we’ve got you covered.
Understanding Pay & Benefits at Retirement

Let’s get started

Are you looking at a print version of this guide? Log on to targetpayandbenefits.com and search for Retirement Guide. The Useful Links throughout the guide give you easy access to additional information online.
Thank you for your years of service with Target!

Understanding how Target’s pay and benefit programs work for you when you retire is important. This document includes helpful information along with references to additional resources. Feel free to share this material with your family and professional advisors.

Target continues to reserve the right to modify, amend or terminate any of its pay or benefit plans or practices described in this guide. In all cases, the plan rules are the exclusive source for determining rights and benefits under the plan, and those rules will govern if there is a conflict with this guide.

### Understanding Pay & Benefits at Retirement

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overview

There are several areas of Target’s programs that deserve particular attention:

- You can retain your Target medical, dental and vision eyewear insurance coverage for 18 months through COBRA, if eligible. Other potential health care options may exist through the government Health Insurance Marketplace or Medicare if you meet eligibility requirements.

- Contact the Target Benefits Center to learn about the options you have for receiving benefits from the 401(k) and Pension plans.

- You have 31 days from the end of the pay period in which you retire to arrange for continuation of life insurance coverage, if you are eligible.

- Depending on your age, you should contact the Social Security Administration to learn more about your eligibility and options for Social Security and Medicare benefits.

- Your team member discount card will continue to work during retirement, if eligible. Contact Target’s Human Resources Operations Center to obtain a retiree discount card.

Here are a few other reminders as you prepare for your retirement:

- Contact the Target Benefits Center and your Human Resources Representative to provide them with advance notice of your retirement date.

- Update your beneficiaries.

- Ensure your home address and personal email are accurate by contacting both Target’s Human Resources Operations Center and the Target Benefits Center.

- Be aware that there are income taxes and potential penalties associated with certain types of transactions. We encourage you to consult with a tax advisor.
overview (continued)

There are a broad range of topics outside of Target’s pay and benefits programs that you should consider:

- Your life circumstances (goals/desires, health status, family situation, etc.)
- Spending, cash flow and debt
- Risk management and insurance (e.g., health, long-term care)
- Saving and investing outside of Target’s programs
- Estate planning

Each of these topics can get complex, depending on the situation. You may find it helpful to work with a professional advisor such as a financial planner or attorney. You can contact the Target Benefits Center at 800-828-5850 to speak with a representative specializing in retirement. Please select the “Retirement and Investment” prompt on the main phone menu.

After retirement, you can continue to access targetpayandbenefits.com to manage your benefits.
**target 401(k) plan**

If you are a participant in the TGT 401(k), your contribution elections will apply to your last regular paycheck in addition to all your other normal voluntary deductions. Regular contributions will also be taken from any payment for unused vacation. You may not make additional contributions after your retirement date. Up until then, you may change your contribution elections at any time.

As a Retired Team Member

You can continue to review your account balance, transfer/reallocate investments, or request a rollover/payout by using the links below or by calling the Target Benefits Center at 800-828-5850. You are not required to begin any payment from the plan until the year in which you reach age 70½ (unless your balance is $5,000 or less). If you use Alight Financial Advisors to help you with managing your account, you will be able to continue using their services after retiring. Of course, you always have the option to roll balances over into other tax-advantaged accounts if desired.

Once you are ready to receive payments from your account, you will want to understand the variety of options available, which include:

- **Standard options**: The plan offers lump sum, partial distribution and installment payments.
- **Target 401(k) to Target Pension rollover**: Participants can roll over part or all of their TGT 401(k) account into the Target Pension plan, and then begin monthly payments under one of the Target Pension distribution options. There is a $50,000 minimum rollover.
- **Income Solutions® Annuity Program**: You can choose from a variety of annuity products offered by Target’s preferred annuity provider, Hueler Investment Services.
- **Professional Management with Income+**: Offered through Target’s partnership with Alight Financial Advisors, you can establish a consistent and periodic stream of payments that are taken directly from your Target 401(k) account.

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**Important Note on 401(k) Loans**

If you have outstanding 401(k) loans, your unpaid balances become taxable income if you do not repay the entire outstanding principal and interest on or before the last day of the calendar quarter following the calendar quarter in which you retire.

For more information, please contact the Target Benefits Center at 800-828-5850, or use the link below.

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**Useful Links**

- [Review your account balance](#)
- [Transfer/reallocate investments](#)
- [Request a rollover/payout](#)
- [Learn more about repaying loans](#)
Pension Plan and Executive Deferred Compensation Plan (EDCP)

**Pension Plan**
Team members meeting minimum service and hours requirements who were hired prior to 2009 at stores or headquarters or hourly team members working in a distribution center location hired prior to January 1, 2017 are generally eligible to participate in Target’s Pension plan.

Payment options differ depending on whether you participate in the Traditional and/or Personal Pension Account plan, and may include a single lump sum or lifetime income stream. You are not required to begin any payment from the plan until the year in which you reach age 70½ (unless your total plan benefit is $5,000 or less).

If you have earned a pension benefit, you will automatically be mailed information to your home address approximately 30 days after your retirement date. If you have earned a Supplemental Pension Plan benefit, an estimate of this benefit will also be included with your pension information. For more information, please contact the Target Benefits Center at 800-828-5850, or use the link below.

**Executive Deferred Compensation Plan (EDCP)**
If you are a participant in the EDCP, deductions based on your previous elections will be taken from your last regular paycheck, payment for unused vacation and short-term incentive payout, if eligible. Your account will be paid out automatically according to your elections (taxes will be withheld). Changes cannot be made to these distributions. Immediate payments are normally processed six to eight weeks after your retirement date. Payments are issued through payroll and recorded on a W-2. You will want to continue actively managing your EDCP account until all funds have been paid out.

For more information, please contact the Target Benefits Center at 800-828-5850, or use the link to the left.

*Useful Links*
- Learn more about your pension benefit (if applicable)
- Manage your EDCP account (if applicable)

*You may not be eligible for all benefits described in this guide.*
other financial benefits

Social Security and Medicare
While you are an active team member, Target withholds Social Security and Medicare taxes from your paychecks and remits these funds along with the company’s matching contribution to the government on your behalf. These government benefits are an important part of your retirement:

• For Social Security, you may begin receiving a full benefit between ages 65 and 67 depending on your birth date. You also have options to receive a reduced benefit as early as age 62, or wait until age 70 to receive a maximum benefit.

• For Medicare, you should plan to enroll three months before reaching age 65 to ensure that your benefits will begin when you need them and to avoid possible premium penalties. If you plan to retire after age 65 and have medical benefits as an active team member, you will want to contact Medicare three months before you retire, and be prepared to provide proof of continuing medical coverage.

See additional information on medical benefits at retirement under the Health and Wellness Benefits section of this document.

For more information about Social Security, call 800-772-1213. For more information about Medicare, call 800-633-4227.

Access the Alight Financial Advisors Social Security calculator tool by clicking on the Get Investment Advice tile on targetpayandbenefits.com. Get additional details about other financial benefits by using the links in the box on the right.

Daycare Flexible Spending Account (Daycare FSA)
If you are in the Daycare Flexible Spending Account plan, your participation ends on the last day of the pay period that includes your retirement date. You can be reimbursed for eligible expenses that you incur during the plan year while enrolled as an active team member. Please contact the Target Benefits Center at 800-828-5850 with questions. You may also submit claims online by using the link below.

Target Credit Union (TCU)
You may continue using services regardless of where you live or work (once a member, always a member). Use the link below to search for ATMs and Shared Branches nationwide and to access your Target Credit Union (BCU) accounts. If you have a payroll deduction for a loan repayment, contact the Credit Union at 800-388-7000 to make arrangements for continuing payments.

Useful Links
• Learn more about Social Security
• Learn more about Medicare
• Submit Daycare FSA claims online (if applicable)
• Search for Target Credit Union Shared Branches and ATMs
• Arrange to continue TCU loan payments (if applicable)
medical, dental and vision eyewear coverage

Active team member coverage ends on the last day of the pay period that includes your retirement date. You can continue group medical, dental and/or vision eyewear coverage under COBRA for 18 months if eligible by paying the full premium rate plus a 2 percent administration fee. Remaining HSA balances are yours to keep, while balances in HRA accounts can continue to be used if you elect COBRA coverage.

If you have an HSA balance at Optum Bank, you can continue to review your balance, transfer/reallocate investments, request a payout or roll over to a different provider. Please be aware that you may have different investment options and fees after retiring, since you are no longer an active Target team member. For more information, use the link below or call Optum Bank at 866-234-8913.

• COBRA Enrollment Instructions. Team members enrolled in active coverage at the time of retirement will receive COBRA continuation paperwork a few weeks after their coverage ends. You have 65 days from the date your coverage ends to enroll in COBRA either online or by calling the Target Benefits Center at 800-828-5850. COBRA coverage will be retroactive to your coverage end date. You will be billed and need to make monthly payments for COBRA coverage if you enroll.

• Other Possible Options. Because your loss of benefits due to your retirement qualifies as a life event, you may now have access to coverage through a spouse or domestic partner or through the government Health Insurance Marketplace. In the Marketplace, there may be plans that meet your needs at a lower cost. You may also be eligible for a government subsidy if you meet certain criteria. For more information about the Marketplace and its coverage options, please visit healthcare.gov or call 800-318-2596. You can also use the link below to get more information about the Affordable Care Act (ACA) along with additional resources to assist you with coverage selection.

• Eligibility at Age 65. COBRA medical and vision eyewear continuation ceases at age 65, when you are eligible for Medicare. If there is a period of time between when your active medical or COBRA medical coverage ends and when your Medicare coverage and selected Medicare Supplement plan are effective, please contact the Target Benefits Center at 800-828-5850 for assistance. Please note that you are able to continue COBRA dental coverage after reaching age 65.

Useful Links

• Manage your HSA at Optum Bank (if applicable)

• Learn more about the ACA and get assistance with coverage selection
other health and wellness benefits

Flexible Spending Account (FSA)
If you are in the Flexible Spending Account plan, your participation ends on the last day of the pay period that includes your retirement date. You can be reimbursed for eligible expenses that you incur during the plan year while enrolled as an active team member. Please contact the Target Benefits Center at 800-828-5850 with questions. You may also submit claims online using the link below.

Disability
If you are a participant in Short-term Disability, coverage ends on your retirement date. If you are enrolled in Long-term Disability and are actively at work on your date of retirement, coverage ends on the last day of the pay period that includes your retirement date. If you are on a paid medical leave on the date of your retirement and are enrolled in Long-term Disability, you may be eligible to transition to Long-term Disability once you satisfy the elimination period (contact the Target Benefits Center if you are in this situation). If you are currently receiving Long-term Disability benefit payments, those payments will continue as long as you meet the plan requirements. Payments will not continue beyond the date defined by the policy.

Life Insurance
You have options to continue coverage at your own expense as described below.

- **Continuation** – All team members and their dependents are eligible to continue their group life insurance coverage. To continue coverage, contact Prudential Life by calling 844-454-3323. Prudential Life Insurance Company must receive your continuation request within 60 days after your coverage ends.

- **Conversion** – You have the option to convert all or part of your existing company paid and/or supplemental life insurance to an individual insurance policy which you can continue to age 121. Conversion is available at any time, including when continuation ends. To convert coverage you must complete the Conversion form within 31 days after your coverage ends. To obtain this form, contact Prudential Life by calling 844-454-3323.

Supplemental Medical Benefits (Critical Illness, Accident and/or Hospital Indemnity):
Coverage under the Supplemental Medical Benefits ends on the last day of the pay period that includes your retirement date. To continue your coverage without any additional underwriting or reinstatement requirements, please contact Allstate Benefits at 888-282-2560 to request a portability packet. American Heritage Life Insurance Company must receive your continuation of coverage form within 60 days after your coverage ends. Payment must be received within 60 days from the date your coverage terminates.

Useful Links
- [Submit FSA claims online (if applicable)]
time off benefits

Vacation and Personal Holidays

Eligible team members continue to accrue vacation and personal holidays through their last regular paycheck. In accordance with Target’s Time-Off Program, unused vacation time accrued after Jan. 1, 2016 will not be paid out if you leave Target, except in cases of retirement, death or locations where legally required. Any unused vacation that is paid out to you in accordance with Target’s Time-Off Program will be included as part of your final paycheck. Unused personal holiday balances are only paid out to you if your work location is in California, Colorado, Illinois, Massachusetts, Montana, Nebraska, North Dakota or Rhode Island. Contact your HR partner with any further questions.

Sick Time

If you are in a location with accrued sick time, you continue to accrue through your last regular paycheck. Accrued and unused sick time will not be paid out to you at your retirement unless legally required.

Well-being Time

If you have accrued Well-being Time, it will not be paid out to you at your retirement.
incentives

Long-term Incentive Plan (aka Stock)

If you have long-term incentive plan awards such as restricted stock units (RSUs), performance share units (PSUs) and/or stock options, you may be eligible for accelerated or modified vesting and/or extensions of time for exercising purposes. To be eligible, you must meet certain age and service requirements and other conditions, such as voluntarily ending your Target employment and signing an agreement with certain separation provisions, including non-compete and non-solicitation.

If you are considering retirement and are a Level 9 or above, you are required to initiate discussions with either the EVP of HR or CEO regarding the possibility of voluntarily leaving Target at least six months in advance to be eligible for accelerated or modified vesting. Please see your award agreement for additional details and partner with your leader and HR partner to understand the steps to initiate the discussion with the EVP of HR or the CEO.

Contact your HR partner and stockplanteam@target.com prior to your retirement date to understand your specific modified vesting and/or extensions and to receive and sign the agreement discussed above. For more information about your current unvested LTI awards and associated award agreements, please visit Fidelity Stock Plan Services using the link at right, or call 800-544-9354.

Short-term Incentive Plan (aka Annual Bonus)

If you are eligible for the short-term incentive plan, you are eligible for a prorated bonus for your time as an active team member if you retire at or beyond age 55 with 10 years of service at your retirement date (team members terminated due to a conduct violation are not eligible for this benefit). Your prorated bonus payment is made at the end of fiscal March following the fiscal year of your retirement.

Useful Links**

- Learn more about your LTI account (if applicable)

**You may not be eligible for all benefits described in this guide.
other benefits

Team Member LifeResources
You and your family have access to this plan for 18 months following your retirement date as described in the Summary Plan Description. The Team Member LifeResources telephone number is 877-616-0510.

Team Member Discount
Your active team member discount ends on your termination date. If, as of this date, you were at least age 55, and (1) have 10 years or more of continuous and credited (1,000 or more hours) service, or (2) were an active team member on December 31, 2002 and have five years of continuous and credited (1,000 or more hours) service, you and your eligible dependents are eligible for the retiree discount.

Wellness Discounts
As part of your team member discount, you and your family save an additional 20 percent on a selection of wellness products such as fruits and veggies, activewear and tobacco cessation products at Target stores and target.com! This ongoing discount is automatically applied by scanning a Team Member Discount card at checkout. Savings are in addition to the 10 percent team member discount and 5 percent REDcard savings!

Group Legal
If you are a participant, coverage ends on your retirement date. The plan will cover legal fees for eligible services that were opened and pending during the period you were enrolled. No new matters may be started after your coverage ends. To continue coverage directly through Hyatt Legal Services, please contact their customer service center at 800-821-6400 within 30 days after your retirement date.

Adoption Reimbursement
If you meet the eligibility requirements of the adoption reimbursement program, Target will reimburse all eligible expenses incurred by you before your retirement date (up to a maximum benefit of $10,000 per adoption). Contact 800-394-1885 for more information and reimbursement forms.
other benefits  (continued)

Commuter Benefits
If you are currently participating in the Metropass program (Minnesota only), your deductions continue through your retirement date. If you are currently participating in the WageWorks program, your deductions will continue through your retirement date. Use the link at the bottom of the page for questions related to eligible expenses.

Choice Auto & Home Program
If you are a participant in the Choice Auto & Home Program providing auto and home insurance to team members, you should use the link at the bottom of the page or call 800-441-5576 to make arrangements to continue your coverage after your retirement date.

Retiree Service Award
If you are age 55 or older with 10 years or more of continuous and credited service or were an active team member on December 31, 2002 and have five years of continuous and credited (1,000 or more hours) service, you are eligible for a retirement service award. The amount of the award varies based on length of service. A service award packet will be mailed to your home address two to three months after you retire.

Useful Links
- Learn about eligible Commuter Benefits expenses
- Make arrangements to continue your Choice Auto & Home Program coverage (if applicable)

Get Connected
Target’s Retiree Engagement Program invites you to join other retirees from Target, Marshall Field’s and Dayton Hudson’s to continue building a strong presence in your community! Membership is free, and benefits include receiving bi-annual newsletters, connecting with other retirees through annual picnics, holiday luncheons and volunteerism. If you are interested in joining, please email DRIVE@target.com with your name, address, phone number, email address, birth date (month and day only), the month you retired and the location you retired from. (If you are retiring from Michigan, please notate.)
reference information

Summary Plan Descriptions
Additional information for many of the benefits described in this document can be found in the Summary Plan Descriptions using the link below.

Beneficiaries
To understand or change your beneficiaries, please contact:
• The Target Benefits Center (800-828-5850) for the Target 401(k), Pension, Executive Deferred Compensation Plan and Life Insurance retirement benefits.
• Fidelity Stock Plan Services (800-544-9354) for long-term incentive awards.
• Optum Bank (866-234-8913) for Health Savings Accounts.

Personal Email and Home Address
At the time you retire, it is important to notify the following of your personal email:
• Target’s Human Resources Operations Center (800-394-1885)
• The Target Benefits Center (800-828-5850)
• Fidelity Stock Plan Services if you have remaining long-term incentive awards (800-544-9354)

If you change either your home address or personal email after retiring, you will need to update at:
• Target’s Human Resources Operations Center (800-394-1885)
• The Target Benefits Center (800-828-5850)

Useful Links
• Read the Summary Plan Descriptions