

Q&A for 2019 Benefits

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1/8/2019

Reminders:

- **Active Enrollment for 2019:** You must enroll for benefits in Workday if you want coverage in Medical, Dental, Vision, Hospital Indemnity, Supplemental AD&D plans and/or to contribute to Health Savings Account or Dependent Care FSA in 2019. **You have between 11/5-11/16 to make your benefit elections.**
- **New Carriers** – BCBSNC for medical, Delta Dental of NC for dental, EyeMed for vision, Connect Your Care for HSA & Dependent Care FSA
- **Medical** – if a spouse **is eligible** for medical coverage through their employer, they cannot be covered under Belk's medical plans.
- **HSA/FSA** – if you have a balance in a Belk-Sponsored HSA or Dependent Care FSA at Bank of America, those amounts will be unavailable to use between 1/21/19 – 2/7/19. This is the blackout period necessary to move your money from BOA to our new administrator, Connect Your Care. Your total balance will be available at Connect Your Care by 2/8/19.
- **HSA/FSA** – if a spouse elects to contribute to a Health Care FSA (HC FSA) plan with their employer, the Belk associate cannot contribute to or use funds from a HSA plan. IRS regulations prohibit married couples from using both plans. You can still have a high deductible plan but you cannot contribute to or use funds from a HSA. The reverse is also true. If the Belk associate first contributes to a HSA, their spouse cannot contribute to a HC FSA with their employer. If you are ineligible to contribute to your HSA account, but are eligible to receive seed and/or wellness incentives, reach out to HR Shared Services to receive these payments through payroll.
- **Critical Illness, Accident, and Hospital Indemnity Plans** – Full-time Belk associates can sign up for these plans and not be covered under the Belk medical plans.
- **Auto/Home/Pet insurances** – must enroll through MetLife and you will be billed once a month directly from MetLife.

Q&A

Enrollment

1. How do I enroll?	Visit Mybelkbenefits.com , to find decision assistance tools and all of the information needed to enroll in your benefits for 2019. There is an enrollment icon on the site that will lead you to Workday for the actual enrollment.
2. Do I have to enroll?	<ul style="list-style-type: none">• Part-time associates who currently have dental and/or vision coverage have to re-enroll.• Full-time associates who currently have medical, dental, vision, HSA, dependent care FSA, legal, or would like hospital indemnity, have to enroll in these plans for 2019. All other elected benefit coverages will remain the same.• All associates are encouraged to review and update their personal information (e.g., address, email, phone number).

Medical

1. Will Belk continue to offer three medical plans? Why is Belk offering three medical plans?	Yes. We will continue to offer our associates three choices for their medical coverage, allowing our associates to select appropriate coverage to best suit their needs. Belk will again offer Basic, Standard, Premier: three high deductible plans for associates. Each plan will have its own deductible and out of pocket maximums. The higher the deductible, the lower the premiums. The plans will be complemented with a HSA to help cover the out of pocket costs incurred under the higher deductible. Medical coverage in 2019 will change from UHC to Blue Cross Blue Shield NC (BCBSNC).
2. Will my doctor(s) take BCBSNC for insurance?	BCBSNC has approximately 96% of all doctors and hospitals in the US under contract. You can contact your physician(s) directly to see if they participate with BCBSNC. You may also call the BCBSNC customer service line 1-800-422-2717, which is available to Belk associates starting 11/5/18.
3. I am currently receiving care for a medical condition. What if my physician or facility does not take BCBSNC after 12/31?	Please call the BCBSNC customer service line 1-800-422-2717, available to Belk associates starting 11/5/18, to discuss a transition plan.
4. Are the medical plan premiums increasing?	<ul style="list-style-type: none">• The premiums for the Premier Plan are going up by approximately 3%.• The premiums for the Standard Plan and the Basic Plan will not increase for 2019.
5. Will Belk continue to offer BridgeHealth, an optional Non-Emergency Surgery benefit.	No. We are terminating our contract with BridgeHealth on November 30, 2018. BCBSNC offers high quality non-emergency surgery services in specialized centers of excellence. Additional information about BCBSNC program will be available in December.
6. Will Belk continue to offer seed money in 2019 and when will I receive it?	Yes. Depending on the medical plan that you select and the level of coverage, Belk will deposit seed money into your HSA on a quarterly basis. To receive seed money, you must be actively employed with Belk and actively enrolled in our medical plan at the time of funding. Full-time associates hired during 2019 will receive prorated seed money based on the time of year they are hired. For example, if a new associate is hired and enrolled in a Belk medical plan by March, they would be eligible to receive three seed deposits (25% of the annual seed amount in April, 25% in July, 25% in October). Associates hired after October would not receive seed money or wellness incentives during 2019.

Q&A

Health Savings Account (HSA), Dependent Care FSA

1. I enrolled in Medicare, can I contribute to an HSA? How do I get my seed or wellness incentives?	<ul style="list-style-type: none">• No, per IRS guidelines, once enrolled in Medicare (Part A &/or B), no new contributions can be made to your HSA. This means no contributions from you, nor from Belk.• Take Action: 1) Notify HR Shared Services of your Medicare entitlement to receive your seed money and wellness incentives through your paycheck. 2) Visit Workday to stop your contributions to your HSA.• While you may not be eligible to contribute to an HSA, you may be eligible to use existing HSA balances tax-free for new healthcare expenses, which is one reason an HSA is a great retirement savings tool.
2. How will my HSA or Dependent Care FSA get to our new administrator, Connect Your Care?	Belk is coordinating the transfer of accounts at Bank of America to Connect Your Care. For the first few weeks of January 2019, you will have access to your BOA account and your CYC account. There will be a blackout period required to move the accounts from BOA to CYC. During the blackout period, you will not have access to your balance(s) at BOA. You will continue to have access to your balances at CYC, there is no blackout period for money deposited directly to CYC. The blackout period begins 1/21/19 and ends on 2/7/19, with your total available balances accessible at CYC by 2/8/19.
3. My BOA HSA has investments, what do I need to do?	Nothing. On 1/21/19 , BOA will liquidate any investments to cash in preparation for moving all account funds to CYC. Once your money is available at CYC, balances above \$1,000 may be invested in CYC's investment options.
4. I have not requested reimbursement for all of my 2018 dependent care expenses, what is my deadline and who do I contact?	<ul style="list-style-type: none">• You have until 3/31/19 to file your 2018 dependent care expense reimbursements. Until mid-January, you can request reimbursement from BOA and after 2/8/19, contact CYC for your 2018 dependent care expense reimbursements.• Your 2019 payroll deductions will go directly to CYC and there is no blackout period for those funds, you can request reimbursement from CYC for your 2019 dependent care expenses as long as there is sufficient money in your account.
5. I plan to use all of my HSA funds in 2018, will my account move to CYC?	<ul style="list-style-type: none">• No, any account with a balance of \$0.00 will remain active at BOA. BOA will not charge their monthly service fee for zero balance accounts. BOA will monitor these accounts for a period of 18 months prior to closing inactive accounts.• If you are or become eligible for a HSA after 2018, an account will be opened at CYC on your behalf.

Wellness Incentives

1. When do I receive my wellness incentive if I complete the required screenings and testing?	<ul style="list-style-type: none">• Associates that complete wellness activities by the end of the current month will receive their incentive by the end of the following month. There is a menu of wellness activity options available, please visit our website for more details.• Please remember all activities and forms must be completed and/or submitted by 9/30 to receive an incentive. You must be actively employed by Belk and enrolled in our medical plan at the time incentives are funded.
2. As a non-tobacco user, how do I receive a premium discount?	When you go through open enrollment you will simply indicate that you are a non-smoker. The premium discount will automatically be applied as a result of your declaration.
3. How do I sign up for tobacco cessation?	Call QuitlineNC at 1-844-8NCQUIT (1-844-862-7848). Please note that you must be enrolled in one of our medical plans and a tobacco smoker to be eligible for this program.
4. How does QuitlineNC affect my premiums?	If you participate in tobacco cessation program, you can receive the discounted premium by confirming you are no longer a tobacco user. Successful completion of the tobacco cessation program earns up to \$200 of wellness incentives.

Q&A

Dental	
1. I understand that we have a new dental provider. Who is it?	Delta Dental will be our new dental provider for both full-time and part-time associates beginning January 1, 2019. Delta Dental has an extensive US network of participating dentists. If you use a Delta Dental dentist, you will see additional savings.
2. Do we have more than one plan to choose from?	Yes. You can choose the High Plan or the Core Plan. Other than premiums, the primary differences between the High and Core plan are the High Plan offers orthodontia coverage, lower deductibles, higher % payouts and has a higher annual maximum. The premiums and plans will be the same for both full-time and part-time associates.
3. When will receive my new cards?	Those who enroll in dental through Open Enrollment should receive new cards prior to January 1.
Vision	
1. I understand that we have a new vision provider. Who is it?	EyeMed will be our new vision provider for both full-time and part-time associates beginning January 1, 2019. EyeMed utilizes over 9,000 retail locations in the US. Their network includes Target, Lens Crafters and Sears. They offer a wide variety of lens and frames for your selection.
2. Do we have more than one plan to choose from?	There is only one plan for 2019. The vision plan is the same and has the same premiums for full-time and part-time associates.
3. Will I receive cards from this vendor? If so, when?	If you enroll in the vision plan during Open Enrollment, you will receive a vision card from EyeMed by January 2019.
Life Insurance	
1. Are there any changes to the life insurance program for 2019?	Belk will now provide full-time associates with Basic Accidental Death and Dismemberment (Basic AD&D) coverage for the same amount of coverage they have with Basic Life. For example, if you have annual pay of \$40,000, you will have \$40,000 of Basic Life and \$40,000 of Basic AD&D of coverage. The Supplemental Life Insurance Plan and the Supplemental AD&D Plan (formerly known as Personal Accident Insurance) will remain the same. Associates can still purchase supplemental life insurance for their spouse and children.
2. Do I have to provide evidence of insurability to increase my coverage?	Yes, any increase in coverage requires evidence of insurability.
3. If I provided evidence of insurability last year when I increased my life insurance coverage, do I have to provide it again this year?	Yes, if you are increasing your current coverage amount.

Q&A

Disability	
1. Have we made any changes to the Short Term Disability Plan?	No. Belk provides full-time associates with short-term disability coverage that would pay you 60% of eligible earnings if you have a STD claim. For non-maternity related disability claims and once your claim is approved, you will receive benefits for the period of time you are disabled (max 12 Weeks), starting on the 8 th calendar day of being disabled. You can use available PTO to cover the elimination period (first 7 days of disability).
2. How will I receive my STD benefits and what happens to my other benefits?	Once your claim is approved by Liberty Mutual (Lincoln Financial Group), your Belk paycheck will resume at 60% of your eligible earnings (less the elimination period unless covered by PTO). This paycheck will consist of your gross pay, less Federal and State taxes. Your benefits will be paid on the same bi-weekly payroll schedule and the following deductions will be withheld: <ul style="list-style-type: none">• Federal and State taxes• Benefit premiums• 401(k) deferrals (deferral participation can be adjusted at any time)• Voluntary deductions (participation can be adjusted at any time)
3. Are there any changes to the Long-Term Disability Plan?	<ul style="list-style-type: none">• No. There no changes to the LTD Plan. If you have been paying premiums, the LTD Plan will pay up to 60% of eligible earnings if you are disabled after your first 13 weeks of disability. If you are permanently disabled, LTD benefits will continue until your normal retirement age.• If you did not sign-up for LTD at last years Open Enrollment or when you were hired in 2018, you can elect to sign up for 2019 but you will have to provide Evidence of Insurability before you are eligible for coverage.
Parental Benefits	
1. How do I receive maternity leave?	<ul style="list-style-type: none">• Our maternity policy provides 100% of eligible earnings for six weeks for both hourly and salaried associates and eight weeks if a C-section is required.• A few months prior to your anticipated leave, contact Liberty Mutual (Lincoln Financial Group) to start your maternity claim. They will provide you with paperwork for your doctor to fill out and return to Liberty Mutual (Lincoln Financial Group).• Speak with your manager about the amount of time you plan to take for your leave. Maternity benefits run concurrent with FMLA, therefore, time taken as maternity leave counts toward your 12 weeks of FMLA leave.
2. What do I need to do to take two weeks of paternity leave?	Speak with your manager to gain approval for the paid time off. You may take the two continuous weeks within the first 12 months following the birth or adoption of your child. The hours will be recorded as time off for paternity leave. This leave is outside of the PTO bank.
3. It takes several weeks to finalize an adoption. What time off may I take for this?	Our adoption benefit is designed to assist parents with time away following the adoption process. An associate may take up to two continuous weeks of paid time off (unless stipulated differently based on state laws) during the first 12 months following the adoption of your child. This leave is outside of the PTO bank.
4. How do my Parental benefits coordinate with FMLA?	Parental benefits run concurrent with FMLA. For example, if you use two weeks of adoption leave, that will count toward your 12 weeks of FMLA leave.

Q&A

Paid Time Off

1. Are there any changes to the PTO program for 2019?	Yes. Starting in 2019, there is no waiting period for new hires (full-time or part-time). Those associates hired in the months before 2019 will begin accruing 1/12 th of their annual PTO on January 2019.
2. What happens if I don't use all of my PTO time by the end of the year? Will those days be rolled over?	Rolling earned but unused PTO from 2018 to 2019 is currently under review.
3. Do I use my PTO bank when I need a sick day?	Yes. Consider the PTO bank to be a combination of sick, vacation, and personal time off. There are no separate sick and vacation policies.
4. I'm hiring a new associate; when will she be eligible for PTO?	Immediately, there is no longer a waiting period to use PTO. New hire PTO time will be prorated based upon date of hire, but the PTO time may be used at any time as approved by an associate's manager.
5. How is my PTO accrued each year?	Once hired, your PTO begins accruing on a monthly basis and you will be eligible for a prorated amount of your annual PTO, based on your date of hire. For example, if you are hourly and join Belk on February 1, you will be eligible for PTO on February 1 and, each month, you will accrue 1/12 th of your annual PTO for 11 months. Beginning on January 1 of the following year, you will have access to your full annual PTO.
6. I need to go to the doctor and it will take two hours. Do I use PTO for the doctor's visit?	Yes. Your PTO bank is denominated in hours. You would simply report two hours of use against your PTO bank for this doctor's visit.
7. What happens when all of my PTO time is used and I need a sick day.	Unpaid time is used once grandfathered sick time and PTO days are exhausted.
8. I have some accrued sick time as a result of my long service. Will this be carried over?	<p>For all associates, any amount of unused sick time as of December 31, 2016 will be available and frozen as of January, 1 2017. No further sick time will accrue. These frozen sick time hours are available to use for sick or disability time. You must report this time as "sick time" or it will be charged against your PTO bank.</p> <ul style="list-style-type: none"> • Corporate Hourly, and all Store/DC/FCs Associates will retain their sick time balance until it has been exhausted; • Corporate Salaried Associates' and associates whose classification changes from salaried to hourly must use this frozen sick time balance by 12/31/2017. • You may be eligible to use your remaining sick time while on a leave of absence. • The sick time balance does <u>not</u> pay out if you terminate employment.
9. Specifically describe the years of service tiers within the PTO bank.	A new associate is in the first tier of PTO (e.g. 20 days) from the first day of employment until his or her 5 th anniversary date. At the beginning of the next month, he or she goes to the next tier of PTO (e.g. 25 days). The second tier of service is from that point until the 10 th anniversary date. The third tier begins on the month following the 10 th anniversary date.

Q&A

Paid Time Off

10. What happens if I use more of my PTO hours than I have accrued?	If you use more hours than are currently accrued (e.g. someone uses 10 days in February for a long vacation even though only less than two days are accrued), your PTO bank will have a “negative” balance. As long as this balance is brought to zero or positive by year end through the ongoing accrual, there is no impact. If an associate leaves with a negative balance, the negative amount will be deducted from final pay.
11. Will the deadline to take PTO be consistent across the company or will it vary by Division / Region / Stores.	Business needs will influence when an associate is able to take PTO. The deadline for taking PTO is a local issue that is determined within the division or business unit. If an associate is sick after any division or business unit deadline, the associate would still utilize PTO time only if you had exhausted all PTO hours and had rolled over sick time if applicable.
12. Will I still have personal days?	Yes. At corporate, Belk associates receive seven holidays; six of these are taken on the holiday and there is one personal holiday. In the stores and DCs, the number of holidays and personal holiday may vary but associates will have seven days for personal use. These personal holidays are outside of the PTO bank.

Dependents

1. Will there be a dependent eligibility audit during 2019?	Belk reserves the right to audit dependent eligibility at any time.
2. What are the age restrictions for my dependents? Is the age 26 limitation across all plans?	<ul style="list-style-type: none">• Dependents aged 26 or older cannot be covered under our medical, dental, vision, accident, critical illness, hospital indemnity plans. Any dependents covered by these plans will be automatically dropped once they turn 26.• HSA: for eligible HSA expenses, a tax dependent is eligible until reaching age 19 (or if a student, age 24)• DCFSA: a) eligible dependents include children under age 13; b) any person who is mentally or physically incapable of caring for themselves (child, parent, etc.) who has lived with associate for more than 6 months.• Supplemental Child Life: at least 14 days old, under age 19, unmarried, and supported by you; or under age 25 and a full-time student. Since associates can cover more than one child on our child life plans, associates will need to actively remove child coverage if their only covered child turns 26.

Other

1. How is imputed income tax paid?	You may be subject to imputed income tax if your basic life insurance coverage exceeds \$50,000 or if you are covering a domestic partner or a domestic partner’s dependent(s) on Belk’s medical plan. If either, or both, situations apply to you, your imputed income tax will be calculated by Belk and withheld from your paycheck, like normal payroll taxes.
2. Can I suspend benefits while on a leave of absence (LOA)?	No, benefit coverage is not suspended for any event. If you need to go on a leave of absence, please reach out to Liberty Mutual (Lincoln Financial Group) and work with them in coordinating the details of your leave.
3. As a Belk associate, am I eligible for discounts on gym memberships?	<ul style="list-style-type: none">• Yes, visit www.belk.benefithub.com for discounts on a variety of services, products, memberships, etc.• If you are enrolled in a Belk medical plan and covered by BCBSNC, visit bcbsnc.com/blue365 to access their exclusive discount program. You will need to provide your BCBSNC member ID (found on your BCBSNC insurance card) and a valid email address to register.