

YOUR 2017 BENEFITS

NEW HIRE ENROLLMENT GUIDE

CORE BENEFITS PACKAGE



WELCOME TO JCPENNEY!

At JCPenney, we're proud to offer quality benefits to you and your family.

This New Hire Enrollment Guide provides highlights of the benefits for which you are eligible. You can find additional information and resources on JCPenney's benefits website, **PowerLine**.

Please be aware that as a newly hired associate, you must enroll for benefits within your first **30 days** of employment to have coverage for the remainder of the year.* If you're newly eligible for the CORE benefits package, you must enroll by the deadline listed on your PowerLine enrollment letter.

YOUR BENEFIT OPTIONS

As a new JCPenney associate, you are eligible for a number of benefits—some are paid in part or in full by you, while others are provided at no cost to you.

Benefits you may elect:

- Dental
- Vision
- 401(k) Savings Plan
- Life Insurance
- AD&D Insurance
- Legal Services
- Hospitalization Insurance
- Accident Insurance
- Critical Illness Insurance
- Commuter Benefit

Benefits automatically provided at no cost to you:

- Associate Discount
- Business Travel Accident
- Advocacy Services
- Time Away From Work

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* Only applies to Health & Welfare benefits. 401(k) may be elected at any time.

BENEFITS AND ACTIONS NEEDED

CORE Benefits	Start Date or Eligibility Date	Action Needed	Page
401(k) Savings Plan	Date of hire if you are at least 21 years old	Enroll any time via PowerLine	8
Accident Insurance	First day of the month following 30 days of employment	Enroll within 30 days of hire date via PowerLine	10
AD&D Insurance	First day of the month following 30 days of employment	Enroll within 30 days of hire date via PowerLine	9
Advocacy Services	Date of hire	No action—it's automatic	11
Associate Discount	Date of hire	Activate your card during your first week of employment	11
Business Travel Accident	Date of hire	No action—it's automatic	11
Commuter Benefit	Date of hire	Enroll in this benefit at any time. Information is located on PowerLine	10
Critical Illness Insurance	First day of the month following 30 days of employment	Enroll within 30 days of hire date via PowerLine	10
Dental	First day of the month following 30 days of employment	Enroll within 30 days of hire date via PowerLine	6
Hospitalization Insurance	First day of the month following 30 days of employment	Enroll within 30 days of hire date via PowerLine	10
Leaves of Absence	Meet state, FMLA or military leave requirements and have satisfactory or better job performance	Notify your Manager and request LOA by calling the PowerLine Absence Management Center 1-888-890-8900	12
Legal Services	First day of the month following 30 days of employment	Enroll within 30 days of hire date via PowerLine	10
Life Insurance, Term	First day of the month following 30 days of employment	No action—it's automatic	9
Vision	First day of the month following 30 days of employment	Enroll within 30 days of hire date via PowerLine	7

THE BASICS

Eligibility

When you are hired and classified as a part-time associate, you are eligible for the CORE benefits package.

After 11 months of employment, your worked hours will be measured.

- If you averaged less than 30 hours per week, you will remain in the CORE benefits package.
- If you averaged 30 or more hours per week, you will be eligible for the PLUS benefits package.

Subsequent benefits eligibility determinations occur during the “Annual Look-Back Period,” a 52-week period that ends in early October each year.

Who You Can Cover

When you elect benefits, you can also cover eligible dependents under certain plans. Eligible dependents include your:

- Spouse
- Children or stepchildren under age 26
- Incapacitated children

Dependent Verification

Providing you and your eligible dependents with Health and Welfare benefits is important to JCPenney. Since everyone shares in the cost of coverage, participants who enroll dependents in JCPenney dental plans are required to provide documents to verify that their dependents meet the eligibility requirements.

Once you enroll your dependents for coverage, PowerLine will mail you a dependent eligibility verification kit outlining the steps you need to take to establish that your dependents are eligible for coverage. Coverage for your dependents is contingent on you successfully completing the process.

Paying for Coverage

Dental, vision and hospitalization insurance deductions are taken out of your pay on a before-tax basis and will lower your taxable income. All other deductions to pay for benefits are taken on an after-tax basis.

Changing Your Coverage

The benefits you elect are effective through Dec. 31, 2017, so choose your benefits coverage carefully. As a rule, once you are enrolled, you may not change, add or drop your benefit choices until the Annual Enrollment period (which usually occurs in October or November for coverage the following year).

Certain changes may be allowed during the year if you have a qualified status change that is reported to PowerLine (either online or by phone) within 60 days of the qualified status change.

A qualified status change is defined by the IRS and may include, but is not limited to:

- Change in legal marital status, marriage, divorce, legal separation or death of spouse
- Change in number of dependents—birth, adoption or placement for adoption
- Change in dependent’s age
- Change in place of residence or worksite

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

YOUR CORE BENEFITS AND MEDICAL COVERAGE

Your 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.

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**

Getting Coverage Through the Marketplace

If you decide to complete an application for medical coverage in the Marketplace, you will be asked to provide information about health coverage offered by your employer. Complete your application using the information below. It is numbered to correspond to items in the Marketplace application.

1. Employer Name: **JCPenney**
2. Employer Identification Number (EIN): **13-5583779**
3. Employer Address: **6501 Legacy Dr**
4. Employer Phone Number: **1-888-890-8900**
5. City: **Plano**
6. State: **TX**
7. Zip Code: **75024**
8. Who can we contact about employee health coverage at this job?: **PowerLine**
9. Phone Number (if different from above): **1-888-890-8900**
10. Email Address: **Not Available**
11. Is the employee currently eligible for coverage offered by this employer, or will the employee be eligible in the next three months?: **No**
12. Does the employer offer a health plan that meets minimum value standard?: **No**

YOUR DENTAL OPTIONS

You can choose from three dental plan options, all administered by Aetna.

- The Dental Basic option provides preventive and basic services only.
- The Dental Plus option offers basic services, plus major services and orthodontia.
- The DMO option (not available in all locations) offers basic, major and orthodontia services without a deductible, but only within Aetna's DMO network.

Your Dental Benefits

	Dental Basic	Dental Plus	DMO ¹
Annual Deductible			
You Only	\$50	\$50	\$0
You + Spouse, Children or Family	\$150	\$150	\$0
Annual Maximum Benefit (The most the plan will pay in benefits)			
All coverage levels	\$1,000	\$2,000	No maximum
Examples of Covered Services			
Preventive care (Oral exams, cleanings, X-rays, etc.)	JCPenney pays 100% ² (no deductible) You pay \$0	JCPenney pays 100% ² (no deductible) You pay \$0	JCPenney pays 100% You pay \$0
Basic care (Fillings, extractions, sealants, etc.)	JCPenney pays 70% ² (after deductible) You pay 30%	JCPenney pays 80% ² (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% ² (after deductible) You pay 50%	JCPenney pays 50% You pay 50%
Orthodontia	Not covered You pay 100%	JCPenney pays 50% ² (no deductible), up to \$2,000 per person, per lifetime You pay 50%	JCPenney pays 50% (no deductible). Limited to one complete course of treatment per lifetime You pay 50%

¹ You must use an Aetna DMO provider.

² Reasonable and customary limits.

YOUR VISION OPTIONS

Take care of your eyes and keep your vision crystal clear with vision coverage through VSP. You and your family can get quality vision care and prescription eyewear through an extensive network of providers nationwide, as well as JCPenney Optical.

You may use your JCPenney associate discount along with your VSP benefits at JCPenney Optical to save even more. If you prefer, you can receive benefits from a provider outside the VSP network, but your costs may be higher.

Interesting Facts About Eyes:

Newborns make crying sounds, but the tears don't start flowing until they are about **4-13 weeks old**

You blink about 12 times every minute. The average blink lasts about **1/10 of a second**

Source: VSP

Your Vision Benefits¹

	In-Network	Out-of-Network	JCPenney Optical	
General Information				
Exam, lens, frame frequency	12 months	12 months	12 months	
Exams				
Exam benefit/allowance	\$20 co-pay	\$20 co-pay (\$45 allowance)	\$20 co-pay ² (\$75 allowance)	
Standard Plastic Lenses				
Single vision	\$0 co-pay	Up to \$30 allowance	\$200 total allowance for materials (lenses and frames or contacts) after associate discount is applied	
Bifocal	\$0 co-pay (lined)	Up to \$50 allowance		
Trifocal	\$0 co-pay (lined)	Up to \$65 allowance		
Standard or premium progressive	\$50 co-pay	Up to \$50 allowance		
Lenses Options				
Tints	\$15 co-pay	N/A		
Scratch resistant coating	\$0 co-pay	N/A		
Polycarbonate lens benefit—child	\$0 co-pay	N/A		
Polycarbonate lens benefit—adult	\$35 co-pay	N/A		
Frames				
Frames	\$0 co-pay, \$130 allowance, 20% off overage	Up to \$70 allowance		
Contacts (in lieu of glasses)				
Elective lenses	\$100 allowance	Up to \$85 allowance		
Medically necessary lenses	\$0 co-pay, covered in full	Up to \$210 allowance		
Contact lens fit, follow-up	\$0 co-pay	N/A		
Other				
Laser surgery	15% off retail price or 5% off promotional price	N/A	N/A	

¹ Vision benefits cannot be used in conjunction with other discounts, promotions or prior orders.

² Co-pay will be waived at the time of service.

401(k) SAVINGS PLAN

An important part of the JCPenney benefits package is the 401(k) Savings Plan. This plan, along with Social Security and your personal savings, can help you prepare for the future.

- You can participate in the 401(k) Savings Plan on your first day of work as long as you are at least 21 years old.
- You can enroll in the 401(k) Savings Plan at any time by logging on to PowerLine and selecting the Start Savings link. Enrolling in the 401(k) is a separate process; it is not part of the Health and Welfare benefits enrollment process.

Your Contributions

You can contribute from one percent to 50 percent of eligible pay, up to the IRS annual limit of \$18,000 (\$24,000 if age 50 or older).*

You can contribute in any of three ways:

- Before-tax
 - Contributions are made before-tax, qualified withdrawals are taxable
- Roth
 - Contributions are made after-tax, qualified withdrawals are tax-free
- After-tax
 - Contributions are made after-tax, qualified withdrawals on contributions are tax-free, earnings are taxable

Your contributions are automatically deducted from each paycheck.

You can change your contribution level and your investment options at any time.

Company Matching Contributions

JCPenney contributes to your retirement savings through a Company match. You become eligible to receive the Company match when you:

- Reach age 21 or older
- Have completed 12 months of service
- Have worked 1,000 hours or more during a 12-month period

Once you are eligible, JCPenney matches your contributions, **dollar-for-dollar, up to the first five percent of your pay.**

The Company match is contributed to your account each pay period, so the money is put to work right away.

Vesting

You are immediately vested in your own contributions as well as Company match contributions as soon as they are deposited.

Rolling Money Over

If you previously participated in another employer's qualified retirement plan, you may be able to transfer (roll over) some or all of your distribution from your previous employer's plan to the JCPenney 401(k) Savings Plan. You may request a rollover from the 401(k) Savings Plan page on the PowerLine website or by contacting a PowerLine specialist at **1-888-890-8900**.

* Contribution limits are subject to change by the IRS.

TERM LIFE INSURANCE *(Also known as Associate-Paid Life)*

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 and/or child(ren).

Life Insurance Options

You Only

Options available:

- Increments of \$10,000, up to a maximum of \$150,000

Spouse

Options available:

- Increments of \$5,000, up to a maximum of \$30,000
- Your spouse's coverage cannot be more than 50% of your coverage amount

Child(ren)

Options available:

- \$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) INSURANCE

You may purchase AD&D insurance that pays a benefit if you or a covered family member is in an accident and get hurt or die. The amount of your benefit depends on your level of coverage and type of loss.

AD&D Insurance Options

You Only

Options available:

- Increments of \$10,000, up to a maximum of \$150,000

Spouse

Options available:

- Same as your AD&D coverage amount, up to a maximum of \$30,000

Child(ren)

Options available:

- \$5,000 per child

OTHER BENEFITS

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 protects 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
- Estate planning
- Sale, purchase or refinancing of your primary residence, second or vacation home
- Civil litigation defense
- Home equity loans
- Identity theft services

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

Accident Insurance*

Accident Insurance is administered by Aflac. The plan provides benefits directly to you when you get hurt and require medical services as a result of a specifically covered off-the-job accident. The plan pays benefits regardless of other insurance you may have. 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 your benefit is determined by the type of injury.

Critical Illness Insurance*

Critical Illness Insurance is administered by Aflac. The plan pays each covered person upon the initial diagnosis of a specifically covered critical illness. You can choose from \$5,000 to \$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 is administered by Aflac. 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.

Commuter Benefit

JCPenney offers a Commuter Benefit to make riding a train, bus, ferry or van pool to work more affordable. The cost of these 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 HealthEquity via PowerLine.

* Age restrictions may apply.

ADDITIONAL JCPENNEY-PROVIDED BENEFITS



The following benefits are automatically provided—there is no cost to you.

Associate Discount Program¹

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

Form of Payment	Merchandise	Major Appliances ²	Services
<ul style="list-style-type: none"> JCPenney credit card JCPenney MasterCard JCPenney gift card Cash or personal check 	25% discount	10% discount	20% discount
<ul style="list-style-type: none"> Debit card Credit card (not listed above) PayPal 	20% discount	5% discount	15% discount

¹ No discounts are available for: Optometrist exams, gift cards, shipping and handling fees, Sephora products purchased through www.JCP.com, furniture and major appliance protection plans, care plans, delivery or service fees.

² Also applies to snacks and beverages.

You will receive an associate discount card during your new hire orientation. You may also request additional cards for eligible dependents.

Although some restrictions apply, your associate discount benefits may be combined or “stacked” with most JCPenney sales and promotions.

Business Travel Accident (BTA)

JCPenney automatically provides you with BTA Insurance coverage if you are injured while traveling on Company business. Your BTA Insurance is completely paid by JCPenney—there is no cost to you and no need to enroll.

Advocacy Services: A free health insurance help line

Need help with an insurance claim? Have benefit questions? Advocate Services can help you:

- Resolve healthcare billing and insurance claim disputes.
- Locate doctors, hospitals and other healthcare providers.
- Understand your health and retirement benefits and how to use them.
- Decide the best course of action when you have a question or concern.

Advocacy Services is available to you all year long, not just during enrollment. So whenever you have a question or problem with your benefits, give Advocacy Services a call at **1-888-890-8900**. Advocates are available to help you Monday–Friday, 8 a.m.–8 p.m. CT, at no cost to you.

TIME AWAY FROM WORK

My Time off (MTO)

JCPenney provides paid time off—My Time Off (MTO) that can be used for vacation, personal or sick days. MTO is a bank of paid time off hours that are earned each month. You may request to use MTO hours if you want to take off a regularly scheduled workday.

Eligibility

As a part-time associate, you will become eligible for MTO if you average 30 or more hours of work per week during your first 11 months of employment. Once eligible, you will receive your first MTO deposit on the first day of the month following 12 months of employment.

- If you work between 30.0 and 34.9 hours per week on average, you are eligible for part-time MTO.
- If you work less than 30 hours per week, you are not eligible for MTO.

After the initial 11-month measurement period, your hours will be measured during the Annual Look-Back Period, a 52-week period that ends in early October each year.

See the Time Off policies located on PowerLine in the Benefits Library for more detailed information.

Leave of Absence (LOA)

At some point in your career, you may need to take time off from work to handle certain personal issues or responsibilities. You may request LOA if you meet state, FMLA or Military leave requirements and JCPenney LOA policy requirements. To request an LOA, notify your Leader and request an LOA at the PowerLine Absence Management Center **1-888-890-8900**.



ENROLL FOR 2017 BENEFITS

At work: **Visit PowerLine via the Associate Kiosk**

Select the “My Benefits” tab and click the PowerLine link

At home: **Visit www.jcpassociates.com**

Click the Associate Kiosk @ Home link

If you have questions, call PowerLine at **1-888-890-8900**,
8 a.m.–8 p.m. CT, Monday–Friday

**NO ACTION
=
NO COVERAGE!**

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 (SPD), the SPD 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 SPDs. To view detailed plan information, log on to PowerLine and click the Benefits Library tile.

PowerLine—Your Benefits Resource

Use PowerLine for all of your benefit needs! PowerLine makes it easy for you to find the benefits information and resources you need. On PowerLine, you can:

- Enroll in your benefits
- Verify your enrolled dependents
- Manage your 401(k)
- Access plan information and Summary Plan Descriptions (SPDs)
- Access vendor websites such as Aetna and VSP
- Web chat with PowerLine specialists to get your questions answered quickly