit (or reduction) applied to their monthly premium. As with the spouse/domestic partner surcharge, your elections from 2014 will not carry over. You will need to verify your tobacco status for 2015.

During Annual Enrollment, please be sure these elections accurately reflect your personal circumstances.

Insurance Carrier Update

To continue providing you affordable coverage options to meet the needs of you and your family, the Aon Active Health Exchange may continue to add, or even discontinue, medical insurance carriers.

For associates living in the Green Bay and Madison areas of Wisconsin, a new medical insurance carrier, will be available for 2015. Associates eligible to receive coverage under Dean Health Plan will receive a letter prior to Annual Enrollment with additional details.

Vision—New Plan, Easier Enrollment

For 2015, the SHC vision plan will shift from our voluntary benefit platform to a benefit you elect each fall along with your other coverage. Here are a few important things to know about this change:

- The vision plan will continue to be available through EyeMed and will offer improved coverage compared to the current options.
- You'll be able to enroll for vision coverage easily this year as part of the overall enrollment process.
- **Reminder for all associates!** If you selected the current vision plan as part of Sears Holdings' previous spring enrollment, your coverage only applies through the remainder of 2014. You must actively elect the new plan as part of Annual Enrollment or you will not have vision coverage for 2015.

Here's an overview of how the new plan covers vision services:

- **For the Basic Option:** Exams, lenses, or contacts will be limited to once every 12 months; and frames limited to once every 24 months, beginning in January (for both in-network and out-of-network).

The Basic Vision Option offers in-network benefits of a \$0 co-pay for exams, a contact lens allowance of \$115 every 12 months, and a frame allowance of \$100 once every 24 months.

- **For the Premier Option:** Exams, lenses or contacts, and frames will be limited to once every 12 months, beginning in January (both in-network and out-of-network).

The Premier Vision Option also offers in-network benefits of a \$0 co-pay for exams, an increased contact lens allowance of \$150, and an increased frame allowance of \$130 once every 12 months.

For more information regarding your vision benefit, please see the Health Plan Comparison Chart tool located within Your Benefits Resources or call the Sears Holdings Benefits Center at **1-888-88sears** and choose option 1 for health and financial benefits.

Remember! You must elect a vision plan during Annual Enrollment or you will not have coverage for 2015!

> What's Happening With Voluntary Benefits

If you currently participate in the SHC voluntary benefits programs—including identity theft protection, choice auto and home insurance, legal insurance, pet insurance, or long-term care insurance—it's important to note that these programs will not be offered during 2015 due to low associate participation. Therefore, if you are currently enrolled in voluntary benefits, your coverage will end as of January 1, 2015, and your current elections will not continue past December 31, 2014. Please reach out to Mercer Voluntary benefits at **1-800-845-6270** for any questions about your 2014 benefits.

Commuter Benefits*—Now Through Your Spending Account



Commuter benefits allows you to set aside money on a pre-tax basis to pay for eligible costs associated with commuting

to and from work. The great advantage is that you don't pay federal taxes on your contributions, which reduces your taxable income. For more information about commuter benefits, please see the Benefits Handbook posted on www.88sears.com.

For 2015, your commuter benefit options—transit and parking—will remain the same. What's changing is how you enroll, change, and manage your participation. Beginning January 1, 2015, commuter benefits administration will be transferring from WageWorks to Aon Hewitt. That means you'll be able to access your benefit through Your Spending Account™ (YSA), which is available through Your Benefits Resources (YBR)—the same site you use to access your medical benefit information during Annual Enrollment and at other times throughout the year.

Here's what will happen during the transition.

Your Current WageWorks Account:

- Will be discontinued following December 31, 2014. This is the last date you will be able to use your current commuter card and file your parking “pay me back” claims for 2014.
- Will be emptied. If you have not fully spent all funds by this date, you will receive a refund of any post-tax money still available in your account. Any pre-tax funds will be credited back to Sears Holdings.

Your New YSA Account:

- Will need to be set up by you. You can access commuter benefits by visiting YBR and “unlocking” the commuter benefits page during Annual Enrollment. You can start to purchase commuter benefits on November 17, 2014 for January 2015. After that, monthly elections must be made by the 10th of the prior month (i.e., election by December 10 for coverage beginning January 1, with the same process each subsequent month).

*For associates in the San Francisco Bay Area, Sears Holdings Corporation's commuter benefits program is compliant with the Bay Area Commuter Benefits Program (Air District Regulation 14, Rule 1).

Employee Assistance Program—Introducing New Enhancements to Worklife Solutions

Worklife Solutions, your Employee Assistance Program, is excited to announce the addition of free in person or face-to-face counseling sessions to the variety of services available to you and your household members.

Effective January 1, 2015, you will have access to up to three in-person counseling sessions with a licensed counselor to address personal development interests, relationship problems, chronic illness and quality of life changes, emotional well-being needs, or family matters. Televideo capabilities are available should you wish to work with a counselor in this manner as well (subject to state regulations).

As a reminder, Worklife Solutions currently provides the following services to you:

- > Telephonic counseling services
- > Child and elder care assistance, research, and referrals
- > Legal assistance such as developing a trust or will
- > Financial support such as budget planning or debt consolidation
- > Day-to-day services like finding landscaping services, house cleaning services, or a plumber
- > Website with monthly wellness webinars and articles on a variety of topics

Remember there is no cost to you as the associate or your family members, and it's completely confidential. Worklife Solutions is available whenever you are, 24 hours a day, 7 days a week, either by phone (**800-424-4732**) or online. You can access the website at **www.mylifevalues.com** (User Name: Sears; Password: 8004244732).

Savings Plan (401(k))—Be Sure to Double Check Your Contributions

The Sears Holdings Savings Plan is a tool to help you build savings for retirement and other long-term financial goals. Once you complete the eligibility waiting period, you can elect to contribute a percentage of your pay to your account under the Savings Plan at any time. Eligible associates can start making contributions as of the first day of the third month following their date of hire.

To take advantage of this savings opportunity, contact the Sears Holdings Benefits Center at **1-888-88sears**, or go to

Your Benefits Resources before, during, or after Annual Enrollment. This year, for associates who don't currently contribute to the Savings Plan, you will see an opportunity to choose a contribution percentage toward the plan at the same time you elect your other health and insurance benefits. Check it out!



Enrollment Action Steps and Checklist

Annual Enrollment begins October 15 and ends October 29, 2014. You can enroll online through Your Benefits Resources through October 29. If you have questions or need assistance, call the Sears Holdings Benefits Center.

Remember!

- **For continental U.S. associates**—you must actively enroll in a medical plan during Annual Enrollment or you will not have medical or prescription drug coverage for 2015.
- **For all associates**—you must actively enroll in dental or vision coverage, and/or flexible spending accounts or a health savings account or you will not have benefits in these areas for 2015. You must also “refresh” your spouse/ domestic partner surcharge and tobacco credit elections.

Before You Enroll

- ✓ **Check out the Make It Yours website.**
Visit www.88sears.com, if you’re eligible for the Aon Active Health Exchange and want to review the medical options and insurance companies available to you.
- ✓ **Confirm your user ID and password for the Your Benefits Resources website.**
This is especially important if it’s been a while since you visited the site. Go to www.88sears.com TODAY, select “Enroll/View/Change Coverage at Your Benefits Resources” and log in to ensure you have your user ID and password.
- ✓ **Register your personal email address at Your Benefits Resources.**
This way you won’t miss out on important benefits messages. Go to www.88sears.com and select “Enroll/View/Change Coverage at Your Benefits Resources.” Once you’re on the Your Benefits Resources website, go to “Your Profile” in the upper right and choose the link for “Personal Information.”

> IMPORTANT NOTE!

It’ll now be easier to verify your newly enrolled dependents. We’ve heard your requests for a simpler process. Starting in October, you’ll now be able to upload dependent verification documents directly to Your Benefits Resources. While you’re at it, be sure to add or change your beneficiary information if necessary. That way those you designate will be able to legally receive benefits on your behalf, if needed. Verify Savings Plan beneficiaries through Your Benefits Resources and life insurance beneficiaries through Prudential.

During Enrollment

✔ **Review your coverage options and costs on the Your Benefits Resources website.**

Go to **www.88sears.com** and select “Enroll/View/Change Coverage at Your Benefits Resources.” Pay close attention to your medical costs, and compare your 2015 prices to the paycheck contributions you’re making now.

✔ **Consider all insurance carriers and levels to minimize increases to your medical cost.**

If you’re a continental U.S. associate, you may want to consider another insurance carrier or “buying down” to a different coverage option (for example, Gold to Silver). **It’s especially important for you to thoroughly review and actively choose your medical plan during Annual Enrollment. Otherwise, you will not have medical or prescription coverage for 2015!**

✔ **Take a close look at all of your available benefits for 2015.**

Whether it is the first look at the new vision and commuter benefits as part of our core platform, or a review of the dental, Health Savings Account, flexible spending accounts, or the Sears Holdings Savings Plan offered in the past, decide what is right for you and your family.

✔ **If you currently participate in a flexible spending account (FSA), note that you will now be able to carryover up to \$500 into your account for 2015.**

Please note you will still need to actively elect your FSA contributions as part of Annual Enrollment if you want to contribute to an FSA in 2015. If you currently participate and plan to continue, please do not throw away your current debit card. Keep it to use in 2015.

After Enrollment

- ✔ **Review your confirmation statement, which will be available in your Secure Participant Mailbox by November 19th.** If you have an email address on file, you'll receive an email to let you know when the document is available. Make sure your confirmation statement accurately reflects the elections you made during Annual Enrollment.
- ✔ **Check out the Make It Yours website on www.88sears.com.** Exchange-eligible associates will find helpful tips to get ready for their 2015 medical coverage—whether it's planning an annual visit with the doctor or remembering to use a flexible spending account or Health Savings Account debit card.



> IMPORTANT NOTE!

Unless you change insurance carriers or coverage levels during Annual Enrollment, you will not receive a new medical ID card. Please keep your current card for use during 2015.

Aon Active Health Exchange, Your Benefits Resources, and Your Spending Account are trademarks of Hewitt Associates LLC.

This newsletter is intended to summarize your Sears Holdings Corporation medical benefit options as you choose and use your benefits. It is neither a legal plan document nor an agreement for continued benefits or employment. If there are any differences between the information presented in this newsletter and the legal plan document that governs each benefit plan, the legal plan documents will govern. Sears Holdings Corporation (including its affiliates) reserves the right to change or terminate any or all benefit plans at its direction.

SEARS HOLDINGS

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BENEFITS News >

Get Ready for a Benefits
Reboot with Sears Holdings
Annual Enrollment
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