

2008

Summary Annual Reports of the JCPenney Benefit Plans

Health & Welfare Benefit Plan

Supplemental Group Term Life Insurance Plan for Management Profit-Sharing Associates

Voluntary Employees' Beneficiary Association Company-Paid Long-Term Disability Benefit Plan

Voluntary Employees' Beneficiary Association Life and Disability Benefit Plan

Savings, Profit-Sharing & Stock Ownership Plan

JCPenney

The Summary Annual Reports contain financial data on each of the J.C. Penney Corporation, Inc., and J.C. Penney Corporation, Inc. Voluntary Employees' Beneficiary Association Benefit Plans. These reports also tell you how you can get additional information or where you can go to review the official reports on file with the U.S. Department of Labor.

For specific information on what the plans provide and how to exercise your rights as a participant, please refer to your summary plan description booklets.

This is a summary of the annual reports for the J.C. Penney Corporation, Inc. and the J.C. Penney Corporation, Inc. Voluntary Employees' Beneficiary Association (VEBA) Plans listed above for the period January 1, 2008 through December 31, 2008. The annual reports have been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Este es un resumen del reporte anual de J.C. Penney Corporation, Inc. y de los Planes de J.C. Penney Corporation, Inc. Voluntary Employees' Beneficiary Association (VEBA) listados arriba para el periodo de Enero 1, 2008 hasta Diciembre 31, 2008. Los reportes anuales han sido registrados con el Employee Benefits Security Administration, como es requerido bajo el Employee Retirement Income Security Act de 1974 (ERISA).

Si tiene dificultad para entender cualquier parte de este libro, contacte PowerLine o al Centro de Servicio ABC para recibir ayuda. La dirección y número de teléfono de PowerLine son:

PowerLine

Su Centro de Beneficios de JCPenney

100 Half Day Road

Lincolnshire, IL 60069-1458

Teléfono: 1-888-890-8900

Summary Annual Report for J.C. Penney Corporation, Inc.

HEALTH & WELFARE BENEFIT PLAN
EIN 13-5583779 Plan No. 501 Plan Type: Welfare

Insurance Information

The Company has a contract with Aetna Life Insurance Company to pay all dental and to pay certain life insurance claims incurred under the terms of the plan. The total premiums paid for the plan year ending December 31, 2008 were \$3,263,201.

The Company has a contract with Connecticut General Life Insurance Company to pay certain limited benefit medical and dental claims incurred under the terms of the plan. The total premiums paid for the plan year ending December 31, 2008 were \$6,316,971.

The Company has contracts with Life Insurance Company of North America to pay certain life, accidental death, critical illness, and accident insurance claims incurred under the terms of the plan. The total premiums paid for the plan year ending December 31, 2008 were \$1,825,729.

The Company has a contract with EyeMed Vision Care to pay certain vision claims incurred under the terms of the plan. The total premiums paid for the plan year ending December 31, 2008 were \$2,492,787.

The Company has a contract with Transamerica Insurance Company to pay certain life insurance claims incurred under the terms of the plan. The total premiums paid for the plan year ending December 31, 2008 were \$1,315,451.

The Company has contracts with Blue Cross and Blue Shield to pay certain medical and dental claims for Hawaii associates under the terms of the plan. The total premiums paid for the plan year ending December 31, 2008 were \$51,599.

The Company has a contract with Continental Casualty Company to pay long term care claims under the terms of the plan. The total premiums paid for the plan year ending December 31, 2008 were \$380,500.

The Company has a contract with Humana Health Plans of Puerto Rico Inc. to pay certain medical claims incurred under the terms of the plan. The total premiums paid for the plan year ending December 31, 2008 were \$2,303,632.

The Company has a contract with Metropolitan Life Insurance Company to pay certain life insurance, accidental death & dismemberment, temporary disability, and business travel accident claims incurred under the terms of the plan. The total premiums paid for the plan year ending December 31, 2008 were \$5,702,386.

Because there are some so-called "experience-related" contracts, the premium costs are affected by, among other things, the number and size of claims. Of the total insurance premiums paid for the plan year ending December 31, 2008, the premiums paid under such "experience-related" contracts were \$2,317,432 and the total of all the benefit claims paid under these experience-related contracts during the plan year was \$1,664,995.

Summary Annual Report for J.C. Penney Corporation, Inc.

SUPPLEMENTAL GROUP TERM LIFE INSURANCE PLAN FOR MANAGEMENT PROFIT-SHARING ASSOCIATES
EIN 13-5583779 Plan No. 542 Plan Type: Welfare

Insurance Information

The Company has a contract with Metropolitan Life Insurance Company to pay all life insurance claims incurred under the terms of the plan. The total premiums paid for the plan year ending December 31, 2008 were \$153,011.

Summary Annual Report for J.C. Penney Corporation, Inc.

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION COMPANY-PAID LONG-TERM DISABILITY BENEFIT PLAN
EIN 23-7399985 Plan No. 543 Plan Type: Welfare

Basic Financial Statement

Benefits under the plan are provided through a trust fund. The value of plan assets, after subtracting liabilities of the plan, was \$93,038 as of December 31, 2008, compared to \$131,623 as of January 1, 2008. During the plan year, the plan experienced a decrease in its net assets of \$38,585. This decrease includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of \$30,772, including earnings from investments of \$30,772.

Plan expenses were \$69,357. These expenses included \$27,608 in benefits paid to participants and beneficiaries and \$41,749 in administrative expenses.

Summary Annual Report for J.C. Penney Corporation, Inc.

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION LIFE AND DISABILITY BENEFIT PLAN
EIN 23-7399985 Plan No. 506 Plan Type: Welfare

Insurance Information

The VEBA has contracts with Metropolitan Life Insurance Company and Liberty Life Assurance Company of Boston to pay all life insurance and long-term disability claims incurred under the terms of the plan. The total premiums paid for the plan year ending December 31, 2008 were \$11,655,269—\$6,038,088 was paid to Metropolitan Life and \$5,617,181 was paid to Liberty Life.

Basic Financial Statement

Benefits under the plan are provided through a trust fund. The value of plan assets, after subtracting liabilities of the plan, was \$(11,901,475) as of December 31, 2008, compared to \$(11,521,650) as of January 1, 2008. During the plan year, the plan experienced a decrease in its net assets of \$379,825. This decrease includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of \$13,412,900, including employee contributions of \$12,976,883, and earnings from investments of \$436,017.

Plan expenses were \$13,792,725. These expenses included \$190,975 in administrative expenses, \$1,946,481 in benefits paid to participants and beneficiaries, and \$11,655,269 in premiums paid to insurance companies.

Summary Annual Report for J.C. Penney Corporation, Inc.

SAVINGS, PROFIT-SHARING & STOCK OWNERSHIP PLAN
EIN 13-5583779 Plan No. 003 Plan Type: Pension

Basic Financial Statement

Benefits under the plan are provided through a trust fund. Plan expenses were \$350,195,388. These expenses included \$12,120,721 in administrative expenses, \$337,940,245 in benefits paid to participants and beneficiaries, and \$134,422 in other expenses. A total of 168,744 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was \$2,941,066,740 as of December 31, 2008, compared to \$3,965,019,399 as of January 1, 2008. During the plan year, the plan experienced a decrease in its net assets of \$1,023,952,659. This decrease includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had a total loss of \$(673,757,271), including employer contributions of \$55,999,568, employee contributions of \$150,509,559, and earnings from investments of \$(880,266,398).

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

- An accountant's report, assets held for investment, and financial information and information on payments to service providers for the Savings, Profit Sharing & Stock Ownership Plan and the Voluntary Employees' Beneficiary Association Life and Disability Benefit Plan.
- Transactions in excess of 5% of the plan assets for the Voluntary Employees' Beneficiary Association Life and Disability Benefit Plan.
- Insurance information, including sales commissions paid by insurance carriers for the Savings, Profit Sharing & Stock Ownership Plan, the Group Term Life Insurance Plan, the Health & Welfare Benefit Plan, the Voluntary Employees' Beneficiary Association Life and Disability Benefit Plan and the Supplemental Group Term Life Insurance Plan for Management Profit-Sharing Associates.
- Information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the plans participate for the Savings, Profit Sharing & Stock Ownership Plan, the Voluntary Employees' Beneficiary Association Company-Paid Long-Term Disability Benefit Plan and the Voluntary Employees' Beneficiary Association Life and Disability Benefit Plan.

To obtain a copy of the full annual report, or any part thereof, write or call J.C. Penney Corporation, Inc., Benefits Division, ATTN: Mr. George Brand, Mail Stop 8213; 6501 Legacy Drive, Plano, TX 75024-3698 at 972-431-1000. The charge to cover copying costs will be \$0.25 per page for any part of each report or an amount for the full annual report as itemized below:

Savings, Profit-Sharing & Stock Ownership Plan	\$27.00	VEBA Company-Paid Long-Term Disability Plan	\$2.75
VEBA Life and Disability Benefit Plan Disability Insurance Plan	\$4.25	Supplemental Group Term Life Insurance Plan	\$1.75
Health & Welfare Benefit Plan	\$16.75		

With regard to the Savings Profit Sharing & Stock Ownership Plan and the Voluntary Employees' Beneficiary Association Life and Disability Benefit Plan, you also have the right to receive from Mr. Brand, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from Mr. Brand, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

With regard to all of the plans, you also have the legally protected right to examine the annual report at the main office of the plan, J.C. Penney Corporation, Inc. Tax Services - MS1203, 6501 Legacy Dr., Plano, TX 75024-3698, and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

JH-3386AE-09/09

PowerLine
100 Half Day Road
Lincolnshire, IL 60069-1458