



## Team Member Discount

Backstage team member discount provides you a great opportunity to shop using special discounts to celebrate your hard work.

### 1. Team Member Discount

Team members and their eligible family members receive an team member discount of up to 20% off most sale and non-sale merchandise and select services purchased at Macy's Backstage, Macy's, Bloomingdale's, macys.com, bloomingdales.com, and Bloomingdale's Outlets—discount percentage may vary by department. Team members must qualify for a Macy's Backstage or Macy's credit card or a pre-pay card. Team member discount is applied "back of office," which means you receive the discount on your statement when you make a purchase with a Macy's or Macy's Backstage credit card or a pre-pay card.

**Some common exclusions** at Macy's retail stores include electrics, electronics, and e-spot (where the team member discount is 10%) and select services and certain licensed departments (where the team member discount, if any, varies).

**Bluemercury:** Macy's and Bloomingdale's associates receive a 20% discount at Bluemercury shops located within a Macy's store location and on Bluemercury products on macys.com. The discount is not available at free standing Bluemercury locations or on bluemercury.com.

### 2. Current Team Member Eligibility

- **Active Backstage Team Members and Macy's Associates.** Active team members are eligible to receive the team member discount and extra discount as soon as they obtain a Macy's credit account or a pre-pay account that is coded to receive the team member discount. Team members may receive the team member discount at Bloomingdale's when using a Macy's credit card or pre-pay card that is coded for discount at Bloomingdale's, but are not eligible for any additional discounts offered to Bloomingdale's associates.
- **Active Bloomingdale's Associates.** Active Bloomingdale's associates are eligible to receive the associate discount as soon as they obtain a Bloomingdale's credit account or a pre-pay account that is coded to receive the associate discount. Bloomingdale's associates may receive the associate discount when using a Bloomingdale's credit card or pre-pay card that is coded for discount at Macy's. Bloomingdale's associates may use Macy's coupons when shopping at Macy's, but are not eligible for any additional discounts offered to Macy's associates.

### 3. Who Is Eligible to Receive Your Team member Discount?

Active team members may have up to four (4) authorized buyers listed on an account that is coded to receive team member discount. These users may be whomever the team member chooses; however, the team member is responsible for ensuring that payments are made when due, monitoring the use of the account, and any other oversight of the account.

**Vendor/Licensee associates are not permitted to have joint cardholders or authorized buyers on an account that is coded to receive associate discount.**



While a team member may add anyone he/she chooses as an Authorized Buyer, use of the team member's discount privilege by a person who is not an Eligible Family Member will result in taxable income to the **team member** as described in Section 8 below (use of the associate discount by an Eligible Family Member will not result in taxable income). **The following are Eligible Family Members:**

- **The team member's spouse.**
- **The team member's dependent children under the age of 19 (under the age of 24 if a full-time student),** who are dependent upon the team member for support and for whom the team member is eligible to take a Federal income tax exemption.

**Change in Authorized Buyers.** If a change in family status results in a newly Eligible Family Member (e.g., marriage, adoption) or the ineligibility of a family member (e.g., divorce, dependent child turns 19 years old, dependent full-time student child turns 24 years old), the team member must promptly submit an updated Associate Discount and Credit Account Information Form. Likewise, if the team member would like to make changes to other Authorized Buyers on the account (e.g., adding a new person as an Authorized Buyer), the team member must complete the same form. The team member can obtain the form from HR Services.

#### 4. **For Personal Use Only**

Team member discount and other discounts described in this policy are intended only for the purchase of items for the team member's (or the team member's Authorized Buyers') own personal enjoyment and for items purchased as **gifts**. Personal use does not include the use of the team member discount to make purchases for resale or for any outside group, club, organization, or person when such other outside entity or person contributes to the cost of the purchase and is ineligible for the same discount.

**Integrity Always!** Violation of this program may result in disciplinary action, up to and including termination of employment, or the loss of Post-employment Discount (if otherwise eligible).

Return(s) of any items purchased with the team member discount must be credited back to the team member's credit account or pre-pay account that is coded for the team member discount.

#### 5. **Additional Discounts**

- **Extra 10% Discount.** During select days each year, the team member (and Authorized Buyers) will receive an additional 10% discount on most Macy's merchandise and select services. For example, if the standard team member discount on an item purchased is 20%, the team member (and Authorized Buyer) will receive a discount of 30%. Common exclusions to the extra team member discount include big ticket items (i.e., furniture, mattresses, rugs), e-spot, certain licensed departments, restaurants, and food. Team members are not eligible for Bloomingdale's extra discount events. Bloomingdale's associates are not eligible for Macy's extra discount events.
- **Coupons.** Coupons are not accepted at Macy's Backstage. However, team members (and Authorized Buyers) are eligible to receive Company coupon discounts relating to public events at Macy's stores and on macys.com (such as "Friends and Family" events and "Use Your Card" events). Coupons may not be used at Macy's Backstage store locations or on Macy's Backstage or Last Act merchandise (which may be sold in some Macy's department store locations).



Unlike the team member discount and extra team member discount, the coupon event discounts are offered at the point of sale. Team members (and Authorized Buyers) are not eligible to participate in "Thanks for Sharing." Team members (and Authorized Buyers) are not eligible to receive the Macy's Visitor Savings Pass discount or the Macy's International Visitor Savings Card discount. From time to time, the Company may sponsor other programs or events for which team members and their Authorized Buyers are not eligible.

- **Recognition Discount.** A team member who demonstrates excellent performance and is recognized as a winner of an Annual Make Magic "Six" award receives an additional 10% discount off most merchandise and select services beginning June 1st and ending the following May 31st. The recognition discount does not apply to purchases made at Bloomingdale's locations or bloomingdales.com.

## 6. Post-employment Discount

Team members (but not vendor/licensee associates) are eligible for Post-employment Discount (equal to the team member discount and the extra team member discount during select days) after employment ends if the team member terminates employment:

- With 25 or more years of continuous eligible service; or
- At age 55 or older with 15 or more years of continuous eligible service.
  - **Eligible service includes all service.** As such, an employee's service date is NOT reset due to changes in employment status.
  - **Continuous Service** is defined as all service after an team member's last break in service, if any.
  - **Breaks in Service.** Refer to the Rehire Guidelines for definitions of "bridged" and "interrupted service." Team members who left the company **and** were rehired prior to July 1, 2015, will continue to have their service date(s) governed by the previous rehire guidelines policy. Prior to July 1, 2015, breaks in service of 60 or more days resulted in "interrupted service."
- **Gross Misconduct Exception.** If the team member is terminated for gross misconduct, the team member is not eligible to receive Post-employment Discount even if he/she otherwise meets the eligibility criteria described above.
- **Death of Team member.** If a team member dies while receiving Post-employment Discount or dies while eligible to receive Post-employment Discount, the only Authorized Buyers eligible to continue to receive the deceased team member's Post-employment discount are the team member's Eligible Family Members, so long as they continue to meet the eligibility requirements in this policy and comply with the terms and conditions of this policy.

### Post-employment Discount Eligibility Scenarios:

SCENARIO 1	
8 consecutive years of service in a flex team or contingent position with no breaks in service.	If this team member is age 55 or older on the date he/she terminates employment, he/she <b>will qualify</b> for Post-employment



Immediately followed by 8 consecutive years of service in a part-time position, beginning May 2, 2014.	Discount because he/she had 15 continuous years of service with no break in service.
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**SCENARIO 2**

5 consecutive years of service with no break in service.	If this team member is age 55 or older on the date he/she terminates employment, he/she <b>will qualify</b> for Post-employment Discount because he/she had 15 continuous years of service.
Followed by a 61-day break in service (that results in "bridged service") that occurs <b>after</b> July 1, 2015 (i.e., the team member's separation and rehire dates <b>both</b> occur after July 1, 2015).	
Followed by 10 consecutive years of service with no break in service.	

**SCENARIO 3**

5 consecutive years of service with no break in service.	Regardless of his/her age on the date of the termination of employment, this team member did not have 15 continuous years of service and <b>will not qualify</b> for Post-employment Discount.
Followed by a 61-day break in service (that results in "interrupted service") that occurs <b>before</b> July 1, 2015 (i.e., the team member's separation and rehire dates <b>both</b> occur before July 1, 2015).	
Followed by 10 consecutive years of service with no break in service.	

**SCENARIO 4**

6 consecutive years of service with no break in service.	Regardless of his/her age on the date of the termination of employment, this team member did not have 15 continuous years of service and <b>will not qualify</b> for Post-employment Discount.
Followed by a 92-day period of separation from employment that occurs after July 1, 2015 (i.e., the team member's separation date and rehire dates <b>both</b> occur after July 1, 2015).	
Followed by 11 consecutive years of service with no break in service.	

**7. Getting the Discount**

- The team member must apply and qualify for a Macy's credit account or pre-pay account that remains in good standing and the team member must be listed as the primary account holder.
- To apply, the team member completes the Team member Discount and Credit Account Information Form on line as a new hire or completes the form via hard copy. The form can



also be obtained the HR representative or Administrative Support Team Supervisor (ASTS).

- If the team member has an existing Macy's credit account, upon completion of the Associate Discount and Credit Account Information Form, the team member will receive a replacement credit card. This card will apply the discount to each eligible purchase.
- It is the team member's responsibility to check credit statements to ensure the team member is receiving the discount and to timely notify Employee Accounts of any issues. Employee Accounts can be reached by calling Credit Customer Service for Macy's at 1-877-493-9207 (or Bloomingdale's at 1-800-950-0047) and requesting a transfer to Employee Accounts. Failure to notify Employee Accounts may result in the loss of the discount for the period in which the team member did not provide timely notice.

#### 8. Tax Impact for Same-Gender Spouse / Opposite-Gender Domestic Partner

Any discount benefits received by an Authorized Buyer who is not an Eligible Family Member, including an opposite gender domestic partner, will generally be treated as imputed taxable wages to the **team member**. These benefits are normally subject to FICA taxes and Federal, state, and local income taxes under current tax law. **The imputed taxable wages are generally subject to FICA and income tax withholdings which the Company is required to collect from the team member. The Company, at its option, may deduct these required tax withholdings from the team member's pay or from other forms of pay (such as travel expense reimbursements) that are not considered to be compensation that is payable to the team member. Alternatively, the Company may make other arrangements with the team member concerning the payment of the required tax withholdings.** Depending on the laws of certain states or localities, such benefits may not be considered taxable wages for state and local income tax purposes.

Discount benefits received by the team member's eligible dependent children are not taxable wages for FICA or Federal, state, or local income tax purposes. Discount benefits received by the team member's domestic partner's eligible dependent children are also not considered to be taxable wages if the children are considered to be the team member's dependent children under the applicable taxing authority's law.

See the Associate Discount and Credit Account Information Form for more information.