

# SEPARATION GUIDE

COMPENSATION ■ BENEFITS ■ RETIREMENT



AÉROPOSTALE



EDDIE BAUER 

FOREVER 21

LUCKY\*BRAND

NAUTICA



Corporate

## What You Need to Know

Regardless of your reasons for leaving SPARC Group LLC, we are committed to handling your separation in a professional, respectful, and effective manner. To help you understand how your separation of employment from the company impacts your compensation and benefits, we have created this guide to help you make the right decisions for you and your family.

This [separation guide](#) provides you with information regarding your benefits after separation, including payout of your final paycheck, COBRA elections, and investment and retirement resources.

**Finally, keep in mind the limited time frame you have to complete the required paperwork and take certain actions during your transition period.**

### **How to Use This Guide**

*We encourage you to take the time to read this guide carefully—and share it with other family members—to help you make informed decisions regarding the health and financial security of you and your family. In addition, pay close attention to specific dates for completing and submitting required forms and use the resources provided.*

## Salary

Your final paycheck will be calculated based on the number of days worked within the pay period. If your separation is effective on a pay date, no further paychecks will be issued. If you are a salaried overtime-eligible employee, you will be paid according to your regular payroll schedule. Your final bi-weekly pay will be delivered in the same method you received your regular paychecks.

For questions, please contact your Human Resources Partner.

## Annual Incentive Program (AIP)

Under the annual incentive bonus plan, you must be an active employee on the date bonus checks are distributed. Partial bonuses are not paid at termination.

Special payments or reimbursements, if applicable, will be based on prior written agreement.

## Paid Time Off (PTO)

Unused and accrued paid time off will be paid based on the company's Paid Time Off policy outlined in the employee handbook.

If termination is for reasons other than gross misconduct or if separation is voluntary, you will receive payment for any unused, accrued PTO.

If termination is for gross misconduct, you will not receive any PTO pay unless applicable state laws require such pay.

If separation is due to retirement you, or your beneficiary will receive payment for any unused, accrued PTO.

No payments for unused sick days are made at the time of separation.

# BENEFITS

## Medical, Dental, & Vision Plans

Your medical, dental, and vision plans end on the last day of the month you were employed. However, you may elect to continue coverage under COBRA for up to 18 months. You can also continue coverage under COBRA if you are enrolled in a Flexible Spending Account (FSA) (details on COBRA for FSAs are on the next page).

## COBRA

If you choose to continue medical, dental, or vision coverage under COBRA, you will be enrolled in the same plan you had at the time of your separation, and you will have the opportunity to change plans during the annual open enrollment period. The cost of COBRA is 102% of the full monthly premium. You can also choose to find different coverage through the Health Insurance Marketplace that might cost less than COBRA. To explore your coverage options through the Marketplace, please visit [www.Healthcare.gov](http://www.Healthcare.gov) or call 800-318-2596.

During the transition period from Company-sponsored benefits to COBRA, you may experience a claim denial from the insurance carriers. This is simply because coverage is first cancelled when you separate from the company and then turned back on retroactively after COBRA is elected. If you have a denied claim, it can be submitted to the insurance carrier for reimbursement within 18 months of the date of service. If you have questions regarding your coverage or claims, please contact the insurance carriers.

You will receive COBRA paperwork at your home from Anthem BCBS within 30 days of your last day of coverage. You have 60 days from the COBRA notification date to make your elections and submit the applicable paperwork and payment to Anthem BCBS. Your coverage will begin retroactively on the day after your initial loss of coverage.

Anthem BCBS will invoice you on a monthly basis for your premium. Payment is due no later than the first of the month for that month's coverage (e.g. January 1st for January coverage). Lack of payment in a timely manner to Anthem BCBS will result in the cancellation of your coverage and potential denial of claims.

**Anthem Blue Cross Blue Shield (BCBS) COBRA Services**

866-475-3931

[www.benefitadminolutions.com/anthem](http://www.benefitadminolutions.com/anthem)

**Delta Dental of New York**

DPPO 800-932-0783 English 1-800-464-4000 Group #02393

DHMO 800-422-4234 Spanish 1-800-788-0616 Group #79514

[www.deltadentalins.com](http://www.deltadentalins.com)

**EyeMed Vision Care** - Group #9787953

877-226-1115, Claims Fax 1-866-293-7373

[www.eyemedvisioncare.com](http://www.eyemedvisioncare.com)

**Anthem BCBS** - Group #270192

844-864-6727

[www.anthem.com](http://www.anthem.com)

**Kaiser** - Group # 607194

English 1-800-464-4000

Spanish 1-800-788-0616

<https://healthy.kaiserpermanente.org/front-door>

## Spending Accounts

Your **Flexible Spending Account (FSA)** with Health Equity ends on the last day on which you were employed. You may continue your FSA under COBRA through the end of the year, in which you terminate by making post-tax monthly contributions to your account. Contributions made to an FSA under COBRA are no longer pre-tax.

Outstanding FSA-eligible expenses incurred on or before your last day of employment must be submitted to HealthEquity for reimbursement no later than March 31st of the following year. Per IRS guidelines, unused funds in your account after March 31 will be forfeited.

If you are enrolled in a **Health Savings Account (HSA)** at the time of separation, any remaining funds in that account will automatically be converted into an individual account by HealthEquity. You will continue to have access to remaining funds for eligible expenses. HealthEquity will send information on the transition and ongoing administration to your home.

If you have questions regarding your coverage or outstanding reimbursements, please contact Health Equity at the phone number or website below.

**HealthEquity Spending Account Services**  
866-346-5800

Essential CDHP Plan Enrollees:  
<http://healthequity.com/ed/anthemcbs-hsa/>

Standard/Premium PPO Enrollees:  
<http://healthequity.com/ed/anthemcbs-hra/>

Healthcare Flexible Spending Account Enrollees:  
<http://healthequity.com/ed/anthemcbs-fsa/>

## Life Insurance and Long-Term Disability

### Basic Life Insurance

Company-provided employee basic life insurance coverage ends at midnight on the date of separation. You may convert the full amount of your coverage at the time of your separation to an individual whole life policy, without providing evidence of insurability, within 31 days of your separation.

### Optional Life Insurance

Both employee and dependent optional life insurance coverage end at midnight on the date of separation. There are two options to continue coverage:

- Elect to continue 50%, 75%, or 100% of your coverage on a group basis, provided you continue to make the required quarterly premium payments to the plan insurer. The plan will then have the following maximum coverage limits:
  - Employee – \$250,000
  - Spouse – \$50,000
  - Dependent Child – \$10,000
- Elect to convert the full amount of your coverage at the time of your separation to an individual policy, without providing evidence of insurability, within 31 days of your date of separation.

If you die within 31 days after terminating your employment, benefits will be paid as if the coverage was still in effect.

### Long-Term Disability (LTD)

You are eligible to convert your LTD coverage to an individually owned policy after the date of separation. There is a maximum of \$5,000, which is subject to offsets for other income benefits. For questions about your eligibility or the status of your submitted application, please contact a Voya Financial representative for assistance.

#### Voya Financial

Life: 888-238-4840

Disability: 888-973-3652

<https://presents.voya.com/ebrc/sparcgroup>

## 401(k) Plan

You can contact Voya Financial for information on acting on your funds (rollover to a new employer, IRA, etc.). You may choose one of the following options within 90 days of your date of separation:

- Roll it over to a Voya IRA;
- Roll it over into another tax-deferred account; or
- Request a distribution and pay the applicable taxes and possible penalties.

You can access distribution and rollover services on the Voya website listed below. If you do not take any action on your account within 90 days of your date of separation, Voya will do one of the following, depending on your vested account balance:

- If the vested balance is greater than \$7,000, it can remain in the account.
- If the vested balance is greater than \$1,000 but less than \$7,000, it will automatically roll over into a Voya Rollover IRA.
- If the vested balance is less than \$1,000, Voya will automatically process the funds as a single cash payment to you within 18 months of your termination. Distribution of funds are considered taxable income and you are responsible to pay the applicable taxes and possible penalties.

If you currently have an outstanding loan against your 401(k) account, it must be repaid in full within 30 days of your termination date. If it is not repaid, it will be treated as a distribution from your account for tax purposes and may also be subject to penalties.

**Voya Financial**  
800-584-6001  
[www.voyaretirementplans.com](http://www.voyaretirementplans.com)

## OTHER RESOURCES

### Employee Assistance Program (EAP)

The EAP provides support for you and your immediate family members through several counseling services and support resources. You and your family will have access to professionals 24-hours a day, seven days a week, up through the end of the pay period in which you separate from the Company.

**Anthem EAP**  
1-800-865-1044  
[www.anthemEAP.com](http://www.anthemEAP.com)  
Company code: SPARC

### WageWorks Commuter Benefits Program

Upon termination, you are no longer eligible to participate in the WageWorks Commuter Benefits Program. You must cancel your benefits no later than the first of the month in which you separate from the company. If you fail to cancel, a deduction will be taken from your final paycheck to ensure payment is made in full.

**WageWorks**  
1-877-924-3967  
Claims Administrator  
PO Box 14053  
Lexington, KY 40512  
[www.wageworks.com](http://www.wageworks.com)

### Employee Discount

Your employee discount ends on your last day of employment with the company.



### Unemployment Benefits

Depending on the type of separation, you may be eligible for unemployment benefits. Contact your local unemployment office for more information.

### Employment Verification

For third-party verification of your employment, send the requesting agency to The Work Number at [www.theworknumber.com](http://www.theworknumber.com).


Aéropostale/Nautica/Lucky Brand/Brooks Brothers/Eddie Bauer/Reebok Employer Code: **35886**

### Return of Company Property

As stated in the associate handbook, you must return all equipment, keys, identification cards, Company supplies, proprietary information (and copies thereof), and any other items and property of the Company issued at the time of hire or anytime during your employment with the Company.

### Non-Solicitation and Distribution

The Company prohibits any individual who is not employed by the Company from soliciting any of its customers, visitors, or associates, and/or distributing any literature, pamphlets, or other materials on Company premises.



The information included in this Separation Guide is intended to highlight SPARC Group LLC's compensation and benefits plans upon separation from the Company. Additional terms, conditions, limitations, and exclusions may be applicable. Please refer to the plan documents for full descriptions. If there are any discrepancies between the Separation Guide and the plan documents, the documents will govern. SPARC Group LLC reserves the right to amend, suspend, or terminate any existing incentive programs and benefit plans in whole or in part at any time.

To obtain a copy of any plan documents described within this guide, please contact the Benefits Department at [benefits@sparcgroup.com](mailto:benefits@sparcgroup.com).