

2016

*Summary Annual Reports
of the J. C. Penney Benefit Plans*

Health and Welfare Benefit Plan

Savings, Profit-Sharing and Stock Ownership Plan

This is a summary of the annual reports for the J. C. Penney Corporation, Inc. Plans listed above for the period Jan. 1, 2016, through Dec. 31, 2016. 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. planes listados arriba para el periodo de Enero 1, 2016 hasta Diciembre 31, 2016. 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 para recibir ayuda. La dirección y número de teléfono de PowerLine son:

PowerLine

Su Centro de Beneficios de JCPenney

P.O. Box 1495

Lincolnshire, IL 60069-1458

Teléfono: 1-888-890-8900

JCPenney

The Summary Annual Reports contain financial data on each of the specified J. C. Penney Corporation, Inc. 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.

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

HEALTH AND WELFARE BENEFIT PLAN

EIN 13-5583779 Plan No. 501 Plan Type: Welfare

Insurance Information¹

The Company has a contract with Aetna Life Insurance Company to pay certain dental claims incurred under the terms of the Plan. The total premiums paid for the plan year ending Dec. 31, 2016, were \$2,481,000.

The Company has a contract with Continental American Insurance Company to pay certain critical illness, accident insurance and hospital indemnity claims incurred under the terms of the Plan. The total premiums paid for the plan year ending Dec. 31, 2016, were \$1,442,000.

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 Dec. 31, 2016, were \$46,000.

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 Dec. 31, 2016, were \$2,184,000.

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 Dec. 31, 2016, were \$1,400,175.72.

The Company has a contract with Liberty Mutual to pay certain long-term disability insurance claim incurred under the terms of the Plan. The total premiums paid for the plan year ending Dec. 31, 2016, were \$1,719,000

The Company has contracts 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 Dec. 31, 2016, were \$6,650,000.

The Company has a contract with Cigna Behavioral Health, Inc. to pay certain employee claims incurred under the terms of the Employee Assistance Plan. The total premiums paid for the plan year ending Dec. 31, 2016, were \$72,000.

The Company has a contract with Hyatt Legal Plans to provide certain legal services under the terms of the Plan to participating employees. The total premiums paid for the plan year ending Dec. 31, 2016, were \$219,000.

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

SAVINGS, PROFIT-SHARING AND STOCK OWNERSHIP PLAN

EIN 13-5583779 Plan No. 003 Plan Type: Defined Contribution

Basic Financial Statement¹

Benefits under the Plan are provided through a trust fund. Plan expenses were \$292,950,000. These expenses included \$7,428,000 in administrative expenses and \$285,522,000 in benefits paid to participants and beneficiaries. A total of 116,856 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 \$2,745,639,000 as of Dec. 31, 2016, compared to \$2,699,558,000 as of Jan. 1, 2016. During the plan year, the Plan experienced an increase in its net assets of \$46,081,000. This increase 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 total income of \$339,031,000, including employer contributions of \$51,544,000, employee contributions of \$100,817,000 and earnings from investments of \$186,670,000.

¹ Dollar amounts have been rounded to the nearest thousand (000s).

YOUR RIGHTS TO ADDITIONAL INFORMATION

The plans above are required to file with the U.S. Department of Labor an annual report (e.g. Form 5500). You have a 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, financial information, information on payments to service providers, and fiduciary information for the Savings, Profit Sharing and Stock Ownership Plan.
- Insurance information, including sales commissions paid by insurance carriers for the Savings, Profit Sharing and Stock Ownership Plan and the Health and Welfare Benefit Plan.
- Information regarding any common or collective trusts, or registered investment companies in which the Plan participates for the Savings, Profit Sharing and Stock Ownership Plan.

Copies of the annual report are available from the U.S. Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1515, Washington, DC 20210, or by calling 202.693.8673. For 2009 and subsequent plan years, you may obtain an electronic copy of the Plan's annual report by going to www.efast.dol.gov and using the Form 5500 search function. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator or logging onto www.jcpenneypowerline.com. For identification purposes, identify the Plan and EIN provided in this Summary Annual Report above for each Plan that you wish to receive a copy. The charge to cover copying costs will be \$0.25 per page for any part of each report that is requested.

With regard to the Savings, Profit Sharing and Stock Ownership Plan, you also have the right to receive from PowerLine, 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 PowerLine, 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.