

Sears Retiree Advisory Council Accomplishments

Here is a brief summary of what has been accomplished by the Sears Retiree Advisory Council (SRAC) and Sears working together in partnership over the last five years.

2005-06 Accomplishments

- **Retiree medical benefits focus groups** – Working with Council, held retiree focus groups in Atlanta and Chicago to get feedback on current medical benefits plans and ways to improve benefits communication. Information gained from focus groups helped form new RHA program offering, including availability for pre-65 retirees to enjoy subsidy when they reach 65.
- **Retiree Health Access (RHA) launch plan** – Convened special September Council meeting to plan launch and communication program for 2006 RHA Medical Benefits program.
- **RHA communications** – Worked with Council to create video detailing new retiree medical program, which was distributed to over 140 Sears retiree clubs. Worked with Council to draft written communications. Working with Council and club presidents, held 29 regional retiree meetings, attended by over 6,500 Sears retirees, to explain retiree medical changes and answer questions. Held conference calls with retiree club presidents. Created dedicated RHA call center and provided Q&A updates on Retiree Web site. In response to Council feedback, created dedicated RHA Aetna member-service number to decrease wait time and improve customer service.
- **CEO outreach** – New CEO Aylwin Lewis traveled to retiree club meetings in Atlanta and Florida to meet with retirees and provide Sears Holdings update.
- **Retiree club outreach** – Provided additional Sears speakers in response to six club requests.
- **Retiree discount focus groups** – Solicited retiree feedback for development of Sears Holdings discount program.
- **Sears Holdings discount program** – Communicated new discount program, which included Kmart discount to Sears retirees, via *Sears Retiree News* and Sears Retiree Web site.
- **Retiree seasonal recruitment program** -- Worked with retiree club presidents to communicate the second year offering of this retiree recruitment program.
- **Retiree club membership** – Responded to over 80 retiree requests for information on local retiree clubs. Provided 12 retirees with Retiree Club Start-up Kit.
- **Retiree volunteerism** – Worked with retiree clubs to include retirees in Sears' hurricane relief efforts for Gulf Coast victims. The retiree volunteer efforts were included in ABC's Extreme Makeover: Home Edition "After the Storm" show.

2004-05 Accomplishments

- **Retiree seasonal recruitment program**– Launched this new program for holiday 2004 which resulted in the hiring of several hundred Sears retirees as part-time, seasonal associates in Sears full-line stores.
- **Retiree club outreach** -- Provided eight Sears speakers for retiree clubs in 2004-05, including Alan Lacy who spoke to Detroit Retiree Club. A videotape of Alan Lacy's

presentation was sent to all retiree clubs. Since fall 2000, 48 Sears speakers have addressed retiree clubs.

- **New health plan option** – On the recommendation of the Council, implemented the ConsumerWise PPO plan, a new high-deductible, lower-premium health plan.
- **Enhanced Retiree Appreciation Day** – Based on feedback from Council, increased Day's special additional discount, distributed new retiree pin and enhanced welcome by store staff.
- **Promoted retiree clubs** – Responded to over 100 retiree inquiries for information on area retiree clubs (provided contact information for local clubs) or information on how to launch a new club (provided Retiree Club Start-Up Kit).
- **Retiree discount cards** – To address privacy concerns, retirees can now request discount cards that no longer reflect their social security number.
- **Retiree focus groups** – Solicited retiree input and feedback on benefits and communication efforts.
- **Retiree discounted travel** – Communicated discounted travel opportunities provided through American Express Travel.
- **Merger communications** – Kept retirees and retiree club presidents up-to-date on the Sears-Kmart merger through a series of Q&A mailed to club presidents and posted on the Retiree Website. Also sent all club presidents videotaped highlights of a merger town hall that briefed them on progress of the merger.
- **Retiree Web site** – Relaunched the site with a new look and navigation system.
- **Retiree volunteerism** -- Worked with retiree clubs to expand retiree volunteerism opportunities with Sears American Dream Campaign

2003-04 Accomplishments

- **Senior leadership outreach** – Alan Lacy, Mark Cosby, Greg Lee and Bob O'Leary presented to retiree clubs in 2003-04. Videotapes of Lacy and Cosby presentations were sent to all retiree clubs.
- **Building club membership** – Launched fall 2003, all associates retiring from Sears Full-line stores now receive a letter encouraging participation in Sears retiree clubs, along with contact information on local clubs.
- **Enhancing store-retiree relationship** – Unit managers now have access to an online retiree club database to assist them in building and fostering the retiree-store relationship.
- **Encouraging new clubs** – Developed a Sears Retiree Club Start-up Kit to assist retirees in launching new clubs. Retirees can access kit through the Sears Retiree Web site, through their Sears unit manager, or by querying retiree communications.
- **Medicare legislation information** – Provided updates and Q&A to Sears retirees
- **Sears medical contribution** – Medical-eligible retirees now receive information on Sears' contributions to their health plans in their annual election packets.
- **Retiree discounts** – Preserved retiree discount privileges following new Sears discount policy. Extended discount on Lands' End Internet purchases.

- **Council-retiree communication** – Kept retirees up-to-date on SRAC work by circulating minutes of SRAC/Sears management conference calls to clubs; also posted on Retiree Web site.
- **Retiree Service Center enhancement** – Launched new voice activation technology allowing callers the ability to speak their selections.
- **Retiree volunteerism** – Expanded opportunities for retiree volunteerism through Sears American Dream Campaign, including participation in Extreme Makeover: Home Edition.

2002-03 Accomplishments

- **Sears Retiree Appreciation Day** – Launched in February, 2002, Sears retirees now have a day that earmarks special store merchandise and values especially for them, while also extending an additional 10 percent off all purchases made in Sears Full-line and Dealer stores. Worked with SRAC to improve the experience for Sears retirees.
- **Quarterly conference calls** – Launched quarterly conference calls with SRAC to foster timely and ongoing exchange of information.
- **Stronger local store-club relationships** – Senior management has helped foster closer ties between Sears retiree clubs and local store management. Provided store management with contact information on over 135 retiree clubs.
- **Senior leadership presentations** – Alan Lacy and his management team visited retiree clubs to exchange information between Sears and retirees.
- **Sears speakers for club meetings** – Worked with district and store management to provide Sears spokespersons for local clubs.
- **Retiree volunteerism** – Piloted Sears American Dream Campaign with three retiree clubs.
- **Benefits Plus insert** – With SRAC input, produced detailed newsletter insert on Sears Benefits Plus program.
- **Council feedback mechanism** – Established a mechanism for retirees to send feedback to SRAC via the Sears Retiree Website.
- **Suspension option for medical** – Sears introduced the option to suspend Sears Medicare Plus Plan coverage in order to join a Medicare plan. If the HMO plan exits the marketplace or the retiree moves out of the area, the retiree can reenroll in the Sears coverage

2001 Accomplishments

- **Settlement of the retiree life insurance lawsuit** – Following the inaugural meeting of the Sears Retiree Advisory Council in January 2001, CEO Alan Lacy encouraged negotiations between plaintiffs and Sears which led to a tentative agreement four months later in June 2001.
- **Increase in the health insurance cap** – Sears increased the lifetime maximum for medical and prescription drug benefits under Sears Medicare Plus Plan from \$150,000 to \$250,000.

- **Retiree benefit enhancements** – Sears extended additional benefits to retirees including special discounted rates with America Online (AOL), discounted travel and leisure package rates, and special group rates on insurance and financial products (Benefits Plus).
- **Communication with retiree club presidents** – Launched regular update communication with retiree club leadership.
- **Retiree focus groups** – Sears tapped Sears retirees and clubs to provide feedback and counsel on benefit enhancements and communication efforts.
- **Retiree club speakers** – Sears expanded availability of Sears’ spokespersons for retiree club meetings