

JCPenney is modifying and enhancing its 401(k) with a "Safe Harbor" design. Starting in 2017, the new 401(k) Plan will provide:

## EASIER-TO-UNDERSTAND COMPANY MATCH

- **Dollar-for-dollar on the first 5% of your contributions**

## IMMEDIATE VESTING\*

- **Company contributions are yours to keep as soon as they are deposited**

## NO CONTRIBUTION LIMITS

- **Except those set by the IRS: \$18,000 (\$24,000 if age 50 or older)**

## START SAVING TODAY!

Get your investment strategy started by visiting **PowerLine** via the Associate Kiosk and selecting the 401(k) Savings Plan tile. You'll find the information you need to get started building a more secure future.

\* Company contributions made prior to 2017 are subject to the current three-year vesting schedule.

If you were hired or rehired *after* Jan. 1, 2007, you will move to the new 401(k) Savings Plan on Jan. 1, 2017. If you have an existing 401(k) account with JCPenney, the balance will automatically transfer to the new 401(k) Plan. **No action is required on your part.**

If you were hired or rehired *prior* to Jan. 1, 2007, (accruing a benefit in the Pension Plan) these changes do not affect you; your 401(k) Plan and its provisions will not change.

This guide is intended only to be a summary of the J. C. Penney Corporation, Inc. Safe Harbor 401(k) Savings Plan (the "Plan"). It is not intended to be a complete explanation of the Plan or to provide specific advice or recommendations for any individual. A detailed description may be found in the official Plan documents, including the Summary Plan Description (SPD) for the Plan and the enclosed Safe Harbor Notice for the Plan. JCPenney reserves the right to amend, suspend or discontinue the Plan in whole or in part at any time without prior notice. Participating in the plan should not be considered a contract of employment with JCPenney. Also keep in mind that investing in funds is not guaranteed or insured and the value of your account balance will fluctuate. Information in this brochure does not apply if you were hired or rehired prior to Jan. 1, 2007, and are accruing a benefit in the Pension Plan.

*See the enclosed Safe Harbor Notice for additional information.*

JCPenney | benefits

A BETTER  
**401(k)**  
IS IN STORE  
FOR YOU  
IN 2017



## We've Enhanced the 401(k) Plan to Support Your Future

At JCPenney we strongly believe in the value of saving for retirement, which is why we're enhancing our 401(k) Plan in 2017 to help you save and invest even more for your future.

If you're not currently contributing, now is a great time to start! The earlier you start saving, the more time your money has to grow. If you are already contributing to the 401(k), great job! Make the most of the new plan enhancements and contribute at least five percent of your pay so you're maximizing your company contribution.

JCPenney offers some of the most generous life insurance, disability and time-off benefits in the retail industry, and with the enhancements that will be in place in 2017, we'll rank among the top large retailers for best retirement benefits.\*

## Invest in Your Future—Save in JCPenney's 401(k) Plan

Here's a quick overview of how the JCPenney 401(k) Plan works and the changes that you will see in 2017.

401(k) HIGHLIGHTS		
	2016	2017 <sup>1</sup>
<b>Eligibility to participate</b>	On the first day of work if you are at least 21 years old	On the first day of work if you are at least 21 years old
<b>You can contribute</b>	1%–50% of pay	1%–50% of pay
<b>Your contribution limits</b>	Certain associates limited to 6% before-tax, 2% after-tax	<b>IRS annual limit: \$18,000 (\$24,000 if age 50 or older)<sup>2</sup></b>
<b>Company match on your contributions</b>	50% on the first 6% plus a 2% retirement account contribution <sup>3</sup>	<b>Dollar-for-dollar match on the first 5%</b>
<b>Eligibility for Company match</b>	After working 1,000 hours in a 12-month period	After working 1,000 hours in a 12-month period
<b>Vesting schedule</b>	After 3 years	<b>Immediately<sup>4</sup></b>

<sup>1</sup> These changes will not apply if you are accruing a benefit in the Pension Plan.

<sup>2</sup> Contribution limits are subject to change by the IRS.

<sup>3</sup> The final two percent retirement account contribution will be paid following the end of the 2016 calendar year.

<sup>4</sup> Prior Company contributions will be vested under the 2016 401(k) vesting schedule.

Because of the power of compounding, the earlier you start saving, the more time your money has to grow. With regular contributions of at least five percent to get the full Company match, your 401(k) can provide you with a more secure future.

*The example at right (for illustrative purposes only) was calculated for an associate contributing 5% of pay over a 40-year career. Assumes a starting salary of \$45,000 with 3% annual increases and a 6% rate of return. Calculation source: Bankrate.com.*

