

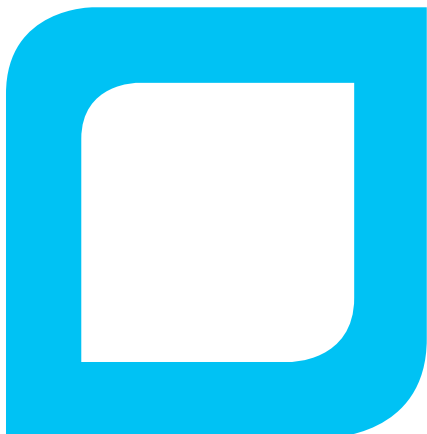


JCPenney | benefits

2016 ANNUAL
ENROLLMENT

CORE PACKAGE

THE RIGHT BENEFITS FOR YOU



NO ACTION
=
NO COVERAGE

IT'S TIME TO ENROLL

At JCPenney, we're proud to offer you quality benefit options that are there for you when you need them. Use this enrollment period to review all of your benefit options and choose the plans that best fit your lifestyle.

Review this guide to learn all about your benefits and the steps you need to take to enroll for 2016 benefits. If you want more detailed plan information, go to PowerLine and review the Summary Plan Descriptions located in the Benefits Library.

POWERLINE HAS A FRESH, NEW LOOK!

PowerLine has been updated and has new features and navigation that will make it easier for you to find benefits information and resources you need. And, you can now access PowerLine from your mobile device.

You'll also see your customized Total Rewards Statement (if you have been a JCPenney associate for at least 12 months) to show the benefits you receive from the Company and their total value.

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WHAT TO EXPECT IN 2016

NEW HOSPITALIZATION CARRIER — AFLAC

JCPenney offers a hospitalization plan that pays you a specific amount if you or your covered dependents are admitted to a hospital for an overnight stay. Effective January 1, 2016, JCPenney is switching its hospitalization carrier to Aflac. The coverage under the plan remains the same.

WHO YOU CAN COVER

You can cover eligible dependents under certain plan options. Eligible dependents generally include your:

- Spouse or qualified domestic partner
- Children, stepchildren or children of a domestic partner under age 26
- Incapacitated children

If you enroll new dependents, you will be required to verify their eligibility. PowerLine will send verification information to your home after enrollment.

COVERAGE EFFECTIVE DATES

The benefits that you elect during Annual Enrollment are effective for the full plan year — from January 1 through December 31 of the upcoming year. Choose your benefits carefully.

As a rule, once you are enrolled you may not change, add or drop your benefit choices until the next Annual Enrollment period, unless you experience a qualified status change.*

*Qualified status changes, which include events like marriage, divorce or birth of a child, are described in more detail in your Summary Plan Description.

INTRODUCING A NEW WAY TO SAVE — ROTH 401(k)

In addition to our already rich retirement programs, JCPenney will offer an after-tax Roth 401(k) contribution option — giving you more flexibility to save the way that best fits your style and your financial goals in retirement. Roth 401(k) contributions are made with after-tax dollars, and you won't owe taxes on any earnings in the account or on any withdrawals when you retire. The Roth 401(k) option gives your after-tax savings an extra boost! Look for more detailed information in January.

HEALTH INSURANCE MARKETPLACE

The Core Benefits Package does not include medical coverage. However, JCPenney does offer tools and resources on PowerLine to assist you in finding medical coverage through state or federal Marketplaces. Marketplaces are designed to help you find medical coverage that meets your needs and fits your budget. Also, you may be eligible for a tax credit that lowers your monthly premium.

Enrollment through the Marketplace for 2016 begins November 1, 2015. You can get Marketplace information by:

- Working with Advocacy Services through PowerLine
- Clicking the Health Care Reform Marketplace button on the PowerLine homepage
- Accessing **healthcare.gov**
- Calling the Marketplace at **1-800-318-2596**

KEY DATES TO KEEP IN MIND:

- November 1, 2015 — Open Enrollment begins for 2016 coverage.
- January 1, 2016 — First date 2016 coverage can start,
- January 31, 2016 — 2016 Open Enrollment ends,

If you want health coverage through the Marketplace, be sure to enroll by January 31, 2016.



GET HELP WITH ADVOCACY SERVICES

In 2015, JCPenney introduced Advocacy Services, a service to help you resolve billing and claims disputes, and to answer questions about how to use your benefits. Advocates can help you:

- Understand all of your health and retirement benefits and how to use them
- Decide the best course of action when you have a question or concern
- Resolve health care billing and insurance claim disputes
- Locate doctors, hospitals and other health care providers
- Become an informed health care consumer
- Answer your Medicare questions

Advocacy Services is available to you all year long, not just during enrollment. Whenever you have questions about your benefits, give Advocacy Services a call! To reach Advocacy Services, call PowerLine toll-free at **1-888-890-8900** and ask for Advocacy.



YOUR DENTAL OPTIONS

You can choose from three dental options administered by Aetna — Dental Basic, Dental Plus or the DMO (not available in all locations).

The Dental Basic option provides preventive and basic services only. The Dental Plus and DMO options also offer basic services, plus major services and orthodontia. The options differ in the amount of eligible expenses they cover and how service is provided.

Remember to visit your dentist every six months to make sure your gums and teeth are healthy!

HOW YOUR DENTAL COVERAGE WORKS

	DENTAL BASIC	DENTAL PLUS	DMO*
Annual Deductible			
Associate Only	You pay \$50	You pay \$50	You pay \$0
Family	You pay \$150	You pay \$150	You pay \$0
Annual Maximum Benefit The most the plan will pay in benefits			
	\$1,000	\$2,000	No maximum
Examples of Covered Services			
Preventive care (oral exams, cleanings, X-rays, etc.)	JCPenney pays 100%** (no deductible) You pay \$0	JCPenney pays 100%** (no deductible) You pay \$0	JCPenney pays 100%** You pay \$0
Basic care (fillings, extractions, sealants, etc.)	JCPenney pays 70%** (after deductible) You pay 30%	JCPenney pays 80%** (after deductible) You pay 20%	JCPenney pays 100% You pay \$0.
Major care (bridgework, crowns, inlays, etc.)	Not covered You pay 100%	JCPenney pays 50%** (after deductible) You pay 50%	JCPenney pays 50% You pay 50%
Orthodontia	Not covered You pay 100%	JCPenney pays 50%** (no deductible) up to \$2,000 per person, per lifetime. You pay 50%	JCPenney pays 50% (no deductible) for dependent children when treatment begins before age 19. Limited to one complete course of treatment per lifetime. You pay 50%

* You must use an Aetna provider.

** JCPenney will pay the reasonable and customary limits.

YOUR VISION OPTIONS

Take care of your eyes and keep your vision crystal clear with vision coverage through EyeMed.

You and your family can get quality vision care and prescription eyewear through an extensive network of 43,000 providers nationwide, including JCPenney Optical. This coverage can't be used in conjunction with your JCPenney Associate discount. You can still receive benefits if you go to a provider outside the EyeMed Vision Care network, but your costs may be higher.

VISION BENEFITS

	IN-NETWORK	OUT-OF-NETWORK
Covered Services¹ What you will pay		
Eye exams, refractions, prescription for eyeglasses or contact lenses (every 12 months)	You pay \$20	Plan will reimburse you up to \$30
Contact lenses² (benefits must be used in one single visit per calendar year)	You pay \$0, up to a retail value of \$100	Plan will reimburse you, depending on type of lens <ul style="list-style-type: none"> ■ Conventional — \$70 ■ Disposable — \$70 ■ Medically necessary — \$200
Frames	You pay \$0, up to \$130 retail value, 20% off amount over \$130	Plan will reimburse you up to \$40
Eyeglass lenses^{3,4} (single vision, bifocal, trifocal, lenticular)	You pay \$0 for standard plastic lenses regardless of size or power	Plan will reimburse you from \$30 to \$65, depending on type of lenses

¹ Can't be used in conjunction with other discounts, promotions or prior orders.

² Benefits must be used in one single visit per 12 months based on date of service.

³ Allowable amount depends on type of lens (i.e., single, bifocal, trifocal, lenticular).

⁴ Additional lens coverage options are described more fully in your Summary Plan Description.

ASSOCIATE-PAID LIFE INSURANCE

JCPenney offers you access to term life insurance through MetLife. Term life insurance can help give you peace of mind that your family is protected. You may purchase this coverage for yourself as well as your spouse/domestic partner and/or child(ren).

ASSOCIATE	SPOUSE/DOMESTIC PARTNER	CHILD(REN)
<p>Options available:</p> <ul style="list-style-type: none">■ May be purchased in increments of \$10,000, up to a maximum of \$150,000	<p>Options available:</p> <ul style="list-style-type: none">■ May be purchased in increments of \$5,000, up to a maximum of \$30,000■ Your spouse/domestic partner coverage amount cannot be more than 50% of your coverage amount	<p>Options available:</p> <ul style="list-style-type: none">■ \$2,500 per child■ \$5,000 per child■ \$10,000 per child

Note: Evidence of Good Health may be required.

CHOOSE A BENEFICIARY

Your beneficiary can be one person or several people, and you can have the same or different designations for all of your Life and AD&D benefits. To add or change your beneficiary, visit PowerLine.



ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) COVERAGE

The AD&D plan pays a benefit if you or covered family members are in an accident and get hurt. The amount of your benefit depends on your level of coverage and type of loss.

ASSOCIATE-PAID AD&D INSURANCE

ASSOCIATE	SPOUSE/DOMESTIC PARTNER	CHILD(REN)
Options available: <ul style="list-style-type: none">May be purchased in increments of \$10,000, up to a maximum of \$150,000	Options available: <ul style="list-style-type: none">Same as your AD&D coverage amount, up to a maximum of \$30,000	Options available: <ul style="list-style-type: none">\$5,000 per child/covered loss

LEGAL SERVICES

The Hyatt Group Legal Plan provides a wide range of legal advice and fully covered legal services for you and your eligible dependents. The plan can help protect you financially if you need covered legal services, and you can choose from a network of more than 12,000 plan attorneys. Some examples of covered services include:

- Preparation of wills and codicils
- Personal bankruptcy
- Consumer protection
- Estate planning
- Sale, purchase or refinancing of your primary residence
- Sale, purchase or refinancing of a second or vacation home
- Civil litigation defense
- Home equity loans
- Identity theft abuse

For more information, go to PowerLine or visit Hyatt Group Legal Plans at info.legalplans.com and enter the access code **GETLAW**.

ACCIDENT INSURANCE

Accident Insurance, administered by Aflac, is available for associates between 18 and 64 years of age. The plan provides benefits directly to you when you get hurt and require medical services as a result of a covered off-the-job accident. The plan pays benefits regardless of other insurance you may have. Accident Insurance helps you pay deductibles, copays and co-insurance. You may take this coverage with you if you leave JCPenney in certain circumstances. Work-related accidents or sicknesses are not covered under this plan. The amount of the benefit is determined by the type of injury.

CRITICAL ILLNESS INSURANCE

Critical Illness Insurance, provided by Aflac, is available for associates between 18 and 69 years of age. The plan pays each covered person upon the initial diagnosis of a covered critical illness. You can choose \$5,000, \$10,000, \$20,000, \$30,000, \$40,000 or \$50,000 in coverage. Benefits are paid for the illnesses based on occurrence. This plan is portable, which means you can take it with you if you leave JCPenney, with certain stipulations.

HOSPITALIZATION INSURANCE

Hospitalization Insurance, provided by Aflac, is available for associates between 18 and 64 years of age. This is not a comprehensive major medical plan, nor is it intended to replace a major medical plan. The plan is intended to provide you and your covered dependents with benefits to help you pay for expenses you incur when admitted to a hospital for an overnight stay. This plan pays \$500 daily for hospital confinements with a 10-day annual maximum benefit.

MORE JCPENNEY-PROVIDED BENEFITS

ASSOCIATE DISCOUNT PROGRAM

You and your eligible dependents receive a discount on all JCPenney merchandise and all JCPenney services. The amount of the discount depends on your form of payment.

FORM OF PAYMENT	MERCHANDISE DISCOUNT	SERVICES DISCOUNT
<ul style="list-style-type: none">JCPenney Credit CardJCPenney Master CardJCPenney Gift CardCashPersonal Check	25% Discount	20% Discount
<ul style="list-style-type: none">Debit CardCredit Card (not listed above)PayPal	20% Discount	15% Discount

Exclusions include: Gift Cards, Shipping and Handling, and Optometrist exams



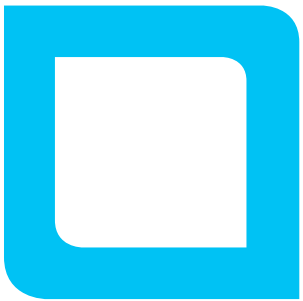
MORE JCPENNEY-PROVIDED BENEFITS

BUSINESS TRAVEL ACCIDENT (BTA)

On your first day of work, JCPenney automatically provides you with BTA Insurance coverage equal to three times your Annual Earnings for Benefits if you are injured while traveling on Company business.

COMMUTER BENEFIT

JCPenney offers a Commuter Benefit to make riding the train, bus, ferry or van pool to work more affordable. The cost of your commuting options is deducted from your paycheck each month before-tax, so you see savings in the form of reduced tax withholdings. To learn more about this benefit or to enroll, go to wageworks.com or call **1-877-WageWorks (1-877-924-3967)**.



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TO ENROLL, VISIT POWERLINE VIA THE KIOSK

If you have questions, call
PowerLine at **1-888-890-8900**.

8 a.m.–8 p.m. CT, Monday–Friday

This enrollment guide provides general information about the benefit plans and programs available to JCPenney Associates. For full details, exclusions and disclosures, please consult the specific plan document, insurance policies, certificate and/or outlines of coverage. In the event of any conflict between this enrollment guide and any Summary Plan Description, the Summary Plan Description will prevail. Further, this enrollment guide is not intended as a contract of employment or a guarantee of current or future benefits or employment. JCPenney reserves the right to amend or terminate any plans. Detailed plan information is provided in your Summary Plan Descriptions (SPDs). To view detailed plan information, log on to PowerLine and click on the Benefits Library tile.