



Investment in Walmart U.S. Associates - Year Two: Pay Raise for More than 1.1 Million Associates More Paid Time Off Options with Added Control and Flexibility

Walmart's people make the difference. The company has long been a place where anyone can start in an entry-level position and build a career. The company is investing \$2.7 billion over two years in its U.S. workers to give them the tools and resources they need to grow into jobs with higher pay and more responsibility.

This associate investment was taken into account in the financial outlook discussed last October at the company's annual analyst meeting.

Pay

A job at Walmart means competitive pay for all associates. This year Walmart, an industry leader for competitive pay and benefits, is making more meaningful changes to its pay, resulting in one of the largest single-day, private-sector pay increases ever with more than 1.1 million hourly associates across the country receiving a raise on February 20, 2016.

Hourly wage increase:

- On Feb. 20, all U.S. associates hired before Jan. 1, 2016 will earn at least **\$10/hour**.
 - New entry-level hourly associates will continue to start at \$9/hour and move to at least \$10/hour upon successful completion of the new Pathways training program (as soon as six months).
- Associates will receive an **annual pay increase** beginning February 20, rather than waiting until their anniversary date.
 - This year we are enabling hourly workers to earn their annual pay increase months earlier than expected for many associates. All store-associate evaluations will take place this spring and focus on career growth discussions. This approach will help associates better understand the career options available at Walmart and what's expected to promote to jobs with more responsibility and higher pay.
- Walmart is **raising the starting rate of its hourly pay bands** in the U.S. Anyone earning below the new minimum will automatically move up to the new minimum.

Pay Level	New Range	Previous Range
Level A	\$9 (\$10 after Pathways) - \$17.55	\$9 - \$17.55
Level B	\$10.50 - \$18.81	\$9.90 - \$18.81
Level C	\$12 - \$20.71	\$10.90 - \$20.71
Level D	\$15 - \$24.70	\$13 - \$24.70

- All associates at or above their pay level maximum will receive a one-time lump-sum **payment equal to 2 percent** of their annual pay.
- As part of simplifying its pay structure, Walmart is putting more money into its hourly rates rather than auxiliary benefits like a Sunday premium (Sunday premium for new hires was discontinued in 2011). To help with this transition, Walmart is providing U.S. associates a **lump-sum payment** equal to half the total Sunday premium earnings they received last year.
- When these changes go into effect in February:
 - Walmart's average full-time hourly wage will be **\$13.38/hour**.
 - Walmart's average part-time hourly wage will be **\$10.58/hour**.
- The pay minimum for assistant store managers is being increased to **\$45,000/year**.
- Eligible associates will continue to qualify for **quarterly bonuses** based on the performance of their stores (\$500 million earned last year).

Benefits:

Walmart U.S. and Sam's Club are launching a new, simplified Paid Time Off (PTO) policy that will streamline paid vacation, sick time, personal time and holiday time into one category. The one-day wait to use sick time will be eliminated as promised.

Paid Time Off (PTO)

- Both full- and part-time hourly associates will earn PTO based on tenure with the company and hours worked.
- There's no waiting to use PTO. It is available to use as soon as an associate earns it and can be used for almost any reason.
- Hourly associates will keep the unused time they have earned:
 - Full-time hourly associates are able to carry over up to 80 hours of PTO from year to year.
 - Part-time hourly associates are able to carry over up to 48 hours of PTO from year to year.
 - Any unused hours at the end of the year above the 80 hour and 48 hour limits will automatically be paid out to associates in the first paycheck each February.
 - The long-term service bonus for hourly 20+ year hourly associates is being converted to an additional 40 hours of PTO. These hours could be used as extra days off or paid out in February if unused.
- Hourly associates in the U.S. will also keep any existing and accrued sick and personal time. These balances will be kept separate, to be used for certain circumstances once all available PTO is used.

	<i>Full Time Associate</i>	<i>Part Time Associate</i>
Years of service	Maximum PTO Hours	Maximum PTO Hours
0-1	Up to 120 hours (15 days)	Up to 48 hours (6 days)
2	Up to 136 hours (17 days)	Up to 104 hours (13 days)
3-5	Up to 176 hours (22 days)	Up to 104 hours (13 days)
6-9	Up to 208 hours (26 days)	Up to 104 hours (13 days)
10-14	Up to 224 hours (28 days)	Up to 104 hours (13 days)
15-19	Up to 264 hours (33 days)	Up to 104 hours (13 days)
20+	Up to 304 hours (38 days)	Up to 144 hours (18 days)

Short Term Disability

- On January 1, 2016, Walmart U.S. and Sam's Club began providing a new, Short Term Disability Basic plan at no cost to full-time hourly associates. The plan offers more financial protection to workers who need to be away from work for an extended period of time due to their own medical condition such as an illness, injury or having a baby.
 - The basic plan will pay 50 percent of a worker's average weekly wage, up to \$200, for up to 26 weeks.
 - The company is also offering a Short Term Disability Enhanced plan, which costs less than the company's prior voluntary Short Term Disability plan and provides more coverage. Associates would receive up to 60 percent of their average weekly wage with no weekly maximum for up to 26 weeks.

Opportunity

Walmart is also creating new training, education and scheduling programs for associates as well as committing \$100 million to help increase economic mobility for entry level workers through skills training and new approaches to career advancement.

- The **Pathways training program** will be available to new hires in 2016. This systematic development program provides a deliberate career path for both full- and part-time associates, from opening level positions to the large scale operational leadership position of Regional General Manager. After successful completion, associates will move to at least \$10/hour.
- Walmart and the Walmart Foundation have committed **\$100 million over five years** to support programs that help increase the economic mobility for entry-level workers outside of Walmart in the retail and adjacent industries. To date, the work spans 29 states and the District of Columbia, 65 individual program locations and has provided the funding to train 12,000 people.