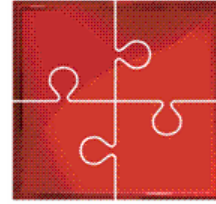


JCPenney



December 21, 2010

**Re: 2009 Form 5500 Financial Report for the J.C. Penney, Corporation, Inc. Pension Plan**

Dear JCPenney Pension Plan Participant:

Below is a portion of the *2009 Form 5500 Annual Return/Report of Employee Benefit Plan* for the J.C. Penney Corporation, Inc. Pension Plan. We are posting this information due to requirements outlined in the Pension Protection Act of 2006 (PPA), which requires any company that sponsors a defined benefit pension plan and maintains an intranet website to post portions of their pension plan's Form 5500 on the website, effective for plan years beginning after December 31, 2007. Therefore, you will find a portion of the 2009 annual report posted below.

You can also use the [ERISA Public Disclosure System](http://www.dol.gov/ebsa/actuarialsearch.html) at <http://www.dol.gov/ebsa/actuarialsearch.html> to find additional schedules, including the Schedule SB. The Schedule SB is part of a pension plan's 2009 Form 5500 financial report and it includes technical data provided by a plan's actuary regarding a plan's funded status and whether the plan is "at-risk" regarding its ability to pay promised benefits.

Although there are no actions required on your part, you should be aware of the information being presented below.

PowerLine specialists are available at 1-888-890-8900 to answer any questions you may have regarding your JCPenney pension plan between 8 A.M. and 8 P.M. (CST), Monday through Friday.

Cordially,

A handwritten signature in black ink, appearing to read "Brynn Evanson". The signature is fluid and cursive.

Brynn Evanson  
Vice President,  
Compensation and Benefits

**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 6047(e), 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

**2009**

**This Form is Open to Public Inspection**

**Part I Annual Report Identification Information**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009


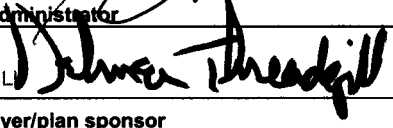
- A** This return/report is for:  a multiemployer plan;  a multiple-employer plan; or  a single-employer plan;  a DFE (specify) \_\_\_\_\_
- B** This return/report is:  the first return/report;  the final return/report;  an amended return/report;  a short plan year return/report (less than 12 months).
- C** If the plan is a collectively-bargained plan, check here:
- D** Check box if filing under:  Form 5558;  automatic extension;  the DFVC program;  special extension (enter description)

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

<b>1a</b> Name of plan J.C. PENNEY CORPORATION, INC. PENSION PLAN		<b>1b</b> Three-digit plan number (PN) ▶	001
		<b>1c</b> Effective date of plan	02/01/1966
<b>2a</b> Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) J.C. PENNEY CORPORATION, INC. TAX SERVICES - MS1203  6501 LEGACY DR. PLANO, TX 75024-3698		<b>2b</b> Employer Identification Number (EIN)	13-5583779
		<b>2c</b> Sponsor's telephone number	972-431-1000
		<b>2d</b> Business code (see instructions)	452110

**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.

<b>SIGN HERE</b>	GEORGE BRAND		09/29/2010	GEORGE W. BRAND
	Signature of plan administrator		Date	Enter name of individual signing as plan administrator
<b>SIGN HERE</b>	DELMER THREADGILL		09/27/2010	DELMER R. THREADGILL
	Signature of employer/plan sponsor		Date	Enter name of individual signing as employer or plan sponsor
<b>SIGN HERE</b>				
	Signature of DFE		Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2009)  
v.092307.1

<b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same") J.C. PENNEY CORPORATION, INC. BENEFITS ADMINISTRATION COMMITTEE  6501 LEGACY DR. - MS1203 PLANO, TX 75024-3698	<b>3b</b> Administrator's EIN 75-2583575  <b>3c</b> Administrator's telephone number 972-431-2129
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<b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:  <b>a</b> Sponsor's name	<b>4b</b> EIN  <b>4c</b> PN
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<b>5</b> Total number of participants at the beginning of the plan year	<b>5</b>	156326
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<b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines 6a, 6b, 6c, and 6d).		
<b>a</b> Active participants.....	<b>6a</b>	69130
<b>b</b> Retired or separated participants receiving benefits.....	<b>6b</b>	44338
<b>c</b> Other retired or separated participants entitled to future benefits.....	<b>6c</b>	33502
<b>d</b> Subtotal. Add lines 6a, 6b, and 6c.....	<b>6d</b>	146970
<b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	<b>6e</b>	3452
<b>f</b> Total. Add lines 6d and 6e.....	<b>6f</b>	150422
<b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	<b>6g</b>	
<b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<b>6h</b>	6000

<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....	<b>7</b>	
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**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:  
 1A 1G 3H

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

<b>9a</b> Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	<b>9b</b> Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
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**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

<b>a Pension Schedules</b> (1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information) (2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input checked="" type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	<b>b General Schedules</b> (1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information) (2) <input type="checkbox"/> <b>I</b> (Financial Information - Small Plan) (3) <input type="checkbox"/> <b>A</b> (Insurance Information) (4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information) (5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information) (6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)
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**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

**2009**

**This Form is Open to Public  
Inspection**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **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.

<b>A</b> Name of plan J.C. PENNEY CORPORATION, INC. PENSION PLAN		<b>B</b> Three-digit plan number (PN) ▶	001
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF J.C. PENNEY CORPORATION, INC. TAX SERVICES - MS1203		<b>D</b> Employer Identification Number (EIN) 13-5583779	
<b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B		<b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500	

<b>Part I Basic Information</b>			
<b>1</b> Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2009</u>			
<b>2</b> Assets:			
<b>a</b> Market value.....	<b>2a</b>	3870354732	
<b>b</b> Actuarial value.....	<b>2b</b>	4257390205	
<b>3</b> Funding target/participant count breakdown			
		<b>(1) Number of participants</b>	<b>(2) Funding Target</b>
<b>a</b> For retired participants and beneficiaries receiving payment.....	<b>3a</b>	45910	1807632977
<b>b</b> For terminated vested participants.....	<b>3b</b>	31964	443289512
<b>c</b> For active participants:			
(1) Non-vested benefits.....	<b>3c(1)</b>		42646125
(2) Vested benefits.....	<b>3c(2)</b>		750019522
(3) Total active.....	<b>3c(3)</b>	78452	792665647
<b>d</b> Total.....	<b>3d</b>	156326	3043588136
<b>4</b> If the plan is at-risk, check the box and complete items (a) and (b) <input type="checkbox"/>			
<b>a</b> Funding target disregarding prescribed at-risk assumptions.....	<b>4a</b>		
<b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor.....	<b>4b</b>		
<b>5</b> Effective interest rate.....	<b>5</b>	8.20 %	
<b>6</b> Target normal cost.....	<b>6</b>	95642224	

**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.

<b>SIGN HERE</b>	Signature of actuary	08/16/2010
	THOMAS P. CLEMENS	Date
Type or print name of actuary	HEWITT ASSOCIATES, LLC	08-04056
Firm name	311 S. WACKER DRIVE, SUITE 1550 CHICAGO, IL 60606	Most recent enrollment number
Address of the firm		312-957-1400
		Telephone number (including area code)

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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009  
v.092308.1

<b>Part II Beginning of year carryover and prefunding balances</b>		(a) Carryover balance	(b) Prefunding balance
<b>7</b>	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year) .....	1379422887	
<b>8</b>	Portion used to offset prior year's funding requirement (Item 35 from prior year) .....	0	0
<b>9</b>	Amount remaining (Item 7 minus item 8).....	1379422887	0
<b>10</b>	Interest on item 9 using prior year's actual return of <u>-32.40</u> % .....	-446933015	
<b>11</b>	Prior year's excess contributions to be added to prefunding balance:		
<b>a</b>	Excess contributions (Item 38 from prior year) .....		313468626
<b>b</b>	Interest on (a) using prior year's effective rate of <u>6.09</u> % .....		19090239
<b>c</b>	Total available at beginning of current plan year to add to prefunding balance .....		332558865
<b>d</b>	Portion of (c) to be added to prefunding balance .....		332558865
<b>12</b>	Reduction in balances due to elections or deemed elections.....	0	0
<b>13</b>	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12).....	932489872	332558865

<b>Part III Funding percentages</b>			
<b>14</b>	Funding target attainment percentage .....	<b>14</b>	98.32 %
<b>15</b>	Adjusted funding target attainment percentage .....	<b>15</b>	139.88 %
<b>16</b>	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	<b>16</b>	143.19 %
<b>17</b>	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	<b>17</b>	%

<b>Part IV Contributions and liquidity shortfalls</b>					
<b>18 Contributions made to the plan for the plan year by employer(s) and employees:</b>					
(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
05/24/2010	391876000				
			<b>Totals ▶</b>	<b>18(b)</b>	391876000
				<b>18(c)</b>	0

<b>19</b>	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
<b>a</b>	Contributions allocated toward unpaid minimum required contribution from prior years.....	<b>19a</b> 0
<b>b</b>	Contributions made to avoid restrictions adjusted to valuation date .....	<b>19b</b> 0
<b>c</b>	Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....	<b>19c</b> 351165483
<b>20</b>	Quarterly contributions and liquidity shortfalls:	
<b>a</b>	Did the plan have a "funding shortfall" for the prior year? .....	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>b</b>	If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? .....	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>c</b>	If 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

**Part V Assumptions used to determine funding target and target normal cost**

**21** Discount rate:

**a** Segment rates:

1st segment: %	2nd segment: %	3rd segment: %	<input checked="" type="checkbox"/> N/A, full yield curve used
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**b** Applicable month (enter code) ..... **21b**

**22** Weighted average retirement age ..... **22** 62

**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 eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment..... **27**

**Part VII Reconciliation of unpaid minimum required contributions for prior years**

<b>28</b> Unpaid minimum required contribution for all prior years .....	<b>28</b>	0
<b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	<b>29</b>	0
<b>30</b> Remaining amount of unpaid minimum required contributions (item 28 minus item 29).....	<b>30</b>	0

**Part VIII Minimum required contribution for current year**

<b>31</b> Target normal cost, adjusted, if applicable (see instructions).....	<b>31</b>	95642224
<b>32</b> Amortization installments:	Outstanding Balance	Installment
<b>a</b> Net shortfall amortization installment .....	0	0
<b>b</b> Waiver amortization installment .....		
<b>33</b> 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 .....	<b>33</b>	
<b>34</b> Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	<b>34</b>	95642224
	Carryover balance	Prefunding balance
<b>35</b> Balances used to offset funding requirement .....	95642224	0
		Total balance
<b>36</b> Additional cash requirement (item 34 minus item 35).....	<b>36</b>	0
<b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	<b>37</b>	351165483
<b>38</b> Interest-adjusted excess contributions for current year (see instructions).....	<b>38</b>	351165483
<b>39</b> Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	<b>39</b>	0
<b>40</b> Unpaid minimum required contribution for all years .....	<b>40</b>	0