



Domestic Partner Enrollment Kit

Domestic Partner Benefits Overview

As you know, Belk is a company that cares about its people. The success of the company over the years is a direct result of the dedication and service of its associates. Belk provides a competitive compensation and benefits package, and we are constantly looking for ways to improve our offerings in order to recruit and retain the brightest talent in our industry. Providing domestic partner benefits is just one of the ways Belk strives to support our associates and offer competitive benefits. Coverages for Medical, Dental, Vision, Critical Illness, Accident, Hospital Indemnity, Dependent Life, and Supplemental Accidental Death & Dismemberment Insurance Plans are available to domestic partners.

Eligibility Requirements

Associates are eligible to enroll their domestic partners in the benefit plans for which the associate is also eligible and enrolled.

Within 31 days of electing benefit coverage, an associate and their domestic partner must provide:

1. signed and notarized Affidavit of Domestic Partnership (Affidavit) **and**
2. required documentation found in the Documentation Requirements section that follows.

Requirements for Domestic Partnership

To obtain coverage for your domestic partner, you and your partner must:

- Have been in an exclusive, committed relationship for at least 12 months with the intent to remain so indefinitely,
- Be at least 18 years old and mentally competent to consent to contract,
- Not be legally married to, or the Domestic Partner of, another person under either statutory or common law,
- Not be so closely related that marriage would be otherwise prohibited,
- Reside together in the same residence and intend to do so indefinitely, and
- Prove that you are financially interdependent by providing qualifying documents and signing the Affidavit.

Eligibility for Children

If your eligible domestic partner has children, they are eligible for benefits as long as they meet the eligibility standards for qualified dependent children, with respect to the domestic partner, as defined in the Belk Summary Plan Description for the children of an associate. You must list these dependents on your completed Affidavit in order for them to be considered for coverage.

Documentation Requirements

1. To be considered for domestic partner benefits, you and your domestic partner must sign and notarize the Affidavit, confirming that your partnership meets all eligibility requirements. The Affidavit can be found in this packet.
2. You and your domestic partner must be financially interdependent. Therefore, you must provide at least **three** forms of the following documentation with the Affidavit, demonstrating at least two of the requirements:

Requirement	Required Documentation (pick three)
Must have common or joint ownership/lease of a residence	<ul style="list-style-type: none"> • Lease agreement signed by you and your domestic partner • Title, deed, or joint mortgage listing you and your domestic partner
Must be the primary beneficiary for life insurance and retirement contracts	<ul style="list-style-type: none"> • Signed life insurance contract naming your domestic partner as the primary beneficiary • 401(k) statement listing your domestic partner as the primary beneficiary
Must have designated partner as primary beneficiary in will	<ul style="list-style-type: none"> • Copy of legal will indicating domestic partner as primary beneficiary
Must have designated partner for durable property and/or healthcare power of attorney	<ul style="list-style-type: none"> • Legal form signed by you, designating power of attorney to domestic partner
Must have joint ownership of motor vehicle, bank account or credit account	<ul style="list-style-type: none"> • Joint vehicle ownership as shown by either a joint vehicle title with you and your domestic partner as owners or vehicle insurance documentation showing you and your domestic partner as joint owners of the vehicle • Bank statements listing you and your domestic partner as joint owners or a credit account showing you and your domestic partner as joint creditors

Enrollment Process

You must be eligible for and enrolled in Belk Medical, Dental, Vision, Critical Illness, Accident, Hospital Indemnity, Dependent Life, and/or Supplemental Accidental Death & Dismemberment Insurance Plan(s) before you can enroll your domestic partner and/or your partner's child(ren). **Within 31 days of electing benefit coverage**, an associate and their domestic partner must provide the signed and notarized Affidavit of Domestic Partnership (Affidavit) **and** required documentation found in the Documentation Requirements section that follows.

You may enroll for domestic partner benefits in the following ways:

1. Belk associates may enroll for domestic partner benefits during Open Enrollment each year. Benefits will become effective January 1 of the following year, subject to approval of Affidavit and required documentation.

2. New Belk associates may enroll for benefits upon hire. Coverage for eligible domestic partners will be effective once enrolled, subject to approval of Affidavit and required documentation.
3. Associates may enroll for benefits within 31 days of a qualified family status change. Coverage for eligible domestic partners will be effective once enrolled, subject to approval of Affidavit and required documentation.

Examples of qualified family status changes involving domestic partners include:

- Associate is in a domestic partnership that has just met the 12 month requirement,
- Eligible domestic partner loses health coverage at his or her employer because he or she has been terminated from employment or changes from full-time to part-time or part-time to full-time, or
- Eligible domestic partner has or adopts a child.

How to Enroll Your Domestic Partner:

1. Read this packet and familiarize yourself with the eligibility requirements and enrollment process. If you qualify to add your domestic partner and/or your partner's child(ren), elect the proper coverages in Workday.
2. Sign the enclosed Affidavit (pages 5 and 6) and have it notarized.
3. Collect the required documents (at least 3) and attach to the signed and notarized Affidavit.
4. Make a copy of the Affidavit and required documents to keep for your records.
5. Send Affidavit and required documents via email or fax to: **Email:** HRSharedServices@belk.com
Fax: 704.329.0968 **Attn:** Benefits

For questions regarding your benefits and/or benefits enrollment process, please contact Belk HR Shared Services at 1-800-588-3700 between 8:00 AM and 5:00 PM EST.

Costs

Adding a domestic partner and/or domestic partner's child(ren) to your Medical, Dental, Vision, Critical Illness, Accident, Hospital Indemnity, Dependent Life, and/or Supplemental Accidental Death & Dismemberment Insurance Plan(s) costs the same as adding a spouse to these plans, but with added tax implications. A more detailed summary of the benefit coverage premiums is located in your benefits materials available each year prior to Open Enrollment or by going online to www.mybelkbenefits.com.

Tax Implications

Issues to Consider

Typically, the portion of premiums associates pay for coverage under the Medical, Dental, Vision, Critical Illness, Accident, Hospital Indemnity, Dependent Life, and/or Supplemental Accidental Death & Dismemberment Insurance Plan(s) of an associate, spouse, or child of an associate, are deducted from their paycheck on a pre-tax basis; meaning that no taxes are paid on dollars put toward these plan coverages. However, domestic partners are not recognized as spouses under federal law. For this reason, **the portion of premiums paid by a Belk associate for a domestic partner, and/or for dependent(s) of a domestic partner, will be deducted from paychecks on a post-tax basis.**

Additionally, unless a domestic partner is considered the dependent of an associate for tax purposes under Sections 105(b) and 152 of the Internal Revenue Code, the Internal Revenue Service treats the portion of the domestic partner premium paid by Belk as part of the associate's gross income. This amount is added ("imputed") to the associate.

Imputed Income

As you know, Belk pays for part of the cost of your medical coverage. The amount that Belk covers combined with your own contribution to providing healthcare coverage for your domestic partner are the same as they would be for covering a spouse. However, you will pay taxes on the value of Belk's subsidy for covering your domestic partner, and/or for dependent(s) of a domestic partner. The only exception to this rule is if your domestic partner, and/or for dependent(s) of a domestic partner, qualifies as your tax dependent(s) for purposes of Sections 105(b) and 152 of the Internal Revenue Code.

Under current law, if you receive coverage for a domestic partner, and/or for dependent(s) of a domestic partner, who is not your tax dependent, the value of that person's medical coverage *less* what you paid (on an after-tax basis) for that coverage is taxable to you. This difference works out to be the amount that Belk pays to provide coverage for your domestic partner, and/or for dependent(s) of a domestic partner. The amount is treated as income to you and is subject to federal income taxes and FICA. Additional income shown on your payroll statements throughout the year is subject to withholding and will be reported on your Form W-2 at the end of each year. However, the additional income will not be included when calculating other Belk benefits, such as life insurance.

The example on the following page illustrates the effect that enrolling for domestic partner benefits can have on your pay. Costs shown in the example are estimates and are for illustrative purposes only.

Imputed Income Example

Let's assume that Jamie is a full-time active employee, earning \$850 per bi-weekly pay period. Jamie and her domestic partner meet all eligibility requirements and their signed Affidavit of Domestic Partnership has been approved. Jamie has elected Associate + Spouse coverage under Jamie's employer medical plan to cover herself and her domestic partner. They are both non-smokers.

Jamie's contribution for the Associate + Spouse coverage is \$227, which consists of \$77 for Jamie's coverage and \$150 for her domestic partner's coverage. In addition, Belk pays \$435 for the coverage, which consists of \$212 for Jamie and \$223 for her domestic partner.

Under federal tax law, the value of the domestic partner coverage less what Jamie pays for it (on an after-tax basis) is taxable to Jamie and is the same amount that Belk provides for the domestic partner coverage. Assuming Jamie's federal tax rate is 25% (your tax rate may differ), here is what the effect of electing coverage for her domestic partner will have on her pay:

Jamie's bi-weekly pay	\$850.00	
Less Jamie's contribution for employee coverage (before tax)	- 77.00	
Plus Belk's contribution for domestic partner coverage (i.e. imputed income)	<u>+ 223.00</u>	<i>This is Jamie's imputed income being added so that tax can be calculated on it.</i>
Equals Jamie's taxable income	\$996.00	
Less federal taxes at 25%	- 249.00	
Less Belk's contribution for domestic partner coverage (i.e. imputed income)	- 223.00	<i>This is Jamie's imputed income being taken out since it is not real income.</i>
Less Jamie's premium for domestic partner coverage (after-tax)	<u>- 150.00</u>	<i>Remember, the premium you pay for DP coverage is taken on an after-tax basis.</i>
Equals Jamie's take-home pay*	\$374.00	

*Assumes no other deductions

Common Questions about Domestic Partner Benefits

Why is Belk providing domestic partner benefits?

Belk is proud to be an equal opportunity employer and strives to meet the needs of associates, regardless of gender, race, age or sexual preference. In an effort to recruit and retain the top talent in the retail industry, Belk must remain competitive, not only with our products and services, but with the talent of our associates. As you know, Belk is a company that cares about people. The success of the Company over the years is a direct result of our associates.

What are acceptable means of proving a legitimate domestic partnership?

The domestic partnership must meet all of the eligibility requirements outlined in the Required Documentation section of this packet and the Affidavit of Domestic Partnership. Additionally, associates and their domestic partners will be asked to complete the Affidavit of Domestic Partnership, which certifies that both parties meet the eligibility requirements.

Are all Belk benefits available to domestic partners?

Same-sex and opposite-sex domestic partner benefits with Belk became available January 1, 2018. Belk will be providing coverage for all eligible domestic partners for the Medical, Dental, Vision, Critical Illness, Accident, Hospital Indemnity, Dependent Life, and/or Supplemental Accidental Death & Dismemberment Insurance Plan(s). As always, Belk continuously reviews the benefits available to employees to ensure that the Company is meeting associates' needs. Belk reserves the right to add and/or amend the current benefit package at any time, in order to provide for associates' needs.

Are there additional terms and conditions that apply to the Belk benefits?

Yes, the terms and conditions of these Belk benefits are described in more detail in the plan document for each such benefit. This enrollment kit is intended to provide only a brief summary of these terms. In the event of any conflict between the terms of this enrollment kit and the terms of the plan document, the plan document will control.

Termination of Domestic Partnership

In the event that your domestic partnership ends, associates must notify the Belk Benefits Center HRSharedServices@Belk.com or 1-800-588-3700 within 31 days after the end of the domestic partnership. You must sign a Statement of Termination of Domestic Partnership, which can be found in this packet. The completed Statement of Termination must be sent to the Belk Benefits Service Center. Since this event qualifies as a family status change, you will also have the opportunity to make changes to your benefit coverage that are consistent with your family status change. Enrollment must be completed within 31 days after the end of the domestic partnership. Domestic partners and their children do not receive the same treatment under COBRA as a spouse or child of an associate. If the domestic partnership ends, coverage will no longer be offered to former domestic partners and their children.

Please be advised that not providing proper notification of termination of your domestic partnership could be grounds for disciplinary action and retroactive termination of benefits, as described in the Belk medical plan document.

Should your partnership dissolve, please fill out the following form and return to HR Shared Services within 31 days.



Affidavit of Domestic Partnership

I. Declaration

We, _____ and _____,
Associate Name (print) Domestic Partner Name (print)

certify that we are domestic partners in accordance with the following criteria and are applying for benefits coverage as domestic partners under Belk Benefits Program.

II. Status

1. We are in an exclusive, committed relationship and have been so for twelve (12) months or longer.
2. We are at least 18 years old and mentally competent to consent to contract.
3. We are not legally married to, or the Domestic Partner of, another person under either statutory or common law.
4. We are not so closely related that legal marriage would otherwise be prohibited.
5. We reside together in the same residence and intend to do so indefinitely.
6. We share financial obligations and are responsible for the welfare of one another. Our financial interdependence and shared obligation is illustrated by our providing three required documents to demonstrate two or more of the following five conditions. We have provided documentation to prove the following conditions are true (please circle):
 - a. Common or joint ownership of a residence. (Example: Lease, title/deed, mortgage)
 - b. One or both of us have designated the other as primary beneficiary for life insurance or retirement contracts
 - c. One or both of us have designated the other as primary beneficiary in our wills
 - d. Durable property and healthcare power of attorney
 - e. Joint ownership of motor vehicle, joint bank account, or joint credit account
7. We understand that as domestic partners we are subject to the same enrollment window period governing all associates who are covered by or applying for benefit plan coverage. A thirty-one (31) day limit on the enrollment period beginning on the date of the event applies to births, adoptions, and domestic partnerships.

III. Change in Domestic Partnership

8. We agree to notify Belk Benefits if there is any change in our status as domestic partners as certified in this statement which would make the domestic partner no longer eligible for benefits (for example, a change in joint-residence or if we are no longer each other's domestic partner). We will notify Belk within thirty-one (31) days of such change by filing a Statement of Termination of Domestic Partnership. The Statement of Termination shall affirm that the domestic partnership status is terminated as of its date of execution and that a copy of the Statement of Termination has been mailed to the other party by the domestic partner authorizing such action.
9. After such termination, I _____, understand that a
Associate Name (print)

subsequent Affidavit of Domestic Partnership cannot be filed until 12 months after a Statement of Termination has been filed with the Belk HR Shared Services Department.

IV. Acknowledgements

10. We understand that any false or misleading statements made in order to receive benefits for which we do not qualify may be subject to disciplinary action up to and including termination as well as other legal remedies.
11. We have provided the information in this statement for use by the Belk's Benefits Department for the sole purpose of determining our eligibility for benefits under Belk's Benefits Program. We understand the terms of Belk's Benefits Program will control if a conflict exists.

12. We have read the Domestic Partner Benefits Overview in its entirety and do not have any questions related to the process, including the requirements, verification process, and tax implications associated with applying for domestic partner coverage.

Associate Name (print)

Domestic Partner Name (print)

Associate Social Security Number

Domestic Partner Social Security Number

Associate Contact Phone Number

Domestic Partner Date of Birth

Associate/Domestic Partner Street Address

City

State

Zip

Dependent(s) of Domestic Partner

Please provide the following information about your domestic partner's dependent(s) who is/are to be enrolled in benefit plans. *(If additional lines are needed, please attach a separate sheet to this document)*

Domestic Partner Dependent Name	Date of Birth	Social Security Number
1) _____	____/____/____	____-____-____
2) _____	____/____/____	____-____-____
3) _____	____/____/____	____-____-____

Associate Signature

Domestic Partner Signature

Subscribed and sworn to before me on this _____ day of _____, 20____.

Notary Public: _____

Approved for Belk: Name: _____ Date: _____

Return all applicable documentation along with this Affidavit to:

Email: HRSharedServices@Belk.com

Fax: 704.329.0968

Attn: Benefits