

My Benefits. My Choice.

What's New for 2017

2017 FULL-TIME ANNUAL ENROLLMENT

2017 Annual Enrollment is October 17 to November 4, 2016. This year, Lowe's is continuing its commitment to your health with programs and tools to help you make the best choices for you and your family.

Outlined here are several considerations and exciting new updates to keep in mind as you consider your 2017 benefit elections. We encourage you to visit the [My Lowe's Benefits](#) site during Annual Enrollment and throughout the year for more information on plan designs, rates and offerings.

When to Enroll

This year's Annual Enrollment takes place October 17 to November 4, 2016.

Annual enrollment for 2017 is "passive," meaning employees are not required to re-enroll unless they would like to make a change. However, with the introduction of a new plan, this is a time for you to review the information provided and evaluate which plan is right for you and your family. In addition, you must affirmatively elect to participate in any of the following accounts: health care flexible spending account (FSA), dependent care FSA and health savings account (HSA). Annual pledges from 2016 FSAs and HSAs will not carry over to 2017.

If you'd like to make changes to your benefit elections or re-enroll in a savings account, click on the "[Enroll Now](#)" link on the My Benefits site. If you are not logged into My Lowe's Life, you will be prompted to enter your employee ID and password.

2017 MEDICAL BENEFITS: NEW CHOICES AVAILABLE

In addition to Option 1, Option 2 and Kaiser plan options (which will not feature plan design changes in 2017), there will be two consumer-driven health care options available in 2017: Choice Account—formerly our high-deductible health plan (HDHP)—and the new Choice Account Plus plan.

There will be no plan design changes for the Choice Account plan from our current HDHP plan.

Our new plan offering for 2017 is called Choice Account Plus. This plan offers you the same preventive care covered at 100%, just like our current HDHP, but with a lower deductible, better coinsurance, and an improved health savings account (HSA). The HSA will include an employer contribution up to \$260 per year for employee-only coverage or up to \$520 for family coverage.

Visit the My Lowe's Benefits website (via My Lowe's Life or www.mylowesbenefits.com) to learn more about our plan offerings so you can choose the right plan for you and your family.



2017 Annual Enrollment is October 17 to November 4. Review your benefits and enroll online.

You are not required to re-enroll this year unless you would like to make a change. However, you are required by law to re-enroll in the healthcare flexible spending account (FSA), dependent care FSA, and health savings account (HSA). The annual pledges from 2016 will not carry over to 2017.

2017 Enrollment Notes:

- Enroll online via Lowe's enrollment system, Empowered Benefits
- Take the tobacco-free pledge and receive a \$100.00 discount per month off the 2017 medical rates
- Review your confirmation statement on the Empowered Benefits site to verify your 2017 elections

REQUIRED SECOND OPINION SERVICE

Lowe's has had great success with our Centers of Excellence programs. As a result, we partnered with Grand Rounds to launch a second opinion service to provide eligible employees and their dependents with the ability to check an initial diagnosis, confirm treatment or learn more about a current condition at no cost and from the comfort of your own home. In addition, the second opinion service will be required for employees or eligible dependents who are recommended for a hip or knee replacement, or lumbar spinal surgery.

In 2017, if any member enrolled in Option 1, Option 2, Choice Account or Choice Account Plus plans does not utilize a Center of Excellence or obtain the required second opinion service through Grand Rounds prior to obtaining a hip or knee replacement, or lumbar spinal surgery, the member will be assessed a \$1,000.00 penalty.

Full-time employees and their covered dependents can contact the healthcare navigator listed on the back of their insurance cards (Accolade, Quantum or Optum) for additional information about the requirement. Employees can also enroll by visiting the [Grand Rounds website](#), calling 1-888-243-6643, or accessing the service on their mobile device through the Grand Rounds app (available for Apple and Android phones).

Full-time employees and their covered dependents enrolled in the Option 1 or Option 2 medical plan may receive no-cost knee and hip replacements, spinal care, or complex heart procedures if provided at one of Lowe's designated Centers of Excellence locations. Members enrolled in the Choice Account or Choice Account Plus plan may still be eligible to receive the procedures at a Centers of Excellence location, however those members are just required to pay the outstanding deductible. Call Health Design Plus at 1-877-230-0994 to learn more about eligibility requirements.

2017 PRESCRIPTION DRUG BENEFIT CHANGES

CVS Caremark will continue to be the pharmacy benefit manager for full-time employees and their families enrolled in the Lowe's medical plans, with the exception of those enrolled in a Kaiser HMO or Point of Service plan (Kaiser administers their own prescription drug plan).

Lowe's will continue using the CVS Maintenance Choice program for prescription drugs. In this program, employees must fill their maintenance prescriptions through mail order or at a CVS pharmacy, and will receive a 90-day supply at a discounted price.

If you are enrolled in the new Choice Account Plus plan, most preventive medications are provided at 20% coinsurance and bypass the deductible. For a list of these medications, please visit the [CVS website](#).

2017 DENTAL AND VISION PLANS

The full-time Dental and Vision plan designs will remain the same as in 2016. Employees currently enrolled in Dental or Vision in 2016 will remain in the same plan unless they make a change during 2017 Annual Enrollment.

VOLUNTARY PLANS

To provide better value for employees, several voluntary plans will experience plan design and vendor changes. In 2017, Accidental Death & Dismemberment (AD&D), and full-time life insurance (including basic life, employee term life, supplemental life, and dependent life) will be administered by MetLife instead of CIGNA. Employees' current 2016 enrollments will carry over to the new vendor for 2017 if they do not make any changes in the system. Employees may increase their supplemental life insurance from one to two times their annual pay or two to three times their annual pay without submitting Evidence of Insurability.

CIGNA will continue to administer the full-time short-term and long-term disability plans.

The Fixed Indemnity plan and Critical Illness plan, both administered by Allstate, have changes in 2017.

If you enroll in either the Choice Account or Choice Account Plus medical plans, you are now eligible to enroll in the Fixed Indemnity plan. The Fixed Indemnity plan provides protection by giving cash benefits to help you and your family cover the cost of hospital admission, confinement, and intensive care unit (ICU).

The Fixed Indemnity plan will offer:

- First day hospital confinement: \$500 one-time benefit amount
- Daily hospital confinement (Days 2-10): \$350/day
- Daily hospital Intensive Care Benefit (Days 1-10): \$350/day

The Critical Illness plan will have a few plan enhancements for 2017.

- All pre-existing conditions will be waived
- The recurrence benefit will increase from 50% of elected benefit to 100%
- The lifetime maximum benefit cap is removed
- In addition to receiving a \$500 benefit for being evaluated at a National Cancer Institute, you are now eligible to receive the same benefit for having a consultation or evaluation at any Lowe's Center of Excellence for hip or knee replacement as well as cardiac and spinal surgeries.
- A new PTSD (post-traumatic stress disorder) benefit will be added that pays \$100/day for up to 6 days for someone receiving counseling for PTSD

The Accident plan will remain unchanged from 2016.

FLEXIBLE SPENDING ACCOUNTS: CHANGES AND LIMITS

We encourage employees to research the benefits of a pre-tax Flexible Spending Account (FSA) and calculate their medical needs for the coming year. Employees should carefully select their pledge for 2017 since unused funds will not be eligible to roll over into 2018. Unused funds from 2016 FSAs will continue to roll over into 2017 only. The annual pledge maximum for the FSA will remain at \$2,500, and the annual maximum for the Dependent Care FSA will remain at \$5,000. Employees can learn more about the FSA and carryover rule changes under the Spending Accounts section on the Benefits tab on the [My Lowe's Benefits site](#).

HEALTH SAVINGS ACCOUNT: CHANGES AND LIMITS

The Health Savings Account (HSA) maximum will increase to \$3,400 for individuals, and will remain at \$6,750 for families. The newly added Choice Account Plus plan HSA will include a biweekly employer contribution for participants up to \$260 per year for employee-only coverage or up to \$520 for family coverage. We encourage employees to take advantage of the triple-tax advantages of the HSA by educating themselves on how this account can benefit them now as well as into the future.

DEPENDENT VERIFICATION AUDIT (DEVA)

Our Dependent Verification Audit (DEVA) will continue to operate on a quarterly basis in 2017. This program will continue to be administered by Mercer and will audit any newly added dependents on Lowe's full-time medical, dental, or vision plans. Employees subject to the audit will receive an instruction packet from Mercer with additional information and must provide the required documentation in order for their dependents to remain on our plans. Employees adding new dependents during Annual Enrollment should receive their packet in February 2017; those adding dependents mid-year will receive a packet based on a pre-established timeline for the program. If you verified your dependents in 2016 and do not add any new dependents, you will not be subject to another dependent verification in 2017.

HEALTH AND WELLNESS SUPPORT

We know that choosing a health plan – and the health care space in general – isn't always easy. That's why we encourage you to call the navigator (Accolade, Quantum or Optum) to ask questions about your benefits.

[MyEvide](#) is a new personalized wellness hub that provides you and your family with health, wealth and wellness options that are most relevant for you. MyEvide will provide custom health, wealth and wellness suggestions, benefit options and updates to employees and spouses/domestic partners who sign up, including information such as:

- When they are due for important care or screenings
- When there are opportunities to save money, whether on their prescription or 401(k)
- Tips to help members feel their best

MyEvide will replace My Life Track, which will officially sunset on December 31, 2016. To register, visit MyEvide at www.mylowesbenefits.com/MyEvide.

MARKETPLACE OPTIONS AVAILABLE

All Lowe's full-time employees have the option to enroll in the state or federal marketplace for healthcare coverage. However, full-time employees are not eligible for government subsidies since Lowe's offers health coverage that meets the federal mandate. Employees should visit www.healthcare.gov for more information about the coverage available to them through the marketplace.

What's Next?

Visit the [My Benefits site](#) during Annual Enrollment and throughout the year to learn more about the tools and resources available for you and your family. Remember to:

- Review the 2017 [Annual Enrollment overview](#) on the My Lowe's Benefits site.
- Review the My Lowe's Benefits site with your family to find additional information on new plan designs, [rates](#) and offerings.
- If you'd like to make changes to your benefit elections or re-enroll in a savings account, click on the "Enroll Now" link on the My Lowe's Benefits site. If you are not logged into My Lowe's Life, you will be prompted to enter your employee ID and password.

This includes highlights of Lowe's benefits effective January 1, 2017. A complete description of each benefit option can be found in the plans' legal documents and contracts. In the event of a conflict between this and any other descriptions of the plans, the formal plan documents and insurance contracts will control. Lowe's reserves the right to amend, modify, revoke or terminate the plan in whole or in part at any time. The authority to make such changes rests with Lowe's. Neither this document nor the plans it describes constitutes a promise of continuing employment with Lowe's. October 2016