

Domestic Partner Benefits Supplement

Introduction

Jo-Ann Stores has always been committed to offering Team Members a comprehensive selection of competitive benefits. JOANN offers you the option to extend the following benefits to your domestic partner and his or her dependent children. Your domestic partner is only eligible for plans in which you are enrolled in.

- Medical & Prescription Drug Plan
- Dental Plan
- Dependent Life Insurance
- Vision Plan
- VAD&D
- Critical Illness
- Accident Plan
- Hospital Plan

Note: Although common law spouses (and children of common law spouses) are not eligible for coverage under the above plans by virtue of the marriage, they may be eligible for coverage if they satisfy the domestic partner requirements below.

Eligibility

You may be eligible for the domestic partner benefits listed above if you are a benefits-eligible Team Member working for JOANN. The benefits that you are eligible for are dependent on your Benefit Group status (Full-time, Part-time, and ACA eligible).

Benefits are available to same-sex and opposite-sex domestic partners of JOANN benefits-eligible Team Members. JOANN defines domestic partners as two people who have met all the following criteria:

- For the past 12 months have shared the same principal residence in an intimate, committed relationship of mutual caring and intend to do so indefinitely.
- Agree to be responsible for each other's basic living expenses during the domestic partnership and agree that anyone who is owed these expenses can collect from either of them.

- Are both 18 years of age or older and of sufficient mental competence to enter binding legal contracts.
- Are not married to anyone else (or registered or claimed as a domestic partner of someone else) and are not so closely related by blood that a legal marriage between them would be prohibited for that reason in their state of residence.
- Do not presently have a different domestic partner.
- Did not have a different domestic partner in the last 12 months.

How To Enroll

1. During Annual Enrollment

To enroll your domestic partner and/or your domestic partner's dependent children for any benefit you must complete the online enrollment process and an Affidavit of Domestic Partnership. You must provide a document that shows proof of financial interdependence, such as a joint bank account statement, a joint credit card statement, a title showing joint ownership of a residence, or mutual power of attorney. For dependent child(ren) of a domestic partner, you must also provide a copy of each dependent child's birth certificate.

- Allow 10 business days to process your affidavit and required documentation.
- Choose the coverage you want for the following year using the Benefits Reference Guide and Summary Plan Descriptions available through the Benefits icon in Ally. Your domestic partner's and their dependents' coverage will not become effective until the documentation mentioned above has been received and processed.

2. During the Year

Between annual enrollment periods, you may enroll, drop or change coverage for your domestic partner and his or her dependent children only if you experience a qualifying event.

A qualifying event is the onset of a lifestyle change involving one of the following:

- Eligibility or ineligibility of domestic partner
- Birth, adoption, custody or legal guardianship of a child
- Enrollment into other health coverage
- The loss of other group health coverage
- Death of a dependent
- Change in employment status

Enrollment or changes in enrollment will require you to complete the same paperwork as listed above. **You must submit proper documentation in Ally within 31 days of the qualifying event.**

Affidavit of Domestic Partnership

By signing an Affidavit of Domestic Partnership before a notary public, you and your domestic partner attest to a series of statements that establish your relationship. Completion of the affidavit makes you eligible to enroll your domestic partner and perhaps your partner's children for benefits.

After carefully reading the Affidavit of Domestic Partnership, you and your domestic partner will need to provide the information requested on the form and sign it in the presence of a notary public. Upload the notarized original in Ally.

Only a current Team Member or former Team Member that is currently eligible for COBRA may submit an Affidavit of Domestic Partnership.

Your Affidavit of Domestic Partnership is valid until you tell us otherwise, unless JOANN discovers that you have misrepresented important facts in the affidavit.

You should know that misrepresenting information about a domestic partner relationship to obtain benefit coverage may be fraudulent behavior and is grounds for immediate termination.

Claiming a domestic relationship may give your domestic partner legally enforceable rights to some of your benefits and other property if you dissolve your relationship; like joint property rights in a divorce proceeding. ***You may want to seek legal advice should you have any questions about signing the affidavit.***

Confidentiality

Information about domestic partners will be maintained in accordance with the JOANN policy regarding privacy of personal information.

Access to this information will be given only to those whose jobs require it, which may include service providers engaged by JOANN with respect to the available benefits and their respective plans.

Records will be maintained and provided to the IRS for tax purposes and may be created or maintained, as necessary for proper administration of the respective plans under which the benefits are provided.

Outside of JOANN, insurance carriers will need information about your domestic partner, and the providers that your domestic partner sees will have their own records naming you as the subscriber.

The Effect On Your Pay

Your medical, prescription, dental, and vision benefits are part of a special benefit feature called a Cafeteria Plan or Section 125 Plan. By choosing one or all these plans, the IRS allows you to pay your contributions with pre-tax dollars. This feature can result in a lower taxable wage for you which will help offset the cost of your benefit.

IRS regulations on pre-tax contributions **do not apply** to the contributions you pay for benefits for your domestic partner and your partner's children. Your contributions for medical, prescription and dental coverage for your domestic partner and that partner's children is the same as for a legal spouse and children. However, part of your contribution will be pre-tax, and part will be post-tax. Also, the value of the JOANN subsidy for that coverage becomes taxable income to you.

These are IRS regulations, not JOANN rules.

The portion of your contribution that covers your domestic partner is paid in after-tax dollars. The money that JOANN spends as a subsidy for these benefits is treated as "imputed income." This amount will show up on your pay stub, and it will be taxed just like ordinary income. You will pay these taxes from your existing pay.

The net effect is that you'll pay more in taxes for covering a domestic partner and his or her children in medical, prescription, dental, and vision care than you would for covering a legal spouse and your own children.

Be sure to factor in the additional taxes when determining your total cost for benefits.

Note: In some cases, the IRS allows a domestic partner to be claimed as a federal tax dependent. If your domestic partner qualifies as a federal tax dependent, please contact Human Resources as it may change your tax treatment.

Following is a summary of the tax ramifications for each of the coverage levels:

- **Team Member only coverage** - Your contributions are deducted from your paycheck on a pre-tax basis. You pay no taxes on the JOANN subsidy to your coverage.
- **Team Member plus Domestic Partner coverage** - Contributions for the portion of coverage that applies to you are deducted from your check pre-tax.

The portion of the contribution that applies to your domestic partner is taken from your check post-tax. You pay no tax on the amount of the company subsidy for your coverage but will pay tax on the amount the company subsidizes for your domestic partner.

- **Team Member plus Domestic Partner and your children** - Contributions for the portion of coverage that applies to you and your children are deducted from your check pre-tax. The portion of the contribution that applies to your domestic partner is taken from your check post-tax. You pay no tax on the amount of the company subsidy for your coverage and that of your children but will pay tax on the amount the company subsidizes for your domestic partner.
- **Team Member plus Domestic Partner and your Domestic Partner's children** - Contributions for the portion of coverage that applies to you are deducted from your check pre-tax. The portion of the contribution that applies to your domestic partner and your domestic partner's children is taken from your check post-tax. You pay no tax on the amount of the company subsidy for your coverage but will pay tax on the amount the company subsidizes for your domestic partner and your domestic partner's children.

When comparing the total cost of coverage (your contribution plus additional taxes), you may find that domestic partner benefits may not be for everyone. It may be less expensive for your partner to keep the coverage offered by his or her own employer, if available, or to elect coverage through a State or Federal insurance exchange.

You also may not find a more cost-effective alternative to an individual policy than the JOANN group medical, prescription and dental coverages even with the additional taxes, but this is not always the case, and the tax implications can become quite complex.

Please consult a professional in this area before making a decision regarding coverage.

If Your Domestic Partner Relationship Ends

Should your relationship with your domestic partner end, or you no longer meet all the eligibility requirements of being a domestic partner, you are no longer considered to be domestic partners and your former domestic partner and his or her children are no longer eligible for JOANN benefits. You must complete and submit the Termination of Domestic Partnership Form in Ally. This form will revoke your Affidavit of Domestic Partnership.

Your domestic partner and his or her children may be eligible for continuation of coverage for certain benefits. In order to file another Affidavit of Domestic Partnership with a different partner, you must once again satisfy all the requirements, including living together for 12 months.

Remember, you may also wish to change the beneficiary designated to receive any life insurance or 401(k) benefits if your domestic partner relationship ends.

If Your Domestic Partner Dies

If your domestic partner or partner's covered child(ren) dies, please submit documentation in Ally within 31 days to conclude their coverage under the various benefit plans.

If You Become Disabled

If you go on leave of absence, you will be able to continue benefits coverage for your domestic partner and his or her eligible children for as long as allowed per the company Leave of Absence policy.

Continuation of Coverage (COBRA)

Although a domestic partner and his or her dependent children do not have rights to continuation of coverage (COBRA) under existing federal law, JOANN will offer COBRA in certain cases. Your domestic partner and his or her covered dependents will be eligible to pay for COBRA if they lose their benefits or your relationship ends. COBRA applies to the medical, prescription, dental, and vision coverage you were enrolled in previously.

You must submit documentation in Ally **within 31 days** of the event so that COBRA information can be mailed if your domestic partner or covered children lose coverage due to the end of your relationship or loss of dependent child status under the JOANN plans. COBRA participants must pay monthly contributions for their coverage.

Contributions are based on the full group rate (Team Member + Company portion) plus 2% for administrative costs.

Benefits Summary

The following chart notes the benefits for which coverage of your domestic partner and your partner's child(ren) may be available, as well as benefits for which you may select a beneficiary.

| PLAN | OPTION |
|--|--|
| Medical/Prescription Drug Plan | You may elect to cover your Domestic Partner and partner's children. |
| Dental Plan | You may elect to cover your Domestic Partner and partner's children. |
| Vision Plan | You may elect to cover your Domestic Partner and partner's children. |
| Dependent Life Insurance | You may elect to cover your Domestic Partner and partner's children. You are the beneficiary by default. |
| Voluntary Accidental Death & Dismemberment Insurance (VAD&D) | You may elect to cover your Domestic Partner and partner's children. |
| Critical Illness | You may elect to cover your Domestic Partner and partner's children. |
| Basic Life Insurance | You may elect to name any person as your beneficiary. |
| Optional Life Insurance | You may elect to name any person as your beneficiary. |
| Healthcare Flexible Spending Account | Not eligible according to IRS rules. |
| Dependent Care Flexible Spending Account | Not eligible according to IRS rules. |
| Short-Term Disability | Not Applicable. |
| 401(k) Savings Plan | You may elect to name any person as your beneficiary. |
| Accident Plan | You may elect to cover your Domestic Partner and partner's children. |
| Hospital Plan | You may elect to cover your Domestic Partner and partner's children. |

Questions? Contact the Benefits Department at joannstoresbendept@joann.com or by phone at **1-866-396-HR4U (4748)**.

Instructions

Here is a list of some of the documents that can be used as proof of financial interdependence. Provide a copy of such a document along with the following affidavit (documents must be current):

- Mortgage or deed showing joint ownership of permanent residence
- Lease showing joint tenancy for residence
- Proof of common ownership of a motor vehicle
- Joint bank account statement
- Documentation of joint responsibility for debt
- Joint credit card account statements
- Designation as primary beneficiary for life insurance
- Designation as primary beneficiary for retirement benefits
- Designation as primary beneficiary under partner's will
- Assignment of durable property power of attorney to partner
- Assignment of health care power of attorney to partner

For dependent child(ren) of a domestic partner, you must also provide a copy of each dependent child's birth certificate.

To enroll, submit the following in Ally:

1. One of the proof of financial interdependence documents;
2. Copies of birth certificates for your domestic partner's dependent child(ren);
3. The signed and notarized affidavit; and
4. Completed Domestic Partner Enrollment Form:
 - a. Benefits elections
 - b. Names of dependents to be covered
 - c. The dates of birth and social security numbers of the domestic partner and/or child(ren).

If you have questions about specific plan details, please contact the Jo-Ann Stores HR/Benefits Department at joannstoresbenddept@joann.com or 1-866-396-HR4U (4748)

This is a supplement to the summary plan descriptions associated with the plans identified herein. Complete plan information for each plan is found in the official documents for the plans, any or all of which can be obtained by contacting Jo-Ann Stores HR/Benefits Department at joannstoresbenddept@joann.com or 1-866-396-HR4U (4748).

In the event of any differences between the information in this supplement and the official plan documents, benefits will be strictly based on the official documents. In addition, in the event of conflict between this supplement and any insurance policy providing any benefit described herein, the terms of the insurance policy will control. You should be aware that, with respect to any insured benefits, the insurance company is solely responsible for determining whether you are eligible for a benefit and for determining the amount of your benefit and has the discretion to interpret the insurance policy and the facts of your claim.

Jo-Ann Stores, LLC intends to continue the plans mentioned in this supplement indefinitely, but reserves the right to interpret, amend or terminate the plans or plan provisions at any time and for any reason.

AFFIDAVIT OF DOMESTIC PARTNERSHIP

We, _____ / _____ & _____
Team Member's Name Employee Number Domestic Partner's Name

residing at _____
Street Address, City, State and Zip

declare under penalty of perjury:

1. For at least the last twelve months we have shared the same principal residence in an intimate, committed relationship of mutual caring and intend to continue to do so indefinitely.
2. Neither of us has a different domestic partner now. Neither of us has had a different domestic partner in the last twelve months.
3. We agree to be responsible for each other's basic living expenses during our domestic partnership, and we agree that anyone who is owed these expenses can collect from either of us.
4. We are both 18 years of age or older and of sufficient mental competence to enter binding legal contracts.
5. Neither of us is married to anyone, and we are not so closely related by blood that a legal marriage between us would be prohibited for that reason in the state of _____.
6. We have received and read the Jo-Ann Stores, LLC Domestic Partner Benefits Supplement. We understand that the signing and filing of this Affidavit will give the domestic partner of a Team Member of Jo-Ann Stores, LLC important legal rights that cannot be eliminated except by dissolution of the domestic partnership.

We declare under penalty of perjury under the laws of the state of _____ that the statements above are true and correct.

Your Signature

Your Partner's Signature

State of _____ :

State of _____ :

County of _____ :

County of _____ :

On this the _____ day of _____, 20_____, there personally appeared before me

On this the _____ day of _____, 20_____, there personally appeared before me

(name of signer) who is known to me
(or who satisfactorily proved his/her identity) and
who signed this document in the above space.

(name of signer) who is known to me
(or who satisfactorily proved his/her identity) and
who signed this document in the above space.

In witness whereof, I hereby set my hand
and official seals.

In witness whereof, I hereby set my hand
and official seals.

Notary Public

Notary Public

Jo-Ann Stores, LLC

DOMESTIC PARTNER BENEFITS ENROLLMENT FORM

Team Member Name: _____

Employee#: _____

To add coverage for your domestic partner to one or more of your benefit plan(s), please complete the following information along with the Domestic Partner Affidavit and submit in Ally. If you have questions, please contact the HR/Benefits Department at joannstoresbendept@joann.com or 1-866-396-HR4U (4748).

Note: Your domestic partner is only eligible for plans in which you are enrolled.

Dependent Information:

(Please complete for your domestic partner and/or eligible domestic partner child(ren).)

| Last Name, First Name | Relationship | Social Security Number | Date of Birth (xx/xx/xxxx) | Gender M/F | FT Student Y/N |
|-----------------------|--------------|------------------------|----------------------------|------------|----------------|
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Please add my domestic partner to the following plan(s):

Please add my domestic partner and eligible child(ren) to the following plan(s):

- Medical & Prescription Drug
 - Is your domestic partner eligible for coverage through his/her employer? Yes No
 - Are you and your covered dependents currently tobacco-free and have been for the last 12 months? Yes No

- Dental
- Vision
- Dependent Life
- VAD&D
- Critical Illness
- Accident Plan
- Hospital Plan

- Medical & Prescription Drug
 - Is your domestic partner eligible for coverage through his/her employer? Yes No
 - Are you and your covered dependents currently tobacco-free and have been for the last 12 months? Yes No

- Dental
- Vision
- Dependent Life
- VAD&D
- Critical Illness
- Accident Plan
- Hospital Plan

Note: If your domestic partner is eligible for medical coverage through their employer, they cannot be on the JOANN Medical & Prescription plan.

HR USE ONLY:

Keyed: Payroll

Effective Date of Coverage: _____/_____/_____

Payroll Check Date: _____/_____/_____

Qualifying Event: _____

Qualifying Event Date: _____/_____/_____

Jo-Ann Stores, LLC

Termination of Domestic Partnership

I, _____, (please print name) do file or submit this Termination of Domestic Partnership to revoke the Affidavit of Domestic Partnership previously filed by me with Jo-Ann Stores, LLC. This relationship ended on ____/____/____. I understand that I may not file another Affidavit of Domestic Partnership unless I satisfy all the requirements, including living together for 12 months.

I understand that the medical, prescription, dental, vision, life and voluntary accidental death and dismemberment coverages, if any, of my former domestic partner and his or her children (who are not also my dependent children) will be terminated as of the above date, subject to any continuation rights provided by the plans.

I certify that I mailed my former domestic partner (unless deceased) a copy of this notice at the following address:

_____.

Team Member Signature

Team Member ID#

Date

Please complete this form in its entirety and upload into Ally.