

Reference Material

Termination of Employment



The following information explains what will happen to your benefits when your employment with CarMax ends.

Benefit Plan and COBRA information is available at benefits.carmax.com. Contact information for our providers and other resources is also included throughout this document. If you need additional information or assistance, please contact the CarMax Benefits Center at (888) 695-6947. A specialist can help you get the personalized information you need.

Please notify us when your home address changes so we may contact you with important benefits information. Send an email to [HR Payroll Processing Center@carmax.com](mailto:HR_Payroll_Processing_Center@carmax.com), and please contact the CarMax Benefits Center at (888) 695-6947.

It is also important to update your contact or profile information with our benefit plan administrators. If you currently use a CarMax email address for electronic statements or other messages related to your accounts, please update your email address immediately.

Exit Survey: CarMax wants to know more about your experiences while you were employed with us so that we can continue to improve the experiences of current and future associates. We encourage you to complete a short survey using the link below. CarMax is partnering with Glint to collect responses which will be kept confidential. Your employee id and birth month will be required for authentication purposes. The survey is available for associates while they are in active status at CarMax.

<https://app.glintinc.com/carmax/attribute-login/2859027c-6916-43b0-af8c-a03a3fd38942>

Please review the information provided below for all of the plans in which you are enrolled.

Reference Material

Termination of Employment



| Contact Information: | Telephone: | Website or Email: |
|--|----------------|---|
| CarMax Benefits Center | (888) 695-6947 | |
| Future Address Changes | | HR_Payroll_Processing_Center@carmax.com |
| Employment Verification- The Work Number (CarMax Company Code 70117) | (800) 367-5690 | theworknumber.com |
| ADP- Garnishments | (866) 324-5191 | |
| ADP- View W-2, Payslips | | My.ADP.Com |
| Anthem EAP (code: "CarMax") | (855) 873-4932 | AnthemEAP.com |
| Social Security | (800) 772-1213 | ssa.gov |
| AARP | | aarp.org |
| Anthem Medical | (833) 290-2480 | Anthem.com |
| Kaiser Medical/Prescriptions | (800) 464-4000 | Kp.org |
| CVS Caremark- Prescriptions | (855) 361-8564 | Caremark.com |
| Aetna Dental | (877) 238-6200 | Aetna.com |
| EyeMed- Vision | (866) 723-0514 | eyemedvisioncare.com |
| COBRA Administrator | (888) 695-6947 | |
| Health Insurance Marketplace | (800) 318-2596 | Healthcare.gov |
| Medicare | (800) MEDICARE | Medicare.gov |
| Anthem Flex Spending | (877) 290-2480 | |
| Prudential Life Insurance- Conversion | (877) 889-2070 | |
| Prudential Life Insurance- Portability | (800) 778-3827 | |
| CarMax Pension "Your Pension Resources" | (877) 846-1042 | https://ypr.aon.com |
| T. Rowe Price- 401(k) | (800) 695-6947 | rps.troweprice.com |
| Computershare- ESPP | (866) 322-7629 | www-us.computershare.com/employee |
| E*Trade- Stock Grants | (800) 838-0908 | etrade.com |

Reference Material

Termination of Employment



Verification of Employment and References

To provide consistency and fairness, to protect an individual's privacy rights, and to maintain security and confidentiality, all employment verification and reference requests are handled through a third party vendor, The Work Number. If you need an employment verification from CarMax, please have the person verifying employment contact The Work Number at (800) 367-5690 or [theworknumber.com](https://www.theworknumber.com). The verifier will need to provide The Work Number representative with CarMax's company code, 70117.

Final Payment of Wages

Any pay you are entitled to at the time you separate from service will be processed based on the final payment requirements of your state.

- If payment must be made prior to your normally scheduled pay date, a live check will be sent to your work location for distribution.
- If payment is made on your normally scheduled pay date, you will receive your final payment in accordance with the current payment method you have elected (direct deposit or live check).
- If you would like to view prior payslips, W-2s or Garnishment Orders, you can do so by registering at My.ADP.Com using a one-time registration code (CXM1-KMX-W2).
- If you have questions related to Garnishments, please reach out to ADP's Solution Center.
- For other inquiries, please call (888) 695-6947 to leave a message for the Payroll team.
- If you have a formal legal request for any prior pay, please reach out to your former Manager and HR.

Medical, Dental, and Vision Plans

- If you are enrolled in the CarMax Medical, Dental, and/or Vision Plans, your coverage will end on your last day of CarMax employment.
- In most instances, you will be eligible to continue your coverage under a federal act known as COBRA (Consolidated Omnibus Budget Reconciliation Act of 1986) for up to 18 months. Approximately 14 days after your employment ends, detailed information (including the cost and length of coverage) will be mailed to your home address.
- If you wish to continue coverage under COBRA, you must make an election within 60 days of the COBRA notice. Once you make your election to enroll and send your first payment, your coverage will be reinstated effective the date your coverage ended. You may cancel coverage at any time.
- If elected, you will receive new ID cards for the Medical and Dental Plans once Anthem/Kaiser and Aetna receive your COBRA elections. Your Vision cards will not change.
- If you need services before you receive your new ID cards, you will need to pay out of pocket. Once your coverage is reinstated and you receive your new ID cards, you will need to file a claim with the applicable doctor's office or pharmacy for reimbursement. It's recommended to check your prescription refills prior to retirement to hopefully avoid needing to pay out of pocket unnecessarily. You can also call Anthem or CVS Caremark before receiving services to see if they can send your COBRA information to the provider ahead of time.

Health Insurance Marketplaces

You may also wish to consider purchasing health coverage on the Health Insurance Marketplace applicable to your state of residence. Each Marketplace has a variety of health plan options available and you may be able to find a plan more tailored to your needs. You can obtain information about the coverage available to you

Reference Material

Termination of Employment



through the [healthcare.gov](https://www.healthcare.gov) website. You may also call the Health Insurance Marketplace customer service center at (800) 318-2596 for assistance.

Healthcare Spending/Saving Accounts

Health Care Flexible Spending Account (HCFSA) or Limited Purpose Flexible Spending Account (LPFSA)

- If applicable, participation in the HCFSA or LPFSA ends on your last day of employment. You will have 90 days following the end of the Plan Year (until May 29) to submit any expenses for reimbursement that were incurred while you were an active Associate and a participant. After this period, any remaining balance in your account will be forfeited according to IRS regulations.
- You have the right to continue participation in this program under COBRA for the remainder of the current Plan Year (through February 28/29). If you elect to do so, you will be required to pay the full after-tax monthly contribution plus a 2% COBRA administration fee. You will be billed each month you participate.

Health Reimbursement Account (HRA Medical Plan option)

- If applicable, your Health Reimbursement Account will continue for as long as you remain enrolled in the HRA Medical Plan option, including COBRA continuation. Any remaining balance in your account at the time your coverage in the HRA Medical option ends will be forfeited.

Health Savings Account (HSA Medical Plan option)

- If applicable, your Health Savings Account belongs to you regardless of whether you terminate your coverage in the Medical Plan or your employment with CarMax ends. Your HSA will remain accessible to you through Anthem. Contact the Anthem Health Guides at 833-290-2480 for more information.

Day Care Savings Account (DCSA)

- If applicable, participation in the DCSA ends on the day your employment ends. You will have 90 days following the end of the Plan Year (until May 29) to submit any expenses for reimbursement that were incurred while you were an active Associate and a participant during that Plan Year. After this period, any remaining balance in your account will be forfeited according to IRS regulations.

Life Insurance

Basic Life, Supplemental Life, Spouse or Domestic Partner Life, or Child Life Insurance

- All Life Insurance coverage will end on your last day of CarMax employment. You or any of your covered dependents may be eligible to convert any lost coverage to an individual policy with Prudential without having to provide evidence of good health. This is an easy way to maintain your life insurance coverage.

Accidental Death & Dismemberment (AD&D) Insurance

- If applicable, your AD&D coverage will end on your last day of CarMax employment. This coverage is not eligible for conversion, but is eligible for portability.

Portability means you continue the same policy by paying premiums directly to the insurer, rather than through payroll. Rates may be different than the premiums you paid as an active Associate.

Reference Material

Termination of Employment

Conversion means that you may transfer your coverage under the Plan to an individual whole life policy with the insurer, which may be at different rates than the premiums paid when you were an active Associate.

| | Portability available | Conversion available |
|---------------------------|---|---|
| Termination of employment | <ul style="list-style-type: none"> • Basic Life • Associate Supplemental Life • Spousal or Domestic Partner Life • Child Life • AD&D | <ul style="list-style-type: none"> • Basic Life • Associate Supplemental Life • Spousal or Domestic Partner Life • Child Life |

If you wish to port or convert any lost life insurance coverage, you must apply no later than 31 days after coverage ends. Please call Prudential at (877) 889-2070 for Conversion and (800) 778-3827 for Portability, and follow the prompts for Life Insurance.

Retirement Savings Plan

- If you are participating in the Retirement Savings Plan, your active participation in the Plan will cease when your employment ends. You are vested in your own contributions, the Company Matching Contributions, and the Retirement Contribution Account (if applicable). After your termination of employment, you will no longer be eligible to contribute to your plan account.
- If you have a 401(k) loan, the outstanding unpaid portion of your loan will become taxable to you. You should contact T. Rowe Price to determine the payoff options available to you; partial payments are allowed directly to T. Rowe Price after termination, which will decrease the taxable income to you.
- Your account will continue to be credited with any gains or losses associated with your investments. You will receive a letter from T. Rowe Price regarding your distribution options about 45 days after your termination date. The following is an overview of those options:

Option 1: Direct rollover to a traditional IRA or a future employer's plan (if rollovers permitted)

- Directly roll over all or part of your Pre-tax 401(k) vested account balance to a traditional IRA at the financial institution you choose, or to a future employer's eligible retirement plan (if that plan permits). This option allows you to retain the tax-deferred status of all amounts that you roll over.
- If you have an account balance of less than \$5,000 at the time your employment ends, you will receive information from T. Rowe Price regarding your distribution options. If you do not take any action to select a distribution method from your account, your account balance will be rolled over automatically to an individual IRA account.

Option 2: Direct rollover of Roth 401(k) to a Roth IRA or future employer's plan (if Roth rollovers permitted)

- Directly roll over all or part of your Roth 401(k) vested account balance to a Roth IRA at the financial institution you choose, or to a future employer's Roth eligible retirement plan (if that plan permits). This option allows you to retain the Roth status of all amounts that you roll over.

Option 3: Direct rollover of Pre-tax 401(k) to a Roth IRA

- You may directly roll over all or part of your vested Pre-tax 401(k) account balance to a Roth IRA, which is called a "conversion." However, the amount rolled from a Pre-tax 401(k) to the Roth IRA is taxable income to you in the year of the rollover.

Reference Material

Termination of Employment

Option 4: Cash payments

You may have all of your vested account balance paid to you in cash or, subject to minimum balance requirements (more than \$5,000 in your vested account), you may elect to receive your vested account balance in partial payments or in installments over regular intervals (monthly, quarterly, semi-annually, or annually). There are limits to the length of the installment payment schedule. T. Rowe Price can help you calculate the amount of your installment payments and set up your distribution schedule. Certain installment payments are not eligible for rollover.

- Federal law requires a mandatory 20% withholding on the taxable portion of your distributions that you could otherwise roll over. State taxes may also be withheld. All or part of your distribution will be taxable (unless it is a “qualified” Roth distribution) and, depending on your age, you may also be subject to a penalty for early withdrawal, unless you roll over your distribution within 60 days.
- If all or a portion of your distribution is from your Roth 401(k) account, please note the following: a “qualified” Roth distribution is tax-free only if taken at least five years after the year of your first Roth contribution and you have reached age 59 ½, become totally disabled, or died. If your distribution is not “qualified,” any withdrawal from your account that is not rolled over will be partially taxable. You must include the taxable portion of your distribution in your annual taxable income.

Option 5: Leave your account balance in the Plan

- Subject to minimum balance requirements (more than \$5,000 in your vested account), you are not required to take a distribution from the Plan until the April 1 following the later of (1) the year in which your employment with CarMax ends, or (2) the year you reach age 72. Please note that you still have the other distribution options available to you at any time.

Please consult your tax advisor for information regarding these options.

Employee Stock Purchase Plan (ESPP)

- If applicable, your active participation in the ESPP ends when your employment ends. You may contact Computershare for more information about selling your stock or transferring your account to an individual account. Your account will continue to be credited with any gains or losses. You will be responsible for the fees associated with maintaining your account after your separation from service.

Stock Options or Awards

- If you have received a stock award during your CarMax employment, please refer to your Stock Award Agreement(s) for important information. We recommend you consult a tax or financial advisor regarding any outstanding stock options or awards. Find more details on etrade.com or by calling (800) 838-0908.

Pension Plan

- On December 31, 2008, the Pension Plan was frozen. For Associates hired in 2007 or earlier, your Pension benefit is calculated based on your benefit service and pay accruals as of December 31, 2008. No Associates hired in 2008 or later are eligible for a Pension benefit.

If you are vested in the Pension Plan when you leave the company, you will receive information about your benefits mailed to your home address 30 to 60 days after your employment ends. If you are eligible to begin receiving benefits, you must submit the required forms before benefits can begin. It is your responsibility to notify the CarMax Benefits department in writing no less than 30 days before the date you wish your Pension benefits to start.

Reference Material

Termination of Employment



- If you are eligible for Early Retirement (age 55 and 10 years of vesting service or 62 and seven (7) years of vesting service), or Normal Retirement (age 65 and five (5) years of vesting service), your benefits may begin as early as the first day of the month after your employment ends. Benefits cannot begin until your employment termination is complete in Workday, and you have submitted the required forms. Pension benefits are payable on the first of each month thereafter.
- If you move or change your home or email address, remember to keep CarMax updated, so you can continue to receive important information about your benefits.

Vacation Time (Hourly and Commissioned Associates Only)

- CarMax does not pay out unused Vacation Time that has been accrued but not taken at termination, except as required by law. If required, pay will be included in your final paycheck.

Sick Time (Hourly and Commissioned Associates Only)

- CarMax does not pay out any unused Sick Time that has been accrued but not taken upon termination, except as required by law.

Time Away (Salaried Associates Only)

- In accordance with the “Time Away” policy, no Vacation or Sick Time is accrued; therefore, no payment is due when you terminate employment.

Employee Assistance Program

- Our Employee Assistance Program (EAP) is available to you and your family for up to 30 days after your termination of employment unless you elect to enroll in COBRA in which case it will remain available to you up to 18 months. You are eligible to take advantage of counseling sessions after your employment ends if you initiate those sessions within the first 31 days after termination. Information about the EAP is available at benefits.carmax.com.

Disability Programs

Short-Term Disability Pay

- Short-Term Disability Pay eligibility ends on your last day of employment.

Long-Term Disability Insurance

- If enrolled, Long-Term Disability coverage ends on your last day of employment.

Other Benefits Programs

Participation in all other benefit programs ends when your employment ends.

Please do not forget to complete the CarMax Exit Survey before your last day: The survey is available for Associates while they are in still actively employed with CarMax. We want to hear from you.

<https://app.glintinc.com/carmax/attribute-login/2859027c-6916-43b0-af8c-a03a3fd38942>

The preceding information summarizes how benefits are handled upon an Associate’s termination from active employment. If this information conflicts with Plan documents, Company policies, and/or contracts, the Plan documents, policies, and/or contracts will prevail. If you have any questions, please call the CarMax Benefits Center at (888) 695-6947. Benefit plan information is available at benefits.carmax.com.