

Payless ShoeSource Commuter Benefit Program

**Summary
2018**

Commuter Benefit Program Summary

This summary has been designed as a “plain talk” guide to the Payless ShoeSource Commuter Benefit Program. Regular Full-time and Part-time associates of Payless ShoeSource, Inc. and regular Full-time and Part-time associates including Seasonal associates at the Eastern Distribution Center, are eligible to participate in the benefits under this Program. However, associates in Canada, Puerto Rico, Saipan, Guam and the Virgin Islands are not eligible for this benefit. The eligible employers listed above and offering this benefit are sometimes individually or collectively referred to herein as the “Company”.

This summary describes the Commuter Benefits offered under this Program, in a manner which is easier to understand than the legal documents which describe the full provisions of the Program. Every effort has been made to include the important features and to be as accurate as possible, but if we have inadvertently omitted a benefit of the Program in this summary or in describing such benefits under the Program, stated something which conflicts with the text of the legal documents, the legal documents must, of course, govern.

Eligibility

All regular Full-time and Part-time associates of the Company are eligible to receive commuter benefits. However, associates in Canada, Puerto Rico, Saipan, Guam and the Virgin Islands are not eligible for this benefit.

Commuter Benefit Plan Benefits

You must enroll for coverage under the Plan. To enroll:

- Go to <https://payless.benefitsnow.com> and click ‘Your Spending Account’ to go to the YSA home page
- Select the ‘Commuter Benefits’ tab to begin the online ordering process

You may place your order each month or set up recurring orders. All orders must be placed by the 10th of each month* to receive your credits for the following month. For example, you must place your order by January 10, 2016 to receive your credits for February.

Enroll by the 10th of the month and receive your pass by the first of the following month. For your convenience you will have the option to repeat the same order automatically each month until you make a change or cancel the election.

*Long Island Rail Road and Metro North Railroad orders must be placed by the 4th of each month.

If you have any questions or need assistance, contact YSA at 1-855-564-6152 or visit <https://payless.benefitsnow.com> for support or additional information.

Qualified Commuter Expenses Covered Under the Program

The Commuter Benefit Program offers the ability to pay all or part of commuting expenses with pre-tax dollars. Eligible expenses include:

- bus, light rail, regional rail and streetcar, trolley, subway, or ferry,
- vanpool (seating for 6 or more adult passengers, excluding driver; 80% of mileage is to transport employees and 50% of seating capacity used for employee transport),
- parking at or near public transportation for your commute,
- parking at or near work.

There is a limit to how much you can save through this program: for 2018, the IRS rules that govern the program allow a tax-free maximum of \$260 for parking per month and \$260 for transit per month

If your commuting costs exceed the tax-free maximums, the program allows extra funds from your after-tax pay. The amounts above the tax-free maximums up to \$1,000 for each program will be considered after-tax.

If you have any concerns regarding a specific expense, contact YSA at 1-855-564-6152 or visit <https://payless.benefitsnow.com> for support or additional information.

The Company may discontinue this Program and/or all similar benefit Programs at any time. Your entitlement to benefits automatically ends on the date that the Program is terminated. In accordance with Program terms, the Company will still pay claims for Qualified Commuter Benefit Expenses that you incur during your eligibility period and prior to the effective date of the termination of the Program. However, once the Program is terminated, the Company will not reimburse you for expenses incurred after the effective date of the Program's termination.

Expenses Which are NOT Covered Under the Program

Expenses that are not eligible: tolls, traffic tickets, fuel, mileage or other costs you incur in operating a vehicle, taxi fare, payments to a fellow participant in a carpool or to a friend who drives you to work, parking at your personal residence, parking at your spouse's place of work, parking at a mall of similar location where you stop on your drive to or from your place of work, costs that have been or will be paid by your employer, such as for business trips.

If you have any concerns regarding a specific expense, contact YSA at 1-855-564-6152 or visit <https://payless.benefitsnow.com> for support or additional information.

How to File a Claim for Reimbursement

Employees may commence or change their commuter orders at any time by visiting the Wired Commute Platform via single-sign-on from the Your Spending Account website.

- Employees will need to express interest on the Your Benefits Resources™ website before they will be set to a "participating" status, which will allow single-sign-on to YSA.
- Employees participating in another YSA supported plan (FSA for example) will be set to participating automatically.

Orders must be placed via the Wired Commute ordering platform. **All orders must be completed by the 10th*** of the month to be effective for the following benefit month (**Long Island and Metro-North Rail Roads require a cutoff of the 4th of the month**). For example, all orders placed by June 10th will be effective for the July benefit month. Employees can change their purchase from month to month.

To make ordering easy, employees have the option of electing the recurring feature when placing an order on the Wired Commute site. This option will automatically recreate their order every month and can be cancelled prior to the appropriate deadline listed above.

*Note that there are no exceptions to the ordering cutoff. Wired Commute's reconciliation, product ordering, funding, and fulfillment cycle begin promptly on the 11th, in order to ensure product delivery prior to the first of the benefit month.

How long do I have to use my Commuter account?

If the employee is terminated, their account will be closed as of their termination or transfer date. If termination status is received by Wired Commute prior to the 10th of the month, their order will be cancelled. If, however, the termination status is received after the 10th of the month, the order will process, the former employee will receive a valid Commuter product, and deductions will be passed to payroll. As all contributions or elections in this plan are pre-tax, refunds are not permitted.

Transit and Parking Product Overview

Public Transportation and Van Pool

- **Commuter Check Vouchers:** This is the most flexible way to pay for transit expenses. Commuter Check Vouchers can be used to purchase transit passes, tickets, cards, or other fare media from transit providers and retail merchants, or to pay for van pool fares. Employees can order multiple Commuter Checks with denominations that meet their transit needs, while fully taking advantage of the \$130 pre-tax limit. Commuter Checks are valid for 15 months and are a great option for both frequent and infrequent riders.
- **Commuter Check Card for Transit*:** This is a re-loadable commuter benefit card, accepted only at Transit Agencies or designated transit retail centers where only transit passes, tickets, fare cards, and van pool passes are sold. The Commuter Check Card can be used at Fare Vending Machines nationwide, which saves employees from waiting in line or having to locate a customer service desk or staffed sales area. Employees will receive one card which will be funded each month with the amount they designate.
- **Fare Media:** These are various transit passes, tickets, and smart cards offered by participating transit authorities across the nation. Fare media is region-specific and varies by your greater metropolitan area (GMA). Upon selecting your GMA, employees will be presented with a list of transit authorities that serve that particular geographic region and you will have access to a catalog of products offered by those transit authorities.

Parking

- **Monthly Direct Pay:** This convenient solution allows employees to enter their parking provider data and other information about their existing monthly parking arrangement, and Wired Commute will pay their parking expenses directly each month.
- **Commuter Check for Parking Vouchers:** These vouchers are made payable directly to parking providers and are used to pay for parking expenses. Commuter Check for Parking Vouchers may be used to purchase one or more types of parking, and employees can order as many vouchers as needed for multiple parking providers. These vouchers come in flexible denominations and are valid for 15 months.
- **Commuter Check Card for Parking*:** This pre-paid debit card solution offers the functionality of a voucher with the convenience of a reloadable, personalized, debit card for use at parking facilities nationwide. No receipts are necessary with this solution. Employees will receive one card which will be funded each month with the amount they designate

Additional Information Regarding Commuter Check Cards

- Funds load to the Check Card on the 23rd of the ordering month.
- Cards must be activated for funds to load. If the participant does not activate the card by the second ordering period, all funds are returned to the shopping cart as a credit. Instructions are included with the card itself and Wired Commute will reach out with an email reminder by the first of the benefit month if not activated.
- There is a monthly funding limit of \$700, and 6-transaction/\$600 daily threshold.
- The card is valid for 36-months.

Note that for all products, outside of the Commuter Check Cards, there is a maximum post-tax purchase of \$1000 available per ordering period.