



2010 JCPENNEY LEAVE OF ABSENCE

Effective January 1, 2010



At some point in your career, you may need to take time off from work. If so, a leave of absence may be requested.

A leave of absence will normally be granted only as required by law or upon unit leader approval. You must have a reason considered acceptable by the Company.

The maximum length of any leave of absence is six months unless otherwise required by law.

Other important resources are listed on page 22.

Table of Contents

Time Away From Work	1
Key Terms	3
Eligibility For Leave	4
Family And Medical Leave Act	9
FMLA Notice	12
Military Leave	13
Your Rights Under USERRA	16
Medical Leave	17
Personal Leave	19
More Information	22

JCPenney reserves the right to terminate or amend the Leave of Absence policy and the benefit plans and programs referenced herein at any time, without notice to associates.

Time Away From Work

AN OVERVIEW

At some point in your career, you may need to take time away from work. The Company offers paid and unpaid time away from work to help accommodate these needs.

Examples of time away from work covered by state and federal laws include:

- Sick time
- Medical appointments
- Time to care for family members
- Jury duty
- Time to act as a witness or crime victim in a police investigation or judicial proceeding
- Time to address domestic violence concerns
- Military training
- Pre-military call-up physicals
- Time off to spend with a spouse or child called to active military duty
- Parent/teacher conferences
- School emergencies
- Voting time
- Election leaves for associates who are election officials
- Personal time
- Training and fire-fighting requirements for associates who are volunteer fire fighters
- Any other leave or time off required by state, federal or local law

Whenever possible, let your unit leader know well in advance of your need to take time away from work for these (or any other) reasons. In addition, while you are absent, keep in regular contact with your unit and follow its procedures for maintaining contact.

DO I HAVE TO USE ALL PAID TIME OFF BEFORE AN UNPAID LEAVE WILL BE GRANTED?

Except as required by law, you must use all available paid time off before an unpaid leave will be granted. Paid time off is considered a leave of absence. Paid time off includes, but is not limited to, the following:

- My Time Off (MTO) hours
- Paid Time Off (PTO) hours
- Illness Recovery Time (IRT)
- Workers' Compensation
- Texas Worker Injury Plan (TWIP)
- Incidental time off (jury duty, witness duty/crime victims, bereavement/funeral, observed holidays and emergency time)
- Puerto Rico PTO
- Puerto Rico Maternity
- New York or New Jersey State Disability Insurance (SDI) or Puerto Rico SINOT

In certain situations, you may exhaust your paid time off benefits before you are able to return to work. In that situation you may request an unpaid leave of absence (leave). An unpaid leave will normally be granted only as required by law or upon unit leader approval. Any leave must be for a reason considered acceptable by the Company. The maximum length of all continuous time away from work is 6 months unless otherwise required by law. Refer to the Associate Kiosk for more information on leaves of absence and paid time off policies, or go to PowerLine.

KEY TERMS

Actively At Work:

You are considered actively at work if you are performing your regular job duties at your usual place of work or traveling on Company business. You will be considered actively at work on a non-scheduled work day if you were actively at work the day before.

Associate (You):

A person who is employed by the Company. You must be paid through the payroll system in order to be eligible for a leave. You are not eligible for leave if you are a leased employee (as defined by law), an independent contractor, a consultant, not classified as an employee of the Company, or a member of a collective bargaining unit whose leave procedures were the subject of good faith collective bargaining. You will not be eligible for a leave even if you are later determined to be an employee by a government agency or tribunal.

Company:

Includes J.C. Penney Corporation, Inc. and its subsidiaries.

FMLA Leave:

A leave required under the United States Family and Medical Leave Act (FMLA), the regulations under the act and state law variations of such act providing a greater benefit.

Leave of Absence (Leave):

A period of paid or unpaid time away from work for a medical, personal or military reason.

Military Leave:

A leave required under the United States Uniformed Services Employment and Re-employment Rights Act (USERRA), the regulations under the act and state law variations of such act providing a greater benefit.

Unit Leader:

The person who manages your unit.

ELIGIBILITY FOR LEAVE

ARE YOU ELIGIBLE?

You are eligible if you:

- Have a satisfactory or better job performance at the time of the leave request, or
- Meet other eligibility requirements under state laws, FMLA and military leaves.

WHAT DO YOU DO BEFORE YOU GO ON A LEAVE?

1. Notify your unit leader that you need a leave and provide an address and telephone number where you can be reached during the leave;
2. Update your address and telephone number through the Associate Kiosk so all benefit communications will reach you; and
3. Request a leave from PowerLine.

HOW DO YOU REQUEST A LEAVE OF ABSENCE?

- Request your leave up to 30 days in advance, or
- Call immediately for an unplanned absence.

To request a leave you must call PowerLine at 1-888-890-8900. Follow the prompts, then say “leave of absence.” You will be notified in writing if your request has been approved or denied. Associates in jTime units must also enter their request via the launch pad.

WHAT IF YOU DON'T REQUEST A LEAVE?

If you are not actively at work, you will be paid through payroll for any days off work until your paid time off accounts have been exhausted (except as required by law). Once your paid time off is exhausted, if you do not request a leave, and you do not report for work, your employment will be terminated. **Each absence qualifies as an occurrence under the Company's attendance policy.**

WHAT SHOULD YOU DO WHILE ON A LEAVE?

- If you are using intermittent FMLA, notify your unit leader of the reason for time off before you take the time off.
- Provide periodic reports to your unit leader, as requested, of your status while on a leave and your intent to return to work.
- Contact your unit leader if you will not be returning to work. Your employment will be terminated on the date that you provide notice.
- If your address or telephone number changes, call PowerLine.
- If you receive a COBRA notice, you must enroll within 60 days of the date on the notice and pay any required premiums within 45 days of the date you enroll. All other premiums must be paid promptly as provided in the billing notices or coverage will be dropped.
- Remit any direct-billed benefit premiums (medical, dental, disability insurance, life, etc.) and savings plan loan repayments to the address shown on the billing statements within the time limit detailed on the billing statements.
- If you have long term care insurance, call Continental Casualty Company (CNA) at **1-800-884-2841** to set up direct billing.
- Notify PowerLine if your return-to-work date changes or if your original leave end date is approaching, and you need an extension. All leave extensions require approval. Approval will only be made in compliance with applicable policy and the law.

WHAT EFFECT DOES A LEAVE HAVE ON YOUR BENEFITS?

Your eligibility for some benefits is protected while you are on a leave.

All benefit communications, including enrollment information, will be sent to your home address on file. Please confirm your address and telephone number are correct on the Associate Kiosk before going on a leave.

ALL LEAVES *EXCEPT* FMLA, WORKERS' COMPENSATION, STATE DISABILITY INSURANCE (SDI) OR MILITARY LEAVE

If you are enrolled in one of the health care plans, the third party administrator will send a COBRA enrollment package and certificate of creditable coverage to your home address on file once they receive notification of your leave. You must enroll within 60 days of the date on the COBRA notice and pay any required premium within 45 days of the date you enroll. All other premiums must also be paid promptly as provided in the billing notice. If premiums are not paid promptly, coverage will be dropped.

FMLA, WORKERS' COMPENSATION, SDI OR MILITARY LEAVE

You will be direct-billed for coverage at the rate you are currently paying. You must pay any required premiums within 45 days of the date on the billing statement. All premiums must be paid promptly as provided in the billing notice, or coverage will be dropped, unless otherwise required by law.

If you do not return from FMLA leave, the Company may legally recover the premiums that it paid to continue your health care coverage, unless failure to return to work results from the continuation, recurrence or onset of your serious health condition or that of your eligible family member.

Benefits that accrued before your FMLA leave began will not be taken away if you return to work during the time re-employment rights are guaranteed by law.

While on leave, you may continue your coverage as long as you pay the premiums. Any premium payments will be deducted from your paycheck if you have paid time off benefits available. Any savings plan loan repayments will continue as long as you are being paid through payroll.

If you are not receiving a paycheck, you will be direct-billed. Payments can only be accepted if accompanied by a bill from PowerLine, CNA or the ABC Service Center. If you are on a medical leave you must pay disability insurance premiums during the entire elimination period (180 days from your date of disability). If you don't pay your premiums, your coverage will be cancelled.

If your coverage is cancelled due to non-payment of premiums, your coverage will be reinstated when you return from leave only as required by FMLA, the applicable plan or other laws. If you later terminate employment, any missed premiums must be paid before COBRA coverage begins.

It is your responsibility to call PowerLine at 1-888-890-8900 or log on to www.jcpenneypowerline.com to elect COBRA continuation coverage. You must elect COBRA continuation coverage by the date shown on your COBRA election notice.

If you have coverages through the Additional Benefits Choices (ABC) program, it is your responsibility to call 1-866-337-8417 to elect COBRA continuation coverage. You must elect COBRA continuation coverage by the date shown on your COBRA election notice.

WHEN DOES MY LEAVE END?

Your leave ends on the earliest of the following:

- You reach the time period shown in your leave approval notice;
- You reach the maximum leave period provided under the type of leave you are on;
- Your physician releases you to return to work, and you do not return
- You take a job with another employer; or
- You resign.

WHAT HAPPENS IF YOU DON'T RETURN TO WORK?

Failure to return to work at the end of the leave period will be treated as a resignation, unless you contact PowerLine before your leave end date and request another type of leave or an extension. If allowed, PowerLine will forward your new leave request to your unit leader for approval or denial.

RETURNING TO WORK

If you are absent for more than 3 days due to a medical reason, a return to work letter/form signed by your doctor must be provided. This letter/form must include any restrictions on your ability to perform your normal job duties. Failure to provide such letter/form upon request may delay your return to employment until such time as the letter/form is provided.

When you return from a leave, most benefit coverages in effect before your leave began will be automatically reinstated. If the benefit is no longer available, or you cross calendar years, you will be offered an enrollment opportunity.

FAMILY AND MEDICAL LEAVE ACT (FMLA)

JCPenney FMLA Policy

The federal FMLA requirements apply. (See notice on page 12.) More beneficial state FMLA laws may also apply. PowerLine can provide information on your particular state's FMLA or temporary disability insurance laws.

The following amendments to the Family and Medical Leave Act (FMLA) were signed into law and became effective on January 28, 2008.

- If the associate is the spouse, parent, child or closest blood relative of a service member who is injured in the line of duty, he/she may be eligible for up to 26 weeks of FMLA in one 12-month period. The 26 weeks is a combined total of all FMLA leave taken for any qualifying reason during one 12-month period.
- If the associate is the spouse, son, daughter or parent of a person on active duty in the Armed Forces (including the National Guard and Reserves) or of a person who has been notified of a call to active duty, he/she may become eligible for up to 12 weeks of FMLA, once the Department of Labor defines the qualifying events.

The Company has decided to substitute paid time off (e.g., PTO, MTO, IRT, Texas Worker Injury Plan or Workers' Compensation) for unpaid FMLA leave. This means that FMLA and paid time off are used at the same time.

Associates are required to first use all available paid time off, as appropriate, when taking FMLA leave for the birth or adoption of a child, the care of an eligible family member (as defined by state and federal law) with a serious health condition or the associate's own serious health condition. In Vermont and Wisconsin, associates may elect to use paid time off benefits. A more detailed description of FMLA applicable to your unit may be posted on your unit bulletin board.

If your total paid time off benefits are less than your FMLA leave, the remaining weeks will be without pay from the Company. Some state laws also provide pay from the state for you to take time away from work for qualifying injuries or illnesses, or for you to care for a family member with a serious health condition. These Workers' Compensation, paid family leave or temporary disability insurance law benefits are paid by the state as required by state law. The Company's paid time off policies and state provided benefits will not pay more than 100 percent of your pay for the same time away from work.

Once an FMLA leave request is received (from you or your unit), a temporary FMLA leave will be granted for 15 calendar days while the Company waits for you to return your medical certification form. Fax the completed form to PowerLine at the number provided on the form.

If you do not submit a medical certification form that supports the granting of FMLA leave within 15 calendar days of the FMLA leave request, the FMLA leave will be denied. In such a situation, your unit leader will be contacted to see if he or she will approve a personal or medical leave. If a leave is not approved, these absences will be counted for attendance reasons as provided under your unit's attendance policy.

INTERMITTENT FMLA LEAVE

FMLA leave may be taken intermittently or on a “reduced leave schedule” when medically necessary because of your serious health condition or the serious health condition of your spouse, son, daughter or parent (or other family member if required under state law). However, FMLA leave may not be taken intermittently following the birth or adoption of your child. The Company may require medical certification to support any request for intermittent leave. When the request for intermittent leave is reasonably foreseeable based on planned medical treatment, you may be required to transfer temporarily to an alternate position, with equivalent pay and benefits, that better accommodates recurring periods of leave than your regular position.

No intermittent leave will be approved for a period beyond 6 months. You may request additional intermittent FMLA leave 2 weeks prior to the end of the 6-month period, but a new medical certification form will be required to support your request. Your FMLA leave will be denied if you have already used all of your FMLA leave, or you are no longer eligible for FMLA.

REINSTATEMENT RIGHTS UPON YOUR RETURN FROM AN FMLA LEAVE

If you return from an FMLA leave during the time your re-employment rights are guaranteed by law, you will be returned to the same position that you held before your FMLA leave began or to an equivalent position with equivalent pay, benefits and other terms and conditions of employment.

If you do not return to work during the time your re-employment rights are guaranteed by law, you will be treated as having resigned unless you contact PowerLine to request another type of leave. PowerLine will forward your new leave request to your unit leader for approval or denial.

Your Rights under the Family and Medical Leave Act of 1993

FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to "eligible" employees for certain family and medical reasons. Employees are eligible if they have worked for their employer for at least one year, and for 1,250 hours over

the previous 12 months, and if there are at least 50 employees within 75 miles. The FMLA permits employees to take leave on an intermittent basis or to work a reduced schedule under certain circumstances.

Reasons for Taking Leave:

Unpaid leave must be granted for *any* of the following reasons:

- to care for the employee's child after birth, or placement for adoption or foster care;
- to care for the employee's spouse, son or daughter, or parent who has a serious health condition; or
- for a serious health condition that makes the employee unable to perform the employee's job.

At the employee's or employer's option, certain kinds of *paid* leave may be substituted for unpaid leave.

Advance Notice and Medical Certification:

The employee may be required to provide advance leave notice and medical certification. Taking of leave may be denied if requirements are not met.

- The employee ordinarily must provide 30 days advance notice when the leave is "foreseeable."
- An employer may require medical certification to support a request for leave because of a serious health condition, and may require second or third opinions (at the employer's expense) and a fitness for duty report to return to work.

Job Benefits and Protection:

- For the duration of FMLA leave, the employer must maintain the employee's health coverage under any "group health plan."

- Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.
- The use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

Unlawful Acts by Employers:

FMLA makes it unlawful for any employer to:

- interfere with, restrain, or deny the exercise of any right provided under FMLA;
- discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

Enforcement:

- The U.S. Department of Labor is authorized to investigate and resolve complaints of violations.
- An eligible employee may bring a civil action against an employer for violations.

FMLA does not affect any Federal or State law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

For Additional Information:

If you have access to the Internet visit our FMLA website: <http://www.dol.gov/esa/whd/fmla>. To locate your nearest Wage-Hour Office, telephone our Wage-Hour toll-free information and help line at 1-866-4USWAGE (1-866-487-9243): a customer service representative is available to assist you with referral information from 8am to 5pm **in your time zone**; or log onto our Home Page at <http://www.wagehour.dol.gov>.



U.S. Department of Labor
Employment Standards Administration
Wage and Hour Division
Washington, D.C. 20210

WH Publication 1420
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MILITARY LEAVE

POLICY OVERVIEW

A military leave provides you with up to 5 years (and in some cases, such as emergency call-ups, more than 5 years) of time off as required by state or federal law to perform active, full-time U.S. military duty or to fulfill National Guard or Reserve obligations, or to provide medical disaster recovery assistance in the United States. A copy of your military orders must be provided except in certain emergency situations.

If you are benefits eligible you may be eligible for pay under either the military training duty or military supplement pay policies. You should obtain a copy of the military leave program letter on the Associate Kiosk. This letter explains the impact of a military leave on all pay and benefit coverages.

If you do not return within the time re-employment rights are guaranteed by law or at the end of your military leave, your employment will be terminated.

All associates are eligible for military leave after notice to the Company, except:

- Temporary associates, and
- Associates who join the Maritime Service, Merchant Marines, Peace Corps or any other organization that is not considered one of the uniformed services.

WHAT SHOULD YOU DO BEFORE GOING ON A MILITARY LEAVE?

- Print the military leave program letter from the Associate Kiosk. This letter explains how your military leave affects the various benefit plans and programs offered by the Company.
- Provide a written request if you want to receive pay for any unused PTO/MTO hours before taking an unpaid military leave. This time will be paid to you through your regular payroll cycles at the rate of your “average week.” Your military leave start date will be the first day of your unpaid leave.
- If you don’t request to be paid for any hours in your paid time off accounts, these hours will carry over each year until you return to work or terminate your employment.
- If you are eligible for military supplement or military training duty pay, fax a copy of your recent military pay stub to PowerLine.
- Provide your unit leader with a copy of your military orders.

WHAT SHOULD YOU DO WHILE ON A MILITARY LEAVE?

- Call PowerLine with your new address and telephone information, if they change.
- Call PowerLine if you need to update your paycheck direct deposit information.
- Remit any benefit premiums or savings plan loan repayments to the addresses on the billing statements by the deadline provided on the statements.
- Notify PowerLine if your expected return date from military leave changes.
- Notify your unit leader if you decide not to return to work upon your release. Your employment will be terminated effective on the date you provide notice or on the date of your military release.

REINSTATEMENT RIGHTS UPON RETURN FROM MILITARY LEAVE

If you are honorably discharged and return to work within the time re-employment rights are guaranteed by federal law, you may be entitled to reinstatement with the Company to an equivalent position with equivalent pay, benefits and other terms and conditions of employment.

To be reinstated, you must satisfy all of the following requirements:

- Have notified the Company of a need for a military leave, except if the leave was not foreseeable;
- Have served in one of the uniformed services;
- Have satisfactorily completed your military service and produced a certificate from the military showing satisfactory completion;
- Have not been on a military leave for more than 5 years (certain periods of uniformed service such as emergency call-ups do not count toward the 5-year period); and
- You must return to work within the time re-employment rights are guaranteed by law as shown in the table below.

Period of Military Service	Must Reapply No Later Than:
Less than 30 days	The beginning of the first regularly scheduled workday that would fall 8 hours after your return home
More than 30 days	14 days after the completion of service
More than 180 days	90 days after the completion of service



★ YOUR RIGHTS UNDER USERRA ★

THE UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT

USERRA protects the job rights of individuals who voluntarily or involuntarily leave employment positions to undertake military service or certain types of service in the National Disaster Medical System. USERRA also prohibits employers from discriminating against past and present members of the uniformed services, and applicants to the uniformed services.

REEMPLOYMENT RIGHTS

You have the right to be reemployed in your civilian job if you leave that job to perform service in the uniformed service and:

- ☆ you ensure that your employer receives advance written or verbal notice of your service;
- ☆ you have five years or less of cumulative service in the uniformed services while with that particular employer;
- ☆ you return to work or apply for reemployment in a timely manner after conclusion of service; and
- ☆ you have not been separated from service with a disqualifying discharge or under other than honorable conditions.

If you are eligible to be reemployed, you must be restored to the job and benefits you would have attained if you had not been absent due to military service or, in some cases, a comparable job.

RIGHT TO BE FREE FROM DISCRIMINATION AND RETALIATION

If you:

- ☆ are a past or present member of the uniformed service;
- ☆ have applied for membership in the uniformed service; or
- ☆ are obligated to serve in the uniformed service;

then an employer may not deny you:

- ☆ initial employment;
- ☆ reemployment;
- ☆ retention in employment;
- ☆ promotion; or
- ☆ any benefit of employment

because of this status.

In addition, an employer may not retaliate against anyone assisting in the enforcement of USERRA rights, including testifying or making a statement in connection with a proceeding under USERRA, even if that person has no service connection.

HEALTH INSURANCE PROTECTION

- ☆ If you leave your job to perform military service, you have the right to elect to continue your existing employer-based health plan coverage for you and your dependents for up to 24 months while in the military.
- ☆ Even if you don't elect to continue coverage during your military service, you have the right to be reinstated in your employer's health plan when you are reemployed, generally without any waiting periods or exclusions (e.g., pre-existing condition exclusions) except for service-connected illnesses or injuries.

ENFORCEMENT

- ☆ The U.S. Department of Labor, Veterans Employment and Training Service (VETS) is authorized to investigate and resolve complaints of USERRA violations.
- ☆ For assistance in filing a complaint, or for any other information on USERRA, contact VETS at **1-866-4-USA-DOL** or visit its **website at <http://www.dol.gov/vets>**. An interactive online USERRA Advisor can be viewed at: <http://www.dol.gov/elaws/userra.htm>.
- ☆ If you file a complaint with VETS and VETS is unable to resolve it, you may request that your case be referred to the Department of Justice or the Office of Special Counsel, as applicable, for representation.
- ☆ You may also bypass the VETS process and bring a civil action against an employer for violations of USERRA.

The rights listed here may vary depending on the circumstances. The text of this notice was prepared by VETS, and may be viewed on the internet at this address: <http://www.dol.gov/vets/programs/userra/poster.htm>. Federal law requires employers to notify employees of their rights under USERRA, and employers may meet this requirement by displaying the text of this notice where they customarily place notices for employees.



U.S. Department of Labor
1-866-487-2365



U.S. Department of Justice



Office of Special Counsel



1-800-336-4590

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MEDICAL LEAVE

An approved medical leave provides you with time away from work so that you can receive medical treatment and recover from medical treatments, an injury or an on- or off-the-job disability. This includes disabilities related to pregnancy, childbirth and other eligible injuries or illnesses. All medical leaves, except those qualifying under FMLA, must be approved by your unit leader.

Except in the case of FMLA leave, your request for a medical leave will be approved by your unit leader only if there is a reasonable possibility that you can be reinstated at the end of your leave to the same or a comparable position, or to another open position for which you are qualified. Unit leader approval will also depend on the amount of time you request to take off, your length of service, your performance rating and your unit's staffing needs.

If you are on FMLA leave you will be eligible for reinstatement if you return to work within 12 weeks (or longer if required by law). If you are not eligible for FMLA, or have exhausted FMLA leave, your unit leader may approve a medical leave for up to 6 months (or longer if required by law).

VALID TYPES OF MEDICAL LEAVES

- A continuous absence due to your off-the-job injury or illness that requires you to be under the care of a physician.
- A continuous absence due to your on-the-job injury or illness that requires you to be under the care of a physician; e.g., absences under Workers' Compensation or Texas Worker Injury Plan (TWIP).

OFF-THE-JOB INJURY OR ILLNESS

All associates are eligible for medical leave, if approved by the associate's unit leader. Benefits-eligible associates can also be approved for medical leave by Liberty Mutual and receive pay under the Illness Recovery Time (IRT) policy.

Any associate who has an off-the-job injury or illness and works in California, Hawaii, New Jersey, New York, Rhode Island or Puerto Rico may also be eligible for state benefits.

Also, if you are benefits eligible and reside outside Puerto Rico, you should contact PowerLine and request Illness Recovery Time (IRT) benefits. Proof of injury or illness from your doctor will be required for you to be approved for IRT. If you are not eligible for FMLA, or have exhausted FMLA leave, your unit leader may approve a medical leave for up to 6 months (or longer if required by law).

Once your paid time off is exhausted, you will be billed for medical and dental premiums at the active rate while on an FMLA leave or the following medical leaves: Puerto Rico maternity, Workers' Compensation or SDI leave. All other medical leaves will be billed at the COBRA rate (this is your current rate, plus the Company contribution, plus a 2 percent administrative fee).

ON-THE-JOB INJURY OR ILLNESS

Associates, except those in Texas, are covered by Workers' Compensation laws for on-the-job injuries or illnesses.

These laws provide a portion of your pay for eligible on-the-job injuries or illnesses during the period that you will not be actively at work.

During the state-mandated waiting period before you begin receiving Workers' Compensation benefits, you may choose to use PTO/MTO hours to receive pay. Refer to the applicable paid time off policy on the Associate Kiosk for further information.

If you are a management associate, the Workers' Compensation Supplement Policy applies to you. Refer to the Associate Kiosk or contact PowerLine for further information.

Once your paid time off is exhausted, you will be billed for medical and dental premiums at the active rate while on a Workers' Compensation leave.

ASSOCIATES IN TEXAS

If you work in Texas, you are covered by the Texas Worker Injury Plan (TWIP). TWIP provides you with wage replacement benefits paid through payroll.

PERSONAL LEAVE

An approved personal leave provides you with time away from work for any reason not covered by another policy. Paid time off (PTO/MTO) is considered a leave of absence. You must use all available paid time off before an unpaid leave will be granted.

See valid reasons for a personal leave below. The length of a personal leave may vary depending on the reason for the leave.

Except in the case of an FMLA leave or other state law, your request for a personal leave will be approved by your unit leader only if there is a reasonable possibility that you can be reinstated at the end of your leave to the same or a comparable position, or to another open position for which you are qualified. Unit leader approval will also depend on the amount of time you request to take off, your length of service, performance rating and your unit's staffing needs.

If you are on FMLA leave you will be eligible for reinstatement if you return to work within 12 weeks (or longer if required by law). If you are not eligible for FMLA or have exhausted FMLA leave, your unit leader may approve a personal leave for up to 6 months (or longer if required by law).

VALID REASONS FOR A PERSONAL LEAVE

- Obligations imposed on you due to the sickness or death of a close relative that do not qualify for FMLA leave or paid time off under the Incidental Time Off Policy.
- A continuous absence to attend school (education leave) provided the course of study will advance your JCPenney career and the Company agrees with the course of study. The maximum time that may be approved for this reason is 6 months and can only be approved once in any 3-year period. If you are working toward a graduate degree, you may be granted a leave of up to 6 months for this reason only once and only with the approval of Corporate Human Resources.
- A continuous absence for personal travel (travel leave). The maximum time that may be approved for this reason is 90 days and can only be approved once in any 3-year period.

- A continuous absence before or after any anticipated disability. Unpaid leave is not available when you would otherwise qualify for paid time off benefits, unless otherwise required by law.
- A continuous absence, except in the case of FMLA leave or state law, of at least 28 days, for any reason not covered by any other leave of absence.
- A continuous absence of up to 90 days to move and find a job at a new JCPenney location (contingent transfer).
- An absence due to a requirement of a state law (for examples see the list on page 1).

Your unit leader will not approve your request for a personal leave if you request:

- Time off to look for or accept other employment;
- Time off to take care of outside business interests; or
- Time off for an annual event, such as time off every summer when your children are out of school.

FOR ASSOCIATES IN CALIFORNIA ONLY

California Paid Family Leave provides pay by the state of California for up to 6 weeks to care for a seriously ill child, partner, spouse, or parent, or to bond with a new child.

After contacting the state to apply for your benefits, you must also contact PowerLine at 1-888-890-8900 to request a personal or FMLA leave. Even if your personal leave is not approved, and your employment is terminated, the state of California may pay you for up to 6 weeks of California Paid Family Leave.

For more information on the California Paid Family Leave program, please visit www.edd.ca.gov/direp/pflind.asp.

CONTINGENT TRANSFERS ADDITIONAL SPECIAL PROVISIONS

Being approved for a contingent transfer does not guarantee you a job at another JCPenney unit, nor does any JCPenney unit have an obligation to hire or offer you the same position or rate of pay as your previous position. You will be considered for employment on the same basis as any other applicant, including such factors as prior work experience, availability to work scheduled hours, positive reference checks and similar matters.

It is important for you to understand that administrative pay rates vary by location. If another JCPenney unit employs you, your pay rate will be based upon market conditions in your new location. If you are a commissioned associate and transfer to a new unit in a commissioned position, your benefit pay rate will move with you.

The Company does not pay any expenses incurred by you while you are on a contingent transfer.

MORE INFORMATION

For more information on how a leave will affect your benefits, you should refer to the following:

Policies and Procedures located on the Associate Kiosk

Leave of Absence Policies

- Paid Time Off Policy
- My Time Off Policy
- Puerto Rico Paid Time Off Policy
- Incidental Time Off Policies
- Illness Recovery Time Policy
- Military Supplement Pay Policy
- Return to Work Policy
- Texas Worker Injury Plan - Return to Work Policy
 - Logistics - Return to Work Policy
 - Logistics - Texas Worker Injury Plan - Return to Work Policy

**CONTACT
POWERLINE TO
REQUEST A LEAVE.**

Call PowerLine at
1-888-890-8900.
Fax your leave forms to
PowerLine at 1-800-561-6970.