# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2020**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

**A** This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

**D** Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
SAKS FIFTH AVENUE PENSION PLAN

**1b** Three-digit plan number (PN) ▶ 003

**1c** Effective date of plan 07/02/1990

**2a** Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
SAKS & COMPANY LLC

ATTN CORP TAX DEPARTMENT
225 LIBERTY ST
NEW YORK, NY 10281-1048

**2b** Employer Identification Number (EIN) 13-1256625

**2c** Plan Sponsor's telephone number 877-725-7238

**2d** Business code (see instructions) 452200

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/15/2021 | NICOLE WILKINS |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

**3a** Plan administrator's name and address ☐ Same as Plan Sponsor

HUDSON'S BAY COMPANY PENSION & RETIREMENT COMMITTEE
SAKS INCORPORATED
225 LIBERTY ST FL 31
NEW YORK, NY 10281-1089

**3b** Administrator's EIN
37-1584180

**3c** Administrator's telephone number
877-725-7238

**4** If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:
**a** Sponsor's name
**c** Plan Name

**4b** EIN

**4d** PN

| | | |
|---|---|---|
| **5** Total number of participants at the beginning of the plan year | **5** | 3466 |
| **6** Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**). | | |
| **a(1)** Total number of active participants at the beginning of the plan year | **6a(1)** | 912 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 719 |
| **b** Retired or separated participants receiving benefits | **6b** | 1180 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 1184 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 3083 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 148 |
| **f** Total. Add lines **6d** and **6e** | **6f** | 3231 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 1 |
| **7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

1A 1C 3H

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

**9a** Plan funding arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | ☐ | Insurance |
| **(2)** | ☐ | Code section 412(e)(3) insurance contracts |
| **(3)** | ☒ | Trust |
| **(4)** | ☐ | General assets of the sponsor |

**9b** Plan benefit arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | ☐ | Insurance |
| **(2)** | ☐ | Code section 412(e)(3) insurance contracts |
| **(3)** | ☒ | Trust |
| **(4)** | ☐ | General assets of the sponsor |

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

| | | |
|---|---|---|
| **(1)** | ☒ | **R** (Retirement Plan Information) |
| **(2)** | ☐ | **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary |
| **(3)** | ☒ | **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary |

**b General Schedules**

| | | | |
|---|---|---|---|
| **(1)** | ☒ | | **H** (Financial Information) |
| **(2)** | ☐ | | **I** (Financial Information – Small Plan) |
| **(3)** | ☐ | 0 | **A** (Insurance Information) |
| **(4)** | ☒ | | **C** (Service Provider Information) |
| **(5)** | ☒ | | **D** (DFE/Participating Plan Information) |
| **(6)** | ☐ | | **G** (Financial Transaction Schedules) |

## Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

**11c** Enter the Receipt Confirmation Code for the 2020 Form M-1 annual report. If the plan was not required to file the 2020 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

# SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

**2020**

**This Form is Open to Public Inspection**

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

**A** Name of plan
SAKS FIFTH AVENUE PENSION PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
SAKS & COMPANY LLC

**D** Employer Identification Number (EIN)
13-1256625

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

## Part I Basic Information

**1** Enter the valuation date: Month 01 Day 01 Year 2020

**2** Assets:

| | | |
|---|---|---|
| **a** Market value | **2a** | 91279264 |
| **b** Actuarial value | **2b** | 88413906 |

**3** Funding target/participant count breakdown

| | (1) Number of participants | (2) Vested Funding Target | (3) Total Funding Target |
|---|---|---|---|
| **a** For retired participants and beneficiaries receiving payment | 1348 | 37344437 | 37344437 |
| **b** For terminated vested participants | 1206 | 26485111 | 26485111 |
| **c** For active participants | 912 | 23321295 | 23323220 |
| **d** Total | 3466 | 87150843 | 87152768 |

**4** If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

| | | |
|---|---|---|
| **a** Funding target disregarding prescribed at-risk assumptions | **4a** | |
| **b** Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor | **4b** | |

| | | |
|---|---|---|
| **5** Effective interest rate | **5** | 5.10 % |
| **6** Target normal cost | **6** | 1242737 |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN HERE**

| | |
|---|---|
| Signature of actuary | 09/30/2021 Date |
| KEVIN GONTOWSKI Type or print name of actuary | 20-06296 Most recent enrollment number |
| MERCER Firm name | 203-229-6181 Telephone number (including area code) |
| 501 MERRITT 7<br>NORWALK, CT 06856 Address of the firm | |

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

## Part II Beginning of Year Carryover and Prefunding Balances

| | | (a) Carryover balance | (b) Prefunding balance |
|---|---|---|---|
| 7 | Balance at beginning of prior year after applicable adjustments (line 13 from prior year) | 0 | 0 |
| 8 | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) | | |
| 9 | Amount remaining (line 7 minus line 8) | 0 | 0 |
| 10 | Interest on line 9 using prior year's actual return of 16.71 % | 0 | 0 |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| | **a** Present value of excess contributions (line 38a from prior year) | | 1037414 |
| | **b(1)** Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 5.25 % | | 54464 |
| | **b(2)** Interest on line 38b from prior year Schedule SB, using prior year's actual return | | 0 |
| | **c** Total available at beginning of current plan year to add to prefunding balance | | 1091878 |
| | **d** Portion of (c) to be added to prefunding balance | | 1091878 |
| 12 | Other reductions in balances due to elections or deemed elections | 0 | 0 |
| 13 | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) | 0 | 1091878 |

## Part III Funding Percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 100.19 % |
| 15 | Adjusted funding target attainment percentage | 15 | 101.44 % |
| 16 | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement | 16 | 97.47 % |
| 17 | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage | 17 | % |

## Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees | (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | Totals ► 18(b) | 0 | 18(c) 0 |

| | | | |
|---|---|---|---|
| 19 | Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year: | | |
| | **a** Contributions allocated toward unpaid minimum required contributions from prior years. | 19a | 0 |
| | **b** Contributions made to avoid restrictions adjusted to valuation date | 19b | 0 |
| | **c** Contributions allocated toward minimum required contribution for current year adjusted to valuation date | 19c | 0 |

20 Quarterly contributions and liquidity shortfalls:

**a** Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

**b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

**c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---|---|---|---|
| 0 | 0 | 0 | 0 |

## Part V Assumptions Used to Determine Funding Target and Target Normal Cost

**21** Discount rate:

**a** Segment rates:

| 1st segment: | 2nd segment: | 3rd segment: | |
|---|---|---|---|
| 3.64 % | 5.21 % | 5.94 % | ☐ N/A, full yield curve used |

| | | |
|---|---|---|
| **b** Applicable month (enter code) | **21b** | 4 |
| **22** Weighted average retirement age | **22** | 63 |

**23** Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

## Part VI Miscellaneous Items

| | | |
|---|---|---|
| **24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment | ☒ Yes | ☐ No |
| **25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment | ☐ Yes | ☒ No |
| **26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment | ☒ Yes | ☐ No |

| | | |
|---|---|---|
| **27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment | **27** | |

## Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

| | | |
|---|---|---|
| **28** Unpaid minimum required contributions for all prior years | **28** | 0 |
| **29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) | **29** | 0 |
| **30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) | **30** | 0 |

## Part VIII Minimum Required Contribution For Current Year

**31** Target normal cost and excess assets (see instructions):

| | | |
|---|---|---|
| **a** Target normal cost (line 6) | **31a** | 1242737 |
| **b** Excess assets, if applicable, but not greater than line 31a | **31b** | 169260 |

**32** Amortization installments:

| | Outstanding Balance | Installment |
|---|---|---|
| **a** Net shortfall amortization installment | 0 | 0 |
| **b** Waiver amortization installment | 0 | 0 |

| | | |
|---|---|---|
| **33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount | **33** | |
| **34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) | **34** | 1073477 |

| | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| **35** Balances elected for use to offset funding requirement | 0 | 1073477 | 1073477 |

| | | |
|---|---|---|
| **36** Additional cash requirement (line 34 minus line 35) | **36** | 0 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) | **37** | 0 |

**38** Present value of excess contributions for current year (see instructions)

| | | |
|---|---|---|
| **a** Total (excess, if any, of line 37 over line 36) | **38a** | 0 |
| **b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances | **38b** | |
| **39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) | **39** | 0 |
| **40** Unpaid minimum required contributions for all years | **40** | 0 |

## Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

**41** If an election was made to use PRA 2010 funding relief for this plan:

**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years

**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2020**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

**A** Name of plan
SAKS FIFTH AVENUE PENSION PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan sponsor's name as shown on line 2a of Form 5500
SAKS & COMPANY LLC

**D** Employer Identification Number (EIN)
13-1256625

## Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

RUSSELL INVESTMENTS TRUST COMPANY

91-1116938

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 13 25 50 | PARTY IN INTEREST | 458002 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

MERCER (US)INC.

13-2834444

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 11 17 50 | ACTUARY | 243851 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

MCDERMOTT WILL & EMERY

36-1453176

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 17 27 50 | LEGAL COUNSEL | 70243 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

DELOITTE & TOUCHE LLP

13-3891517

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 10 50 | AUDITOR | 38443 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

ONESOURCE STAFFING SOLUTIONS

23-2985242

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 50 | ADMINISTRATOR | 15623 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

BEDWICK AND JONES PRINTING INC.

23-1914058

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 50 | ADMINISTRATOR | 5609 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

## Part I Service Provider Information (continued)

**3.** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

## Part II Service Providers Who Fail or Refuse to Provide Information

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **Part III** | **Termination Information on Accountants and Enrolled Actuaries (see instructions)**<br>(complete as many entries as needed) |
|---|---|

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2020**

**This Form is Open to Public Inspection.**

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

**A** Name of plan
SAKS FIFTH AVENUE PENSION PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
SAKS & COMPANY LLC

**D** Employer Identification Number (EIN)
13-1256625

**Part I** **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL MULTI ASSET CORE FUND

**b** Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 91-1117282-024 | C | 58374314 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL MULTI-MANAGER BOND FUND

**b** Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 91-1117282-038 | C | 16305294 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL 8-YEAR LDI FIXED INC FUND

**b** Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 26-6609096-005 | C | 8163174 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL 10 YR STRIPS FIXED INCOME

**b** Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 91-1117282-010 | C | 2771162 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL 15 YR STRIPS FIXED INCOME

**b** Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 91-1117282-011 | C | 1185205 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL 6-YEAR LDI FIXED INCOME FD

**b** Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 91-1117282-004 | C | 0 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**Part II** **Information on Participating Plans (to be completed by DFEs)**
(Complete as many entries as needed to report all participating plans)

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2020**

**This Form is Open to Public Inspection**

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

**A** Name of plan
SAKS FIFTH AVENUE PENSION PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan sponsor's name as shown on line 2a of Form 5500
SAKS & COMPANY LLC

**D** Employer Identification Number (EIN)
13-1256625

## Part I Asset and Liability Statement

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 1942700 | 1150000 |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | 408670 | 140569 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | | |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | | |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 88998010 | 86799149 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | | |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | **(a)** Beginning of Year | **(b)** End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | | |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 91349380 | 88089718 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | 129155 | 165875 |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 129155 | 165875 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 91220225 | 87923843 |

## Part II Income and Expense Statement

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

| | **Income** | | **(a)** Amount | **(b)** Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 0 | |
| | **(B)** Participants | 2a(1)(B) | | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 0 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 0 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 0 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| **(6)** Net investment gain (loss) from common/collective trusts | 2b(6) | | 6868769 |
| **(7)** Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| **(8)** Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| **(9)** Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| **(10)** Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | |
| **c** Other income | 2c | | |
| **d** Total income. Add all **income** amounts in column (b) and enter total | 2d | | 6868769 |
| **Expenses** | | | |
| **e** Benefit payment and payments to provide benefits: | | | |
| **(1)** Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 8820628 | |
| **(2)** To insurance carriers for the provision of benefits | 2e(2) | | |
| **(3)** Other | 2e(3) | | |
| **(4)** Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 8820628 |
| **f** Corrective distributions (see instructions) | 2f | | |
| **g** Certain deemed distributions of participant loans (see instructions) | 2g | | |
| **h** Interest expense | 2h | | |
| **i** Administrative expenses: **(1)** Professional fees | 2i(1) | 415888 | |
| **(2)** Contract administrator fees | 2i(2) | 41116 | |
| **(3)** Investment advisory and management fees | 2i(3) | 412011 | |
| **(4)** Other | 2i(4) | 475508 | |
| **(5)** Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 1344523 |
| **j** Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 10165151 |
| **Net Income and Reconciliation** | | | |
| **k** Net income (loss). Subtract line **2j** from line **2d** | 2k | | -3296382 |
| **l** Transfers of assets: | | | |
| **(1)** To this plan | 2l(1) | | |
| **(2)** From this plan | 2l(2) | | |

## Part III Accountant's Opinion

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

**(1)** [X] Unmodified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

**b** Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

**(1)** [X] DOL Regulation 2520.103-8 **(2)** [X] DOL Regulation 2520.103-12(d) **(3)** [ ] neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

**c** Enter the name and EIN of the accountant (or accounting firm) below:

**(1)** Name: DELOITTE & TOUCHE LLP **(2)** EIN: 13-3891517

**d** The opinion of an independent qualified public accountant is **not attached** because:

**(1)** [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

## Part IV Compliance Questions

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| **b** | Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | **4b** | | X | |
| **c** | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | **4c** | | X | |
| **d** | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | **4d** | | X | |
| **e** | Was this plan covered by a fidelity bond? | **4e** | X | | 10000000 |
| **f** | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | **4f** | | X | |
| **g** | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | **4g** | | X | |
| **h** | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | **4h** | | X | |
| **i** | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | **4i** | X | | |
| **j** | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.) | **4j** | | X | |
| **k** | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | **4k** | | X | |
| **l** | Has the plan failed to provide any benefit when due under the plan? | **4l** | | X | |
| **m** | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | **4m** | | | |
| **n** | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3 | **4n** | | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No

If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| **5b(1)** Name of plan(s) | **5b(2)** EIN(s) | **5b(3)** PN(s) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

**5c** Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☒ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4332721.

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2020**

**This Form is Open to Public Inspection.**

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

**A** Name of plan
SAKS FIFTH AVENUE PENSION PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan sponsor's name as shown on line 2a of Form 5500
SAKS & COMPANY LLC

**D** Employer Identification Number (EIN)
13-1256625

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 04-3581074

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... **3** 141

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6** **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

## Part III Amendments

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

## Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

**11** **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

**14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

| | | |
|---|---|---|
| **a** The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment) | **14a** | |
| **b** The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) | **14b** | |
| **c** The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) | **14c** | |

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

| | | |
|---|---|---|
| **a** The corresponding number for the plan year immediately preceding the current plan year | **15a** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers | **16b** | |

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

## Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

**19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

**a** Enter the percentage of plan assets held as:
Stock: 67.2 % Investment-Grade Debt: 31.4 % High-Yield Debt: 1.4 % Real Estate: 0.0 % Other: 0.0 %

**b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☒ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate line 19(b)?
☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

**20** **PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

**a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

**b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

# Saks Fifth Avenue Pension Plan

Employer ID No: 13-1256625
Plan Number: 003

Financial Statements as of December 31, 2020
and 2019, and for the Year Ended December 31, 2020,
Supplemental Schedule as of December 31, 2020, and
Independent Auditors' Report

# SAKS FIFTH AVENUE PENSION PLAN

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Note: All other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Deloitte.

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## INDEPENDENT AUDITORS' REPORT

To the Plan Administrator of
Saks Fifth Avenue Pension Plan

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of Saks Fifth Avenue Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, and the related statement of changes in net assets available for benefits for the year ended December 31, 2020 and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Basis for Disclaimer of Opinion**

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Russell Investments Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of December 31, 2020 and 2019, and for the year ended December 31, 2020, that the information provided to the plan administrator by the trustee is complete and accurate.

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

**Other Matter**

The supplemental schedule of assets (held at end of year) as of December 31, 2020 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

**Report on Form and Content in Compliance with Department of Labor Rules and Regulations**

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Deloitte + Touche LLP

October 1, 2021

# SAKS FIFTH AVENUE PENSION PLAN

## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
## AS OF DECEMBER 31, 2020 AND 2019

| | 2020 | 2019 |
|---|---|---|
| ASSETS: | | |
| Investments—at fair value—common/collective trust funds | $86,799,149 | $88,998,010 |
| Total investments | 86,799,149 | 88,998,010 |
| Receivables: | | |
| Receivable for securities sold | 140,569 | 408,670 |
| Employer contributions receivable | 1,150,000 | 792,700 |
| Total receivables | 1,290,569 | 1,201,370 |
| Total assets | 88,089,718 | 90,199,380 |
| LIABILITIES—Administrative expenses payable | 165,875 | 129,155 |
| Total liabilities | 165,875 | 129,155 |
| NET ASSETS AVAILABLE FOR BENEFITS | $87,923,843 | $90,070,225 |

See notes to financial statements.

# SAKS FIFTH AVENUE PENSION PLAN

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED DECEMBER 31, 2020

| | |
|---|---|
| ADDITIONS: | |
| Employer contributions | $ 1,150,000 |
| Net appreciation in fair value of investments | 6,868,769 |
| Total additions | 8,018,769 |
| DEDUCTIONS: | |
| Benefits paid to participants | 8,820,628 |
| Administrative expenses | 1,344,523 |
| Total deductions | 10,165,151 |
| Net decrease | (2,146,382) |
| NET ASSETS AVAILABLE FOR BENEFITS—Beginning of year | 90,070,225 |
| NET ASSETS AVAILABLE FOR BENEFITS—End of year | $87,923,843 |

See notes to financial statements.

# SAKS FIFTH AVENUE PENSION PLAN

## NOTES TO FINANCIAL STATEMENTS
## AS OF DECEMBER 31, 2020 AND 2019, AND FOR THE YEAR ENDED DECEMBER 31, 2020

### 1. DESCRIPTION OF THE PLAN

The following description of the Saks Fifth Avenue Pension Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

**General**—The Plan is a non-contributory defined benefit cash balance pension plan covering certain employees of Saks & Company, a wholly-owned subsidiary of Saks Incorporated (the "Company"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

**Plan Events**—On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress. The CARES Act provided fast and temporary relief for retirement plan sponsors and their participants. The provisions of the CARES Act were effective and operationalized immediately, prior to amending the plan document.

Under the CARES Act, the Plan Sponsor elected to make certain contributions designated to the 2019 Plan Year following the issuance of the 2019 financial statements in January 2021. At that time, the Plan amended its Form 5500 for the year ended December 31, 2019 to account for such contribution and, as a result, the contributions and contributions receivable presented in the 2019 financial statements, which are in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), differed from the contributions and contributions receivable presented on the amended Schedule H of the Form 5500, which are presented based on the plan year for which they are designated (see additional information in Note 11).

**Plan Administrator and Trustee**—The Plan is sponsored and administered by the Pension Committee of Saks & Company. Russell Investments Trust Company (the "Trustee") serves as the Plan's trustee.

**Participation**—Eligible employees became participants of the Plan when they attained age 21 and completed one year of eligibility service, which is defined by the Plan to be a plan year in which an employee completes 1,000 hours of service. Employees hired on or after May 1, 2002 are excluded from participation in the Plan. All employees of Saks & Company employed prior to May 1, 2002 are considered eligible for participation except for: (1) non-resident aliens with no U.S. source of income; (2) employees covered by a collective bargaining agreement that does not provide for participation in the Plan; (3) "leased" employees, unless participation of such employees is necessary for the Plan to remain qualified under the Internal Revenue Code (the "Code"); and (4) employees participating in another defined benefit plan maintained by the Company.

**Pension Benefits**—The Plan maintains hypothetical accounts for each Plan participant to which the following are allocated: (1) their opening balance, equal to the present value of a participant's accrued benefit as of December 31, 1997; (2) annual benefit credits equal to a percentage of a participant's eligible compensation for that plan year; and (3) annual interest credits. For plan years 1998 through 2001, the percentage used to determine the annual benefit credit is based on years of vesting service, as defined by the Plan. Effective May 1, 2002, for plan year 2002 and after, the annual benefit credit is

equal to 2.00% of eligible compensation for that plan year. For purposes of calculating the annual benefit credit, eligible compensation is limited in accordance with the Code. The annual interest credit is determined based on the 3-year Treasury rate as of the last day of the preceding plan year, subject to a minimum rate of 4.75% per year, applied to the participant's account balance as of the first day of the plan year.

Effective January 1, 2007, the accrued benefits for all participants, except certain participants who as of December 31, 2006 had attained age 55, completed 10 years of vesting service, as defined by the Plan, and who were not considered to be highly compensated employees ("Grandfathered Participants"), were frozen, and no further benefit credits accrue under the Plan. Effective March 13, 2009, the accrued benefits for Grandfathered Participants were frozen. No further benefit credits accrue for any participants of the Plan after March 13, 2009. All participants continue to accrue interest credits.

**Vesting and Payment of Benefits**—Participants in the Plan become fully vested in their benefits under the Plan upon attainment of normal retirement age, as defined by the Plan, or upon completion of three years of vesting service. Prior to January 1, 2008, participants became fully vested in their benefits upon completion of five years of vesting service. For the purposes of vesting, a year of service is defined by the Plan to be a plan year during which the participant completed at least 1,000 hours of service. Normal retirement age is defined by the Plan to be the later of: (a) age 65, or (b) the earlier of the date on which five years of vesting service is completed or the fifth anniversary of the date the employee becomes a participant in the Plan.

Participants may elect early retirement at the earlier of: (a) the date the participant reaches age 55 if they have completed ten years of vesting service, or (b) the age at which their age combined with their years of vesting service is at least 65, provided they have completed at least three years of vesting service. Participants who work beyond the normal retirement age are eligible for a late retirement benefit. A late retirement benefit is adjusted accordingly based on the later termination date.

Benefits are normally paid monthly in the form of a single-life annuity or, for married participants, in the form of a joint and 50% survivor annuity. Other forms of payment available to participants, subject to spousal consent in the case of married participants, include a joint and 75% survivor annuity, or a life and 10-year certain annuity. Effective January 1, 1998, upon conversion of the Plan to a cash-balance formula, participants who have a cash-balance benefit are also eligible to elect to receive their benefits as a single, lump-sum distribution, subject to spousal consent in the case of married participants.

**Forfeitures**—Participants who terminate employment, but have not become fully vested, forfeit their unvested benefits. In accordance with the Plan document, forfeitures are used to reduce the cost of the Plan to the Company.

**Administrative Expenses**—Administrative expenses of $1,344,523 were incurred by the Plan for the year ended December 31, 2020. Expenses incurred with respect to the administration of the Plan are paid from the assets of the Plan to the extent allowed under ERISA. To the extent such expenses are not paid by the Plan, they are paid by the Company. The Plan sponsor provides accounting and other administrative services to the Plan at no charge.

**Subsequent Events**—Management has evaluated subsequent events for potential disclosure in or adjustment to the financial statements through October 1, 2021, the date the accompanying financial statements were available to be issued. Based on such evaluation, except as discussed above, no events have occurred that in the opinion of management warrant disclosure or adjustment to the financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**—The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting and in accordance with U.S. GAAP.

**Use of Estimates**—The preparation of financial statements in conformity with U.S. GAAP requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein; disclosure of contingent assets and liabilities; and the actuarial present value of accumulated plan benefits and changes therein at the date of the financial statements. Actual results could differ from those estimates.

**Investment Valuation and Income Recognition**—The Plan's investments are stated at fair value. See Note 6 *Fair Value Measurements*, for further discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividend income is recorded on the ex-dividend date.

The Plan presents in the Statement of Changes in Net Assets Available for Benefits, the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

The Plan's investment strategy is to maintain a diversified portfolio of asset classes with the primary goal of ensuring that funds are available to meet the Plan's benefit obligations as they become due. The Plan employs a liability-driven investment strategy, which is designed to reduce the volatility of the Plan's funded status by more closely aligning the duration of the assets with the duration of the liabilities. Common/collective trust funds have various procedures regarding liquidity, which may include advance notification requirements and specific periodic dates for providing such liquidity. None of the common/collective trust funds in which the Plan invests have restrictions on redemption frequency, nor do they have advance notification requirements. There were no unfunded commitments as of December 31, 2020 and 2019.

**Payment of Benefits**—Benefit payments to participants are recorded upon distribution.

**Actuarial Present Value of Accumulated Plan Benefits**—Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to: (a) retired or terminated participants or their beneficiaries; (b) beneficiaries of participants who have died; and (c) present participants or their beneficiaries. Benefits payable under all circumstances (retirement, death, disability, and termination of employment) are included, to the extent they are deemed attributable to participant service rendered to the valuation date.

The actuarial present value of accumulated plan benefits (see Note 4) is determined by the Plan's independent actuary, and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts of interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The significant actuarial methods and assumptions used in the valuations as of January 1, 2021 and 2020 are as follows:

<table>
<tr><td>Actuarial cost method</td><td>Traditional Unit Credit method.</td></tr>
<tr><td>Discount rate</td><td>4.50% for January 1, 2021 and 4.90% for January 1, 2020.</td></tr>
<tr><td>Interest accumulation rate for cash balance accounts</td><td>4.75% per annum at January 1, 2021 and 2020.</td></tr>
<tr><td>Life expectancy of participants</td><td>For January 1, 2021: MRP-2006 employee and retiree tables, no collar, with generational projection based on scale MSS-2020.<br><br>For January 1, 2020: MRP-2006 employee and retiree tables, no collar, with generational projection based on scale MSS-2019.</td></tr>
<tr><td>Conversions between lump-sum and annuity payments</td><td>The interest rates and mortality table for conversions between lump sums and annuities were updated to those required under PPA for lump sum payments in 2021 and 2020, respectively. For lump sum payments after 2021, mortality improvement was incorporated based on the MP-2020 improvement scale. For lump sum payments after 2020, mortality improvement was incorporated based on the MP-2019 improvement scale.</td></tr>
<tr><td>Retirement age</td><td>Employees were assumed to retire in accordance with the following assumptions in the January 1, 2021 and January 1, 2020 plan year valuations:<br><br><table><tr><th>Age</th><th>Rate of Retirement</th></tr><tr><td>55–58</td><td>8 %</td></tr><tr><td>59–61</td><td>9</td></tr><tr><td>62</td><td>12</td></tr><tr><td>63–64</td><td>10</td></tr><tr><td>65</td><td>25</td></tr><tr><td>66–74</td><td>15</td></tr><tr><td>75</td><td>100</td></tr></table><br>80% of future vested deferred plan participants and retirees are assumed to start receiving benefit payments immediately while 20% defer to age 62. Current vested deferred plan participants are assumed to start receiving benefit payments immediately at age 62, or current age if later.</td></tr>
</table>

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

**New Accounting Standards**—In July 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-09, *Codification Improvements*, which makes changes to a

variety of topics to clarify, correct errors in, or make minor improvements to the Accounting Standards Codification ("ASC"). The portion of ASU 2018-09 that is most applicable to the Plan relates to whether certain investments have a readily determinable fair value or qualify for the net asset value per share practical expedient in accordance with ASC 820, Fair Value Measurement ("ASC 820"). The standard is effective for fiscal years beginning after December 15, 2019. The Plan adopted the standard effective January 1, 2020 and the adoption did not have a material impact on the Plan's financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820)—Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, which amends certain disclosure requirements of ASC 820, effective for fiscal years beginning after December 15, 2019 with early adoption permitted. The ASU removed the requirement to disclose the amount of and reasons for transfers between level 1 and level 2 of the fair value hierarchy as well as the policy for timing of transfers between levels. The ASU also modified the disclosure for investments in certain entities that calculate NAV to disclose the timing of liquidation of an investee's assets and the date when restrictions from redemption might lapse only if the investee has communicated the timing to the Plan or announced the timing publicly. It also clarified the measurement uncertainty disclosure to communicate information about the uncertainty in measurement as of the reporting date. The Plan adopted the standard effective January 1, 2020 and the adoption did not have a material impact on the Plan's financial statements.

## 3. FUNDING POLICY

The Plan is funded solely through contributions by the Company. The Company makes contributions, which are determined on an actuarial basis, as necessary to provide the Plan with sufficient assets to provide for benefits to be paid to participants. The Company contributes amounts at least sufficient to satisfy the minimum funding requirements of ERISA and Section 430 of the Internal Revenue Code. For ERISA funding purposes, the actuarial cost method employed is the traditional unit credit method.

In 2020 and 2021, the Company contributed $792,700 and $1,150,000, respectively, inclusive of interest for the plan year ended 2019. The Company's contributions for 2020 and 2019 comply with the minimum funding requirements of ERISA. To date, there have been no contributions for the plan year ended 2020.

## 4. ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

The actuarial present value of accumulated plan benefits as of January 1, 2021 and 2020 (the benefit information dates utilized for the plan years ended December 31, 2020 and 2019, respectively) are as follows:

| | | |
|---|---|---|
| Participants currently receiving benefits | $36,248,888 | $37,057,884 |
| Other vested participants | 51,041,294 | 52,286,152 |
| Total vested benefits | 87,290,182 | 89,344,036 |
| Non-vested benefits | | |
| Actuarial present value of accumulated plan benefits | $87,290,182 | $89,344,036 |

The changes in the actuarial present value of the Plan's accumulated benefits for the year ended December 31, 2020 are as follows:

| | |
|---|---|
| Actuarial present value of accumulated plan benefits at January 1, 2020 | $ 89,344,036 |
| Increase (decrease) during the year attributable to: | |
| Benefits accumulated and (gains) losses | (435,010) |
| Benefits paid to participants | (8,820,628) |
| Increase for interest due to decrease in discount period | 4,161,752 |
| Change in actuarial assumptions | 3,040,032 |
| Actuarial present value of accumulated plan benefits at January 1, 2021 | $ 87,290,182 |

The actuarial present value of accumulated plan benefits at December 31, 2020 and 2019 were developed using actuarial valuations as of January 1, 2021 and 2020, respectively (the benefit information dates). The differences between the December 31, 2020 and 2019 and January 1, 2021 and 2020 valuations were not considered material. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that certain changes in these estimates and assumptions could be material to the financial statements.

## 5. INFORMATION CERTIFIED BY THE TRUSTEE

The following is a summary of the unaudited information regarding the Plan as of December 31, 2020 and 2019, and for the year ended December 31, 2020, included in the Plan's financial statements and supplemental schedule, which was prepared by or derived from information prepared by Russell Investments Trust Company, the trustee of the Plan, and furnished to the Company. The Company has obtained certifications from Russell Trust Company, as trustee, that such information is complete and accurate.

| | 2020 | 2019 |
|---|---|---|
| STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS: | | |
| Investments at fair value—common/collective trust funds | $ 86,799,149 | $ 88,998,010 |
| Receivable for securities sold | 140,569 | 408,670 |
| STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS—Net appreciation in fair value of investments at fair value—common/collective trust funds | $ 6,868,769 | $ - |

Supplemental schedule: All investment balances and information included in the supplemental schedule of assets (held at end of year).

(Note: All investment information in Note 6, Fair Value Measurement.)

## 6. FAIR VALUE MEASUREMENTS

ASC 820, Fair Value Measurements and Disclosures, provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, as follows: Level 1, which refers to securities valued using unadjusted quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to

securities valued based on significant unobservable inputs. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

**Asset Valuation Techniques**—Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Investments in common/collective trust funds are valued at the net asset value per unit ("NAV"), as determined by the Trustee on each valuation date, without further adjustment. The NAV is used as a practical expedient to estimate the fair value of the underlying investments held by the fund less its liabilities. The practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. There have been no changes in the methodologies used at December 31, 2020 and 2019.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another.

We evaluate the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2020, there were no transfers between the levels.

As of December 31, 2020 and 2019, the Plan's financial assets were all measured using NAV as the practical expedient. In accordance with ASC 820, disclosure of the fair value hierarchy is not required.

## 7. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market, and credit risks. The Plan limits its exposure to credit risk by diversifying its investments and monitoring the credit ratings of such investments. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. This pandemic has adversely affected global economic activity and greatly contributed to significant deterioration and instability in financial markets. As a result, there has been a heightened market risk and the Plan's investment portfolio has experienced significant volatility in fair value in response to changing market conditions, which has been reflected within the net appreciation in fair value of investments reported in the statement of net assets available for benefits. Plan management will continue to monitor the impact COVID-19 has on the Plan and will reflect the results as appropriate in the Plan's financial records.

## 8. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan, subject to the provisions of ERISA. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

1. Benefits attributable to employee contributions, taking into account those paid out before the termination.

2. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.

3. Other vested benefits insured by the Pension Benefit Guaranty Corporation ("PBGC") (a U.S. government agency) up to the applicable limitations (discussed below).

4. All other vested benefits (that is, vested benefits not insured by the PBGC).

5. All non-vested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For plan terminations occurring during 2020 and 2019, the statutory ceiling was $5,813 and $5,608 per month, respectively. The ceiling applies to those participants who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward. Benefit improvements may not be fully granted even though the total benefit entitlements fall below the aforementioned ceilings.

Whether all participants receive their benefits, should the Plan terminate at some future time, will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Company, the priority of those benefits to be paid, and the level and type of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the then-existing assets and the PBGC guaranty, while other benefits may not be provided for at all.

## 9. FEDERAL INCOME TAX STATUS

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated August 25, 2016 that the Plan and related trust, as then designed, were in compliance with the applicable sections of the Code and is qualified as tax-exempt. The Plan administrator believes that the

Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been recorded in the Plan's financial statements.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions. There are currently no other audits for any tax periods in progress.

## 10. PARTY-IN-INTEREST TRANSACTIONS

The Plan allows for transactions with certain parties who may perform services or have fiduciary responsibilities to the Plan (i.e., parties-in-interest). Russell Investments Trust Company serves as the trustee of the Plan and is considered a party-in-interest with respect to the Plan. The Plan invests in common/collective trust funds that are managed by Russell Investments Trust Company. Transactions in these funds qualify as party-in-interest transactions which are exempt from the prohibited transaction rules under ERISA. For the year ended December 31, 2020, administrative expenses incurred for services rendered by Russell Trust Company totaled $453,128. Included in administrative expenses payable in the statements of net assets available for benefits are fees payable to Russell Trust Company as of December 31, 2020 and 2019 of $114,773 and $119,647, respectively.

## 11. RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

As discussed in Note 1, the CARES Act allowed the Company to delay certain 2019 contributions until January 2021 and the Plan amended its 2019 Form 5500 for this contribution. The following is a reconciliation of net assets available for benefits according to the financial statements at December 31, 2020 and 2019 to the 2020 Form 5500 and the amended 2019 Form 5500:

| | 2020 | Amended 2019 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 87,923,843 | $ 90,070,225 |
| Employer contributions receivable | | 1,150,000 |
| Net assets available for benefits per Schedule H of the Form 5500 | $ 87,923,843 | $ 91,220,225 |

The following is a reconciliation of employer contributions according to the financial statements for the year ended December 31, 2020 to Form 5500:

| | |
|---|---|
| Employer contributions per the financial statements | $ 1,150,000 |
| Employer contributions relating to the 2019 plan year | (1,150,000) |
| Employer contributions per Schedule H of the Form 5500 | $ - |

# SUPPLEMENTAL SCHEDULE

# SAKS FIFTH AVENUE PENSION PLAN

**EMPLOYER ID NO: 13-1256625**
**PLAN NUMBER: 003**

**FORM 5500, SCHEDULE H, PART IV, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR)**
**AS OF DECEMBER 31, 2020**

| (a) | (b) Identity of Issue, Borrower, Lessor or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| * | Russell Multi-Manager Bond Fund | Common/collective trust fund | $11,878,851 | $16,305,294 |
| * | Russell 8-Year LDI Fixed Income Fund | Common/collective trust fund | 6,533,589 | 8,163,174 |
| * | Russell Multi Asset Core Fund | Common/collective trust fund | 39,319,713 | 58,374,314 |
| * | Russell Tr Co Commingled Emplo 15 yr Strips Fixed | Common/collective trust fund | 879,741 | 1,185,205 |
| * | Russell Tr Co Commingled Emplo 10 yr Strips Fixed | Common/collective trust fund | 2,145,086 | 2,771,162 |
| | | | $60,756,980 | $86,799,149 |

* Party-in-interest with respect to the Plan.
The information on this schedule has been certified as complete and accurate by Russell Investments Trust Company, the Trustee.

## *Schedule SB, line 26 — Schedule of Active Participant Data*

| Attained age | Years of credited service | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Under 1 | 1–4 | 5–9 | 10–14 | 15–19 | 20–24 | 25–29 | 30–34 | 35–39 | 40 & up | Total |
| Under 30 | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| 30–34 | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| 35–39 | | | | 2 | | | | | | | 2 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| 40–44 | | | 1 | 15 | 18 | | | | | | 34 |
| | | | | | | | | | | | 10,064 |
| | | | | | | | | | | | |
| 45–49 | | | 2 | 14 | 40 | 4 | 3 | | | | 63 |
| | | | | | 15,461 | | | | | | 14,429 |
| | | | | | | | | | | | |
| 50–54 | | | 2 | 18 | 57 | 18 | 10 | | | | 105 |
| | | | | | 15,300 | | | | | | 17,629 |
| | | | | | | | | | | | |
| 55–59 | | | 3 | 26 | 65 | 45 | 25 | 8 | | | 172 |
| | | | | 10,489 | 17,301 | 27,663 | 29,795 | | | | 21,711 |
| | | | | | | | | | | | |
| 60–64 | | 3 | 3 | 28 | 71 | 48 | 36 | 23 | 11 | | 223 |
| | | | | 8,688 | 17,548 | 27,200 | 37,296 | 40,419 | | | 25,767 |
| | | | | | | | | | | | |
| 65–69 | | | 3 | 16 | 60 | 23 | 18 | 12 | 7 | 3 | 142 |
| | | | | | 20,234 | 31,505 | | | | | 29,894 |
| | | | | | | | | | | | |
| 70 & up | | | 4 | 24 | 61 | 45 | 17 | 11 | 6 | 3 | 171 |
| | | | | 12,946 | 20,062 | 45,819 | | | | | 36,962 |
| | | | | | | | | | | | |
| Total | | 3 | 18 | 143 | 372 | 183 | 109 | 54 | 24 | 6 | 912 |
| | | | | 10,048 | 17,573 | 31,799 | 39,911 | 52,383 | 63,130 | | 25,390 |
| | | | | | | | | | | | |

In each cell, the top number is the count of active participants for each age/service combination and the bottom is average account balance. Average account balance is not shown for cells with fewer than 20 participants.

*Schedule SB, Part V — Statement of Actuarial Assumptions/Methods*

## Actuarial assumptions

| **Discount rate sponsor elections** | | |
|---|---|---|
| • Segment rates or full yield curve | Segment | |
| • Look-back months | 4 | |
| | **Stabilized** | **Nonstabilized** |
| • First 5 years | 3.64% | 2.79% |
| • Next 15 years | 5.21% | 3.92% |
| • Over 20 years | 5.94% | 4.38% |
| **Mortality sponsor elections** | | |
| • All participants | Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2014 mortality tables backed off to 2006 and then projected with mortality improvements using Scale MP-2018 in accordance with IRS Regulations 1.430(h)(3)-1. | |
| **417(e) lump sums** | Liabilities are determined based on the underlying annuity used by the plan to determine the lump sum amount, rather than valuing the lump sum payment. This annuity is valued based on funding interest rates rather than 417(e) rates and current year 417(e) unisex mortality. | |
| **Cash balance plans** | | |
| • Interest accumulation rate | 4.75%. | |
| • Whipsaw calculations | No. | |
| **Other economic assumptions** | | |
| • Expected investment return | 5.51% for 2020; 5.92% for 2019; 5.71% for 2018. | |
| • Expenses | $1,242,737 added to current year normal cost. | |
| **Demographic assumptions** | | |
| • Withdrawal | | |

| Attained age | Percentage |
|---|---|
| 30 | 16.0% |
| 35 | 14.0% |
| 40 | 11.0% |
| 45 | 10.0% |
| 50 | 8.5% |

## *Schedule SB, Part V — Statement of Actuarial Assumptions/Methods*

- Retirement age

| Attained age | Percentage |
|---|---|
| 55 | 8.0% |
| 56 | 8.0% |
| 57 | 8.0% |
| 58 | 8.0% |
| 59 | 9.0% |
| 60 | 9.0% |
| 61 | 9.0% |
| 62 | 12.0% |
| 63 | 10.0% |
| 64 | 10.0% |
| 65 | 25.0% |
| 66 | 15.0% |
| 67 | 15.0% |
| 68 | 15.0% |
| 69 | 15.0% |
| 70 | 15.0% |
| 71 | 15.0% |
| 72 | 15.0% |
| 73 | 15.0% |
| 74 | 15.0% |
| 75 | 100.0% |

| | |
|---|---|
| • Benefit commencement age for | |
| — Future vested deferred and retirees | 80% elect an immediate distribution; 20% defer to age 62. |
| — Current vested deferred | Age 62, or current age if later. |
| **Form of payment** | |
| • Active retirements | Lump sum. |
| • Future vested deferred | Lump sum. |
| • Future deaths | Lump sum. |
| • Current vested deferred | Life annuity if participant does not have a cash balance account; else, a lump sum. |
| **Unpredictable contingent event assumptions** | Not applicable |

***Schedule SB, Part V — Statement of Actuarial Assumptions/Methods***

## Rationale for Economic Assumptions

- **Cash balance interest accumulation rate –** This assumption is based on the current crediting rate used by the plan.

- **Expected investment return –** This assumption is based on the median simulated investment return using capital market assumptions published in Mercer Investment Consulting's *Capital Markets Outlook* for the plan's current asset mix. The expected return on assets assumption is net of an adjustment of 14 bps for expenses to be paid from plan assets.

- **Expenses –** The assumption is based on prior year experience, and adjusted if necessary, for significant changes in anticipated PBGC premiums for the current year.

## Rationale for Demographic Assumptions

- Withdrawal rates, retirement rates and benefit commencement age assumptions were updated based on an experience study for the 2010 to 2014 plan years and the expectation that future patterns will be similar to the period studied.

- Form of payment assumption was analyzed and found to be in line with the current assumption based on an experience study for the 2010 to 2014 plan years and the expectation that future patterns will be similar to the period studied.

*Schedule SB, Part V — Statement of Actuarial Assumptions/Methods*

## Actuarial methods for funding

### Asset methods

The asset valuation method is an average of the adjusted market value for each year during the last 2 years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110% and no less than 90% of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

### Participant methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts**: The plan does not have any insurance contracts.

### Minimum funding methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

# SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

**2020**

**This Form is Open to Public Inspection**

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

**A** Name of plan
SAKS FIFTH AVENUE PENSION PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
SAKS & COMPANY LLC

**D** Employer Identification Number (EIN)
13-1256625

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

## Part I Basic Information

**1** Enter the valuation date: Month 01 Day 01 Year 2020

**2** Assets:

| | | |
|---|---|---|
| **a** Market value | **2a** | 91,279,264 |
| **b** Actuarial value | **2b** | 88,413,906 |

**3** Funding target/participant count breakdown

| | (1) Number of participants | (2) Vested Funding Target | (3) Total Funding Target |
|---|---|---|---|
| **a** For retired participants and beneficiaries receiving payment | 1,348 | 37,344,437 | 37,344,437 |
| **b** For terminated vested participants | 1,206 | 26,485,111 | 26,485,111 |
| **c** For active participants | 912 | 23,321,295 | 23,323,220 |
| **d** Total | 3,466 | 87,150,843 | 87,152,768 |

**4** If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

| | | |
|---|---|---|
| **a** Funding target disregarding prescribed at-risk assumptions | **4a** | |
| **b** Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor | **4b** | |
| **5** Effective interest rate | **5** | 5.10% |
| **6** Target normal cost | **6** | 1,242,737 |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN HERE**

Kevin A. Gontowski /KAG
Signature of actuary

9/30/2021
Date

KEVIN GONTOWSKI
Type or print name of actuary

2006296
Most recent enrollment number

MERCER
Firm name

203-229-6181
Telephone number (including area code)

501 MERRITT 7

NORWALK CT 06856
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

### *Schedule SB, line 22 — Description of Weighted Average Retirement Age*

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 63.

| (A)<br>Retirement age | (B)<br>Retirement percent | (C)<br>Lx | (D)<br>Number of employees expected to retire<br>(B) x (C) | (E)<br>(A) x (D) |
|---|---|---|---|---|
| 55 | 8.0% | 10,000 | 800 | 44,000 |
| 56 | 8.0% | 9,200 | 736 | 41,216 |
| 57 | 8.0% | 8,464 | 677 | 38,596 |
| 58 | 8.0% | 7,787 | 623 | 36,131 |
| 59 | 9.0% | 7,164 | 645 | 38,040 |
| 60 | 9.0% | 6,519 | 587 | 35,204 |
| 61 | 9.0% | 5,932 | 534 | 32,569 |
| 62 | 12.0% | 5,399 | 648 | 40,165 |
| 63 | 10.0% | 4,751 | 475 | 29,929 |
| 64 | 10.0% | 4,276 | 428 | 27,364 |
| 65 | 25.0% | 3,848 | 962 | 62,531 |
| 66 | 15.0% | 2,886 | 433 | 28,572 |
| 67 | 15.0% | 2,453 | 368 | 24,654 |
| 68 | 15.0% | 2,085 | 313 | 21,269 |
| 69 | 15.0% | 1,772 | 266 | 18,344 |
| 70 | 15.0% | 1,507 | 226 | 15,819 |
| 71 | 15.0% | 1,281 | 192 | 13,638 |
| 72 | 15.0% | 1,088 | 163 | 11,756 |
| 73 | 15.0% | 925 | 139 | 10,131 |
| 74 | 15.0% | 786 | 118 | 8,729 |
| 75 | 100.0% | 668 | 668 | 50,134 |
| Total | | | 10,000 | 628,792 |
| Average Age | | | | 62.88 |

*Schedule SB, Part V — Summary of Plan Provisions*

## Summary of major plan provisions

| | |
|---|---|
| Effective date and plan year | Original plan: July 2, 1990.<br>Restated plan: January 1, 2016<br>Last amended: December 22, 2016 (Amendment #1)<br>Plan year: January 1. |
| Status of the plan | All pension benefits, accruals, credits, compensation, and service are frozen at December 31, 2006 for non-grandfathered participants. For grandfathered participants, the freeze date is March 13, 2009. |
| Significant events that occurred during the year | None |
| **Definitions** | |
| • Covered employees and participation | An "employee" becomes a member following attainment of age 21 and completion of 12 months of employment during which 1000 hours is worked. An "employee" includes all employees of Saks Fifth Avenue except for (1) any nonresident alien with no U.S. source income, (2) any person covered by a collective bargaining agreement which does not provide for participation in the plan and (3) any leased employee. Notwithstanding the above, employees hired after April 30, 2002 are not eligible for the plan. |
| • Vesting service | Each year of service in which a participant completes 1000 hours of service. |
| • Compensation | Earnings are wages used for purposes of income tax withholding plus pre-tax contributions under IRC Sections 401(k) and 125 minus allowances, reimbursements, bonuses and incentive payments. Compensation shall not exceed the specified annual amount under IRC Section 401(a)(17). |
| • Accrued benefit | The accrued benefit is the benefit earned based on compensation and service through the date of termination. |
| **Normal retirement** | |
| • Eligibility | Normal retirement age is the later of age 65 and the earlier of date on which 5 years of service are completed or the fifth anniversary of the date a person becomes a participant. However, if an employee was a participant in the BATUS Retail Group Pension Plan with at least 3 years of service as of January 1, 1989 and was employed by Saks Fifth Avenue on July 2, 1990, normal retirement age is 65. |
| • Benefit | A cash balance design with the following key provisions: Opening Account Balance: Based on accrued benefit as of December 31, 1997.<br>Benefit Credits: Beginning in 1998, benefit credits were provided for each year of vesting service through 2001, based on the following schedule. |

| Years of Vesting Service | Benefit Credit |
|---|---|
| 1 - 2 | 2.0% |
| 3 - 6 | 2.5 |
| 7 – 10 | 3.0 |
| 11 – 15 | 4.0 |
| 16 – 20 | 5.0 |
| 21 and over | 6.0 |

## *Schedule SB, Part V — Summary of Plan Provisions*

| | |
|---|---|
| | Effective for participants terminating employment on or after May 1, 2002, the benefit credit is 2.0% beginning with the 2002 plan year.<br>Effective December 31, 2006, only those participants who are grandfathered will continue to accrue benefit credits after 2006. A grandfathered participant is an active participant who has attained age 55 and completed 10 years of service as of January 1, 2007 and is a non-highly compensated employee. Effective March 13, 2009, grandfathered participants no longer accrue benefits for periods after March 13, 2009.<br>Interest Credits: Based on 3-year treasury rates for the month of December preceding the Plan year but not less than 4.75%.<br>Minimum Benefit: The benefit accrued as of March 31, 1998 under the prior plan design. |
| **Early retirement** | |
| • Eligibility | Early retirement age is the earlier of (1) age 55 with 10 years of service and (2) the age at which age plus service equals 65 with at least 5 years of service. Early retirement benefits cannot commence before age 55. |
| • Benefit | The benefit provided by the cash balance account or the minimum benefit, if greater. The minimum benefit is the accrued benefit as of March 31, 1998 reduced 1/2 of 1% for each of the first 60 months and 1/4 of 1% for each of the next 60 months that early retirement precedes age 65. |
| **Late retirement** | |
| • Eligibility | Termination of employment after normal retirement. |
| • Benefit | A member receives an immediate annual benefit equal to the accrued benefit as of late retirement date. |
| **Deferred vested** | |
| • Eligibility | After 5 years of vesting service; effective January 1, 2008 after 3 years of vesting service. |
| • Benefit | Accrued benefit. |
| **Pre-retirement death** | The vested balance of the cash balance account is payable to the beneficiary. |
| **Unpredictable contingent event benefits** | None |
| **Form of benefits** | |
| • Automatic form for unmarried participants | Life annuity. |
| • Automatic form for married participants | A reduced qualified joint and 50% survivor annuity. |
| • Optional forms | Options available to members who retire under the plan include:<br>• Life with 120 months guaranteed<br>• Joint and 50% survivor<br>• Joint and 75% survivor<br>Lump sum (not available to those participants who only have a minimum benefit). |

*Schedule SB, Part V — Summary of Plan Provisions*

| | |
|---|---|
| • Optional form conversion factor | For conversions from a cash balance account to a life annuity and for conversion to optional monthly forms of payment, the mortality table described in Revenue Ruling 2001-62 and the 30 year Treasury rate in effect for November preceding the plan year in which payment is made are used. For conversion of the March 31, 1998 accrued benefit to a lump sum, PPA required unisex mortality table and interest rates equal to the 3-tiered segment rates for the month of November immediately preceding the first day of the Plan Year during which the lump sum occurs. |
| **Miscellaneous** | |
| • Maximum benefits | Annual benefits may not exceed the limits in IRC Section 415. |

## Benefits included or excluded

Unless noted below, all benefits provided by the plan, as restated and amended through Amendment #1, are included in this valuation.

- **Most recent plan amendments included:** See above.
- **Plan amendments excluded:** None.
- **IRC Section 436 benefit restrictions:** None.
- **Late retirement increases:**
  - *Active participants:* The plan continues to apply interest credits to the cash balance account for all participants who defer retirement beyond their normal retirement date and this valuation includes those increases. Participants with frozen accrued benefits as of March 31, 1998, are assumed to have received a Suspension of Benefits Notice and therefore are valued including a late retirement increase from age 70½ only. Notwithstanding the above, for participants who did not receive a Suspension of Benefits Notice between January 1, 2007 and October 13, 2011, a late retirement increase was applied for such period.
  - *Deferred vested participants:* Current deferred vested participants over normal retirement age continue to accrue interest credits on their cash balance accounts. Participants with a frozen accrued benefit as of March 31, 1998, are valued including a late retirement increase.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

*Schedule SB, Part V — Summary of Plan Provisions*

- **IRC Section 436 benefit restrictions:**
  - *Unpredictable contingent event benefits:* None.
  - *Plan amendments:* See above.
  - *Prohibited payments:* None.
  - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.

## Plan provision changes since prior valuation

None.

# Saks Fifth Avenue Pension Plan

Employer ID No: 13-1256625
Plan Number: 003

Financial Statements as of December 31, 2020
and 2019, and for the Year Ended December 31, 2020,
Supplemental Schedule as of December 31, 2020, and
Independent Auditors' Report

# SAKS FIFTH AVENUE PENSION PLAN

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Note: All other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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## INDEPENDENT AUDITORS' REPORT

To the Plan Administrator of
Saks Fifth Avenue Pension Plan

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of Saks Fifth Avenue Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, and the related statement of changes in net assets available for benefits for the year ended December 31, 2020 and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Basis for Disclaimer of Opinion**

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Russell Investments Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of December 31, 2020 and 2019, and for the year ended December 31, 2020, that the information provided to the plan administrator by the trustee is complete and accurate.

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

**Other Matter**

The supplemental schedule of assets (held at end of year) as of December 31, 2020 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

**Report on Form and Content in Compliance with Department of Labor Rules and Regulations**

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Deloitte + Touche LLP

October 1, 2021

# SAKS FIFTH AVENUE PENSION PLAN

## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
## AS OF DECEMBER 31, 2020 AND 2019

| | 2020 | 2019 |
|---|---|---|
| ASSETS: | | |
| Investments—at fair value—common/collective trust funds | $86,799,149 | $88,998,010 |
| Total investments | 86,799,149 | 88,998,010 |
| Receivables: | | |
| Receivable for securities sold | 140,569 | 408,670 |
| Employer contributions receivable | 1,150,000 | 792,700 |
| Total receivables | 1,290,569 | 1,201,370 |
| Total assets | 88,089,718 | 90,199,380 |
| LIABILITIES—Administrative expenses payable | 165,875 | 129,155 |
| Total liabilities | 165,875 | 129,155 |
| NET ASSETS AVAILABLE FOR BENEFITS | $87,923,843 | $90,070,225 |

See notes to financial statements.

# SAKS FIFTH AVENUE PENSION PLAN

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED DECEMBER 31, 2020

| | |
|---|---|
| ADDITIONS: | |
| Employer contributions | $ 1,150,000 |
| Net appreciation in fair value of investments | 6,868,769 |
| Total additions | 8,018,769 |
| DEDUCTIONS: | |
| Benefits paid to participants | 8,820,628 |
| Administrative expenses | 1,344,523 |
| Total deductions | 10,165,151 |
| Net decrease | (2,146,382) |
| NET ASSETS AVAILABLE FOR BENEFITS—Beginning of year | 90,070,225 |
| NET ASSETS AVAILABLE FOR BENEFITS—End of year | $87,923,843 |

See notes to financial statements.

# SAKS FIFTH AVENUE PENSION PLAN

## NOTES TO FINANCIAL STATEMENTS
## AS OF DECEMBER 31, 2020 AND 2019, AND FOR THE YEAR ENDED DECEMBER 31, 2020

### 1. DESCRIPTION OF THE PLAN

The following description of the Saks Fifth Avenue Pension Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

**General**—The Plan is a non-contributory defined benefit cash balance pension plan covering certain employees of Saks & Company, a wholly-owned subsidiary of Saks Incorporated (the "Company"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

**Plan Events**—On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress. The CARES Act provided fast and temporary relief for retirement plan sponsors and their participants. The provisions of the CARES Act were effective and operationalized immediately, prior to amending the plan document.

Under the CARES Act, the Plan Sponsor elected to make certain contributions designated to the 2019 Plan Year following the issuance of the 2019 financial statements in January 2021. At that time, the Plan amended its Form 5500 for the year ended December 31, 2019 to account for such contribution and, as a result, the contributions and contributions receivable presented in the 2019 financial statements, which are in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), differed from the contributions and contributions receivable presented on the amended Schedule H of the Form 5500, which are presented based on the plan year for which they are designated (see additional information in Note 11).

**Plan Administrator and Trustee**—The Plan is sponsored and administered by the Pension Committee of Saks & Company. Russell Investments Trust Company (the "Trustee") serves as the Plan's trustee.

**Participation**—Eligible employees became participants of the Plan when they attained age 21 and completed one year of eligibility service, which is defined by the Plan to be a plan year in which an employee completes 1,000 hours of service. Employees hired on or after May 1, 2002 are excluded from participation in the Plan. All employees of Saks & Company employed prior to May 1, 2002 are considered eligible for participation except for: (1) non-resident aliens with no U.S. source of income; (2) employees covered by a collective bargaining agreement that does not provide for participation in the Plan; (3) "leased" employees, unless participation of such employees is necessary for the Plan to remain qualified under the Internal Revenue Code (the "Code"); and (4) employees participating in another defined benefit plan maintained by the Company.

**Pension Benefits**—The Plan maintains hypothetical accounts for each Plan participant to which the following are allocated: (1) their opening balance, equal to the present value of a participant's accrued benefit as of December 31, 1997; (2) annual benefit credits equal to a percentage of a participant's eligible compensation for that plan year; and (3) annual interest credits. For plan years 1998 through 2001, the percentage used to determine the annual benefit credit is based on years of vesting service, as defined by the Plan. Effective May 1, 2002, for plan year 2002 and after, the annual benefit credit is

equal to 2.00% of eligible compensation for that plan year. For purposes of calculating the annual benefit credit, eligible compensation is limited in accordance with the Code. The annual interest credit is determined based on the 3-year Treasury rate as of the last day of the preceding plan year, subject to a minimum rate of 4.75% per year, applied to the participant's account balance as of the first day of the plan year.

Effective January 1, 2007, the accrued benefits for all participants, except certain participants who as of December 31, 2006 had attained age 55, completed 10 years of vesting service, as defined by the Plan, and who were not considered to be highly compensated employees ("Grandfathered Participants"), were frozen, and no further benefit credits accrue under the Plan. Effective March 13, 2009, the accrued benefits for Grandfathered Participants were frozen. No further benefit credits accrue for any participants of the Plan after March 13, 2009. All participants continue to accrue interest credits.

**Vesting and Payment of Benefits**—Participants in the Plan become fully vested in their benefits under the Plan upon attainment of normal retirement age, as defined by the Plan, or upon completion of three years of vesting service. Prior to January 1, 2008, participants became fully vested in their benefits upon completion of five years of vesting service. For the purposes of vesting, a year of service is defined by the Plan to be a plan year during which the participant completed at least 1,000 hours of service. Normal retirement age is defined by the Plan to be the later of: (a) age 65, or (b) the earlier of the date on which five years of vesting service is completed or the fifth anniversary of the date the employee becomes a participant in the Plan.

Participants may elect early retirement at the earlier of: (a) the date the participant reaches age 55 if they have completed ten years of vesting service, or (b) the age at which their age combined with their years of vesting service is at least 65, provided they have completed at least three years of vesting service. Participants who work beyond the normal retirement age are eligible for a late retirement benefit. A late retirement benefit is adjusted accordingly based on the later termination date.

Benefits are normally paid monthly in the form of a single-life annuity or, for married participants, in the form of a joint and 50% survivor annuity. Other forms of payment available to participants, subject to spousal consent in the case of married participants, include a joint and 75% survivor annuity, or a life and 10-year certain annuity. Effective January 1, 1998, upon conversion of the Plan to a cash-balance formula, participants who have a cash-balance benefit are also eligible to elect to receive their benefits as a single, lump-sum distribution, subject to spousal consent in the case of married participants.

**Forfeitures**—Participants who terminate employment, but have not become fully vested, forfeit their unvested benefits. In accordance with the Plan document, forfeitures are used to reduce the cost of the Plan to the Company.

**Administrative Expenses**—Administrative expenses of $1,344,523 were incurred by the Plan for the year ended December 31, 2020. Expenses incurred with respect to the administration of the Plan are paid from the assets of the Plan to the extent allowed under ERISA. To the extent such expenses are not paid by the Plan, they are paid by the Company. The Plan sponsor provides accounting and other administrative services to the Plan at no charge.

**Subsequent Events**—Management has evaluated subsequent events for potential disclosure in or adjustment to the financial statements through October 1, 2021, the date the accompanying financial statements were available to be issued. Based on such evaluation, except as discussed above, no events have occurred that in the opinion of management warrant disclosure or adjustment to the financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**—The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting and in accordance with U.S. GAAP.

**Use of Estimates**—The preparation of financial statements in conformity with U.S. GAAP requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein; disclosure of contingent assets and liabilities; and the actuarial present value of accumulated plan benefits and changes therein at the date of the financial statements. Actual results could differ from those estimates.

**Investment Valuation and Income Recognition**—The Plan's investments are stated at fair value. See Note 6 *Fair Value Measurements*, for further discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividend income is recorded on the ex-dividend date.

The Plan presents in the Statement of Changes in Net Assets Available for Benefits, the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

The Plan's investment strategy is to maintain a diversified portfolio of asset classes with the primary goal of ensuring that funds are available to meet the Plan's benefit obligations as they become due. The Plan employs a liability-driven investment strategy, which is designed to reduce the volatility of the Plan's funded status by more closely aligning the duration of the assets with the duration of the liabilities. Common/collective trust funds have various procedures regarding liquidity, which may include advance notification requirements and specific periodic dates for providing such liquidity. None of the common/collective trust funds in which the Plan invests have restrictions on redemption frequency, nor do they have advance notification requirements. There were no unfunded commitments as of December 31, 2020 and 2019.

**Payment of Benefits**—Benefit payments to participants are recorded upon distribution.

**Actuarial Present Value of Accumulated Plan Benefits**—Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to: (a) retired or terminated participants or their beneficiaries; (b) beneficiaries of participants who have died; and (c) present participants or their beneficiaries. Benefits payable under all circumstances (retirement, death, disability, and termination of employment) are included, to the extent they are deemed attributable to participant service rendered to the valuation date.

The actuarial present value of accumulated plan benefits (see Note 4) is determined by the Plan's independent actuary, and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts of interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The significant actuarial methods and assumptions used in the valuations as of January 1, 2021 and 2020 are as follows:

<table>
<tr><td>Actuarial cost method</td><td>Traditional Unit Credit method.</td></tr>
<tr><td>Discount rate</td><td>4.50% for January 1, 2021 and 4.90% for January 1, 2020.</td></tr>
<tr><td>Interest accumulation rate for cash balance accounts</td><td>4.75% per annum at January 1, 2021 and 2020.</td></tr>
<tr><td>Life expectancy of participants</td><td>For January 1, 2021: MRP-2006 employee and retiree tables, no collar, with generational projection based on scale MSS-2020.<br><br>For January 1, 2020: MRP-2006 employee and retiree tables, no collar, with generational projection based on scale MSS-2019.</td></tr>
<tr><td>Conversions between lump-sum and annuity payments</td><td>The interest rates and mortality table for conversions between lump sums and annuities were updated to those required under PPA for lump sum payments in 2021 and 2020, respectively. For lump sum payments after 2021, mortality improvement was incorporated based on the MP-2020 improvement scale. For lump sum payments after 2020, mortality improvement was incorporated based on the MP-2019 improvement scale.</td></tr>
<tr><td>Retirement age</td><td>Employees were assumed to retire in accordance with the following assumptions in the January 1, 2021 and January 1, 2020 plan year valuations:<br><br><table><tr><th>Age</th><th>Rate of Retirement</th></tr><tr><td>55–58</td><td>8 %</td></tr><tr><td>59–61</td><td>9</td></tr><tr><td>62</td><td>12</td></tr><tr><td>63–64</td><td>10</td></tr><tr><td>65</td><td>25</td></tr><tr><td>66–74</td><td>15</td></tr><tr><td>75</td><td>100</td></tr></table><br>80% of future vested deferred plan participants and retirees are assumed to start receiving benefit payments immediately while 20% defer to age 62. Current vested deferred plan participants are assumed to start receiving benefit payments immediately at age 62, or current age if later.</td></tr>
</table>

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

**New Accounting Standards**—In July 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-09, *Codification Improvements*, which makes changes to a

variety of topics to clarify, correct errors in, or make minor improvements to the Accounting Standards Codification ("ASC"). The portion of ASU 2018-09 that is most applicable to the Plan relates to whether certain investments have a readily determinable fair value or qualify for the net asset value per share practical expedient in accordance with ASC 820, Fair Value Measurement ("ASC 820"). The standard is effective for fiscal years beginning after December 15, 2019. The Plan adopted the standard effective January 1, 2020 and the adoption did not have a material impact on the Plan's financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820)—Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, which amends certain disclosure requirements of ASC 820, effective for fiscal years beginning after December 15, 2019 with early adoption permitted. The ASU removed the requirement to disclose the amount of and reasons for transfers between level 1 and level 2 of the fair value hierarchy as well as the policy for timing of transfers between levels. The ASU also modified the disclosure for investments in certain entities that calculate NAV to disclose the timing of liquidation of an investee's assets and the date when restrictions from redemption might lapse only if the investee has communicated the timing to the Plan or announced the timing publicly. It also clarified the measurement uncertainty disclosure to communicate information about the uncertainty in measurement as of the reporting date. The Plan adopted the standard effective January 1, 2020 and the adoption did not have a material impact on the Plan's financial statements.

## 3. FUNDING POLICY

The Plan is funded solely through contributions by the Company. The Company makes contributions, which are determined on an actuarial basis, as necessary to provide the Plan with sufficient assets to provide for benefits to be paid to participants. The Company contributes amounts at least sufficient to satisfy the minimum funding requirements of ERISA and Section 430 of the Internal Revenue Code. For ERISA funding purposes, the actuarial cost method employed is the traditional unit credit method.

In 2020 and 2021, the Company contributed $792,700 and $1,150,000, respectively, inclusive of interest for the plan year ended 2019. The Company's contributions for 2020 and 2019 comply with the minimum funding requirements of ERISA. To date, there have been no contributions for the plan year ended 2020.

## 4. ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

The actuarial present value of accumulated plan benefits as of January 1, 2021 and 2020 (the benefit information dates utilized for the plan years ended December 31, 2020 and 2019, respectively) are as follows:

| | | |
|---|---|---|
| Participants currently receiving benefits | $36,248,888 | $37,057,884 |
| Other vested participants | 51,041,294 | 52,286,152 |
| Total vested benefits | 87,290,182 | 89,344,036 |
| Non-vested benefits | | |
| Actuarial present value of accumulated plan benefits | $87,290,182 | $89,344,036 |

The changes in the actuarial present value of the Plan's accumulated benefits for the year ended December 31, 2020 are as follows:

| | |
|---|---|
| Actuarial present value of accumulated plan benefits at January 1, 2020 | $ 89,344,036 |
| Increase (decrease) during the year attributable to: | |
| Benefits accumulated and (gains) losses | (435,010) |
| Benefits paid to participants | (8,820,628) |
| Increase for interest due to decrease in discount period | 4,161,752 |
| Change in actuarial assumptions | 3,040,032 |
| Actuarial present value of accumulated plan benefits at January 1, 2021 | $ 87,290,182 |

The actuarial present value of accumulated plan benefits at December 31, 2020 and 2019 were developed using actuarial valuations as of January 1, 2021 and 2020, respectively (the benefit information dates). The differences between the December 31, 2020 and 2019 and January 1, 2021 and 2020 valuations were not considered material. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that certain changes in these estimates and assumptions could be material to the financial statements.

## 5. INFORMATION CERTIFIED BY THE TRUSTEE

The following is a summary of the unaudited information regarding the Plan as of December 31, 2020 and 2019, and for the year ended December 31, 2020, included in the Plan's financial statements and supplemental schedule, which was prepared by or derived from information prepared by Russell Investments Trust Company, the trustee of the Plan, and furnished to the Company. The Company has obtained certifications from Russell Trust Company, as trustee, that such information is complete and accurate.

| | 2020 | 2019 |
|---|---|---|
| STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS: | | |
| Investments at fair value—common/collective trust funds | $ 86,799,149 | $ 88,998,010 |
| Receivable for securities sold | 140,569 | 408,670 |
| STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS—Net appreciation in fair value of investments at fair value—common/collective trust funds | $ 6,868,769 | $ - |

Supplemental schedule: All investment balances and information included in the supplemental schedule of assets (held at end of year).

(Note: All investment information in Note 6, Fair Value Measurement.)

## 6. FAIR VALUE MEASUREMENTS

ASC 820, Fair Value Measurements and Disclosures, provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, as follows: Level 1, which refers to securities valued using unadjusted quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to

securities valued based on significant unobservable inputs. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

**Asset Valuation Techniques**—Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Investments in common/collective trust funds are valued at the net asset value per unit ("NAV"), as determined by the Trustee on each valuation date, without further adjustment. The NAV is used as a practical expedient to estimate the fair value of the underlying investments held by the fund less its liabilities. The practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. There have been no changes in the methodologies used at December 31, 2020 and 2019.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another.

We evaluate the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2020, there were no transfers between the levels.

As of December 31, 2020 and 2019, the Plan's financial assets were all measured using NAV as the practical expedient. In accordance with ASC 820, disclosure of the fair value hierarchy is not required.

## 7. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market, and credit risks. The Plan limits its exposure to credit risk by diversifying its investments and monitoring the credit ratings of such investments. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. This pandemic has adversely affected global economic activity and greatly contributed to significant deterioration and instability in financial markets. As a result, there has been a heightened market risk and the Plan's investment portfolio has experienced significant volatility in fair value in response to changing market conditions, which has been reflected within the net appreciation in fair value of investments reported in the statement of net assets available for benefits. Plan management will continue to monitor the impact COVID-19 has on the Plan and will reflect the results as appropriate in the Plan's financial records.

## 8. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan, subject to the provisions of ERISA. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

1. Benefits attributable to employee contributions, taking into account those paid out before the termination.

2. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.

3. Other vested benefits insured by the Pension Benefit Guaranty Corporation ("PBGC") (a U.S. government agency) up to the applicable limitations (discussed below).

4. All other vested benefits (that is, vested benefits not insured by the PBGC).

5. All non-vested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For plan terminations occurring during 2020 and 2019, the statutory ceiling was $5,813 and $5,608 per month, respectively. The ceiling applies to those participants who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward. Benefit improvements may not be fully granted even though the total benefit entitlements fall below the aforementioned ceilings.

Whether all participants receive their benefits, should the Plan terminate at some future time, will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Company, the priority of those benefits to be paid, and the level and type of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the then-existing assets and the PBGC guaranty, while other benefits may not be provided for at all.

## 9. FEDERAL INCOME TAX STATUS

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated August 25, 2016 that the Plan and related trust, as then designed, were in compliance with the applicable sections of the Code and is qualified as tax-exempt. The Plan administrator believes that the

Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been recorded in the Plan's financial statements.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions. There are currently no other audits for any tax periods in progress.

## 10. PARTY-IN-INTEREST TRANSACTIONS

The Plan allows for transactions with certain parties who may perform services or have fiduciary responsibilities to the Plan (i.e., parties-in-interest). Russell Investments Trust Company serves as the trustee of the Plan and is considered a party-in-interest with respect to the Plan. The Plan invests in common/collective trust funds that are managed by Russell Investments Trust Company. Transactions in these funds qualify as party-in-interest transactions which are exempt from the prohibited transaction rules under ERISA. For the year ended December 31, 2020, administrative expenses incurred for services rendered by Russell Trust Company totaled $453,128. Included in administrative expenses payable in the statements of net assets available for benefits are fees payable to Russell Trust Company as of December 31, 2020 and 2019 of $114,773 and $119,647, respectively.

## 11. RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

As discussed in Note 1, the CARES Act allowed the Company to delay certain 2019 contributions until January 2021 and the Plan amended its 2019 Form 5500 for this contribution. The following is a reconciliation of net assets available for benefits according to the financial statements at December 31, 2020 and 2019 to the 2020 Form 5500 and the amended 2019 Form 5500:

| | 2020 | Amended 2019 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 87,923,843 | $ 90,070,225 |
| Employer contributions receivable | | 1,150,000 |
| Net assets available for benefits per Schedule H of the Form 5500 | $ 87,923,843 | $ 91,220,225 |

The following is a reconciliation of employer contributions according to the financial statements for the year ended December 31, 2020 to Form 5500:

| | |
|---|---|
| Employer contributions per the financial statements | $ 1,150,000 |
| Employer contributions relating to the 2019 plan year | (1,150,000) |
| Employer contributions per Schedule H of the Form 5500 | $ - |

# SUPPLEMENTAL SCHEDULE

# SAKS FIFTH AVENUE PENSION PLAN

**EMPLOYER ID NO: 13-1256625**
**PLAN NUMBER: 003**

**FORM 5500, SCHEDULE H, PART IV, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR)**
**AS OF DECEMBER 31, 2020**

| (a) | (b) Identity of Issue, Borrower, Lessor or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| * | Russell Multi-Manager Bond Fund | Common/collective trust fund | $11,878,851 | $16,305,294 |
| * | Russell 8-Year LDI Fixed Income Fund | Common/collective trust fund | 6,533,589 | 8,163,174 |
| * | Russell Multi Asset Core Fund | Common/collective trust fund | 39,319,713 | 58,374,314 |
| * | Russell Tr Co Commingled Emplo 15 yr Strips Fixed | Common/collective trust fund | 879,741 | 1,185,205 |
| * | Russell Tr Co Commingled Emplo 10 yr Strips Fixed | Common/collective trust fund | 2,145,086 | 2,771,162 |
| | | | $60,756,980 | $86,799,149 |

* Party-in-interest with respect to the Plan.
The information on this schedule has been certified as complete and accurate by Russell Investments Trust Company, the Trustee.

***Schedule SB, line 24 — Change in Actuarial Assumptions***

- Expense normal cost changed from $1,737,439 for 2019 to $1,242,737 for 2020 to reflect our expectations for the year.
- The expected investment return decreased from 5.92% to 5.51%.