

LEARN
about *Your*

Benefits

Illness Recovery Time Policy



sick pay





The Illness Recovery Time (IRT) Policy protects your income

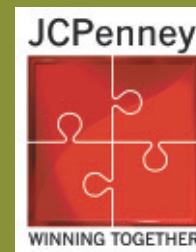
*when you are unable to
work for more than
seven consecutive calendar
days as the result of
an off the job disability.*

*Disability in this brochure
means illness, pregnancy
or non-work related injury.*

*The IRT Policy is administered
by the Recovery Assistance
Center (RAC) on behalf*

*of JCPenney. Claims are approved or denied
according to the terms of the Policy.*

*We want to be sure every
eligible associate
receives his or her IRT
benefits. Please keep
this brochure handy
so you'll know what
to do to receive
your benefits.*



This brochure is for informational
purposes only. For more
information see the online policy.

Who Is Eligible

All Benefits Eligible associates are automatically eligible under the IRT Policy. To receive IRT benefits, you must be actively at work and Benefits Eligible on the date your disability begins.

Refer to the Illness Recovery Time Policy for further exceptions and information.

Call Your Manager When You Are Absent

- Call and speak to your manager or the person designated to take the call in your workplace as soon as possible-before your scheduled reporting time.
- It is your responsibility to keep your store or unit informed of your ability to return to work, even if you have filed a claim for IRT benefits.
- Be sure you understand the Company's policy regarding absences.



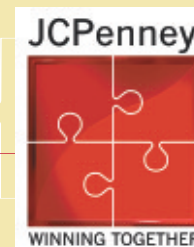
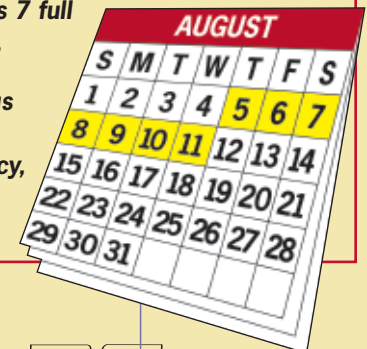
When To File A Claim For IRT Benefits

All eligible associates must file a claim with the RAC for absences due to a disability of more than seven consecutive calendar days. You should file your claim no later than the 7th calendar day of your absence or up to two weeks in advance of a planned absence, such as childbirth or pre-scheduled surgery.

Regardless of how early you call, medical information cannot be verified and obtained from your physician until after your delivery date or surgery. If you file a claim in advance of your absence, and your surgery or childbirth is earlier than you anticipated, you or a family member should contact the RAC as soon as possible after the surgery or birth of your child to provide updated information. **This means that even when you call in advance, medical information cannot be verified and obtained and benefits cannot begin until after the surgery or delivery.**

"Seven Calendar Days" are defined as 7 full or partial consecutive calendar days.

If an absence is related to a previous disability that you have already received benefits for under the IRT Policy, the 7 consecutive calendar days may not apply.



How To File A Claim For IRT Benefits

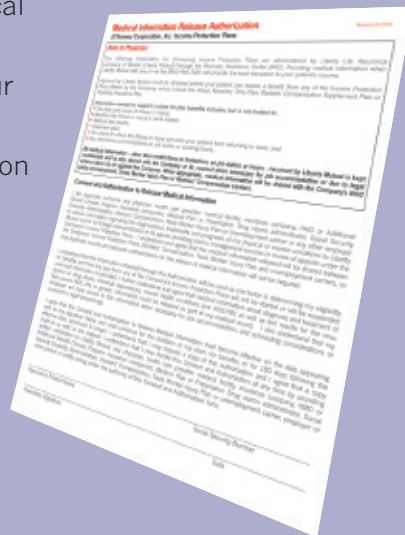
Claims may be reported 24 hours a day, 7 days a week.

Report your claim one of two ways:

1. Electronically
 - Sign onto [Your Benefits Homepage](#) on the Associate Kiosk
 - Click on [Life and Disability](#)
 - Click on [File a Claim](#) under Illness Recovery Time Policy
 - Enter
 - Claimant Service ID:IRT4U;
 - PIN: Your Social Security Number;
 - Your last name; and
 - Your state of residence
2. Call PowerLine at 1-888-890-8900 and select Illness Recovery Time.

It is your responsibility to provide your physician with a signed Medical Information Release authorizing the release of your medical information to the RAC. The timely approval of your claim and the payment of benefits are dependent upon your physician releasing your medical information to the RAC.

See back page for a copy of the Medical Information Release



Your Information Checklist

You will be asked to provide the following information when you file a claim:

- Your name, address, phone number and Social Security Number, or Military ID number if you are treated at a Military facility.
- The name, address and phone number of the physician who told you to take time off from work.
- The name and phone number of the appropriate person in your store or unit who can verify your last day worked, next scheduled days, job duties, etc.
- The date you were first treated for this disability by your physician, the date of your most recent visit, the date of your next scheduled visit, if applicable.

If you have questions about a claim you have already filed, you may call the RAC at 1-800-853-7120 between 8:00 a.m. to 5:00 p.m. Central time, Monday through Friday.



The Claims Process

You or your representative should file a claim by contacting the RAC as explained on page 5.

1. The RAC will review your claim for completeness. If all the information needed to process your claim is not provided when you file your claim, the RAC will notify you both by phone and follow up in writing.
2. The RAC will contact your unit to obtain employer information for your claim.
3. The RAC will contact your physician by telephone for medical information.
 - It is your responsibility to make sure your physician(s) has a signed copy of the Medical Information Release from the back of this brochure and cooperates and provides information to the RAC. If you are seen by an emergency room physician, contact your primary care physician as soon as possible since your primary care physician will need to provide the required information to the RAC.
 - The RAC will contact you if your physician fails to provide necessary medical information. Your claim will be temporarily denied if this information is not received within 7 days of the request. If the required information is received at a later date, your claim may be reopened.

Note: A letter or note from your physician stating that you must be off work is not considered proof that you are disabled for purposes of the IRT Policy.

When Will You Get Paid

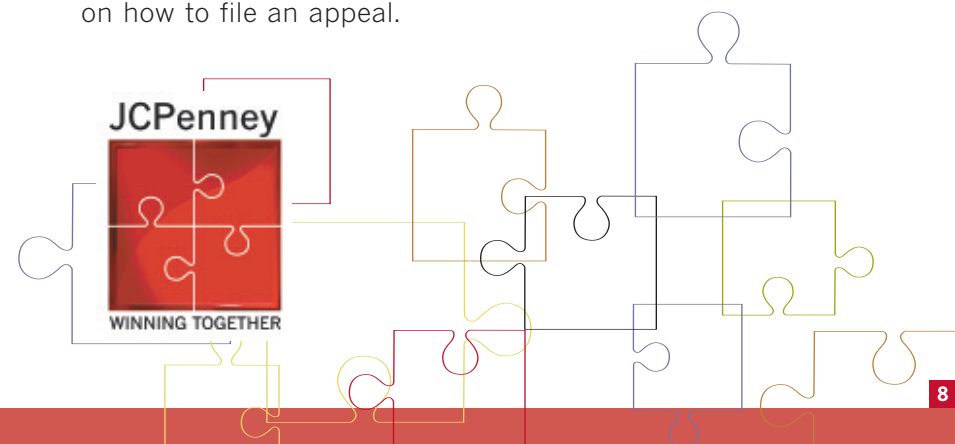
Approved IRT benefits are paid in your regular paycheck. Example for a bi-weekly paid associate normally scheduled to be paid on May 20 and June 3:

Pay Period Begin Date	Pay Period End Date	Check Date
May 1	May 14	May 20
May 15	May 28	June 3

- If your IRT claim is approved on May 12, the IRT benefit will be paid on the payroll check dated May 20 since the approval date is at least seven days prior to the check date.
- If your IRT claim is approved on May 14th, the IRT benefit will be paid on the check dated June 3, since the approval date is less than seven days prior to the May 20 check date.

Do not call the RAC if your illness is work-related unless your claim for State Workers' Compensation or Texas Worker Injury Plan benefits has been denied.

If your IRT claim is denied, you will receive a letter explaining the reason for the denial and instructions on how to file an appeal.



Amount of Benefit Payment

Status	Benefit Amount*
Non-Management Associates Hired/Rehired on or after 1-1-1993	80% of current pay
Non-Management Associates Hired/Rehired before 1-1-1993	100% of current pay
Management Associates	100% of current pay rate

*Your IRT Benefit Amount will be reduced by Other Income as explained in the Illness Recovery Time Policy.

Benefit Duration

The table below indicates the maximum number of days of IRT benefits you are eligible to receive for any absence during a period of disability based on your total benefits eligible service months on your date of disability.

If Your Benefits Eligible Service Months On Your Date Of Disability Are:	The IRT Provides Benefits For Up To:	
	Management	Non-Management
Less than 12 months	30 calendar days	23 calendar days
12 but less than 24 months	60 calendar days	53 calendar days
24 but less than 36 months	90 calendar days	83 calendar days
36 but less than 48 months	120 calendar days	113 calendar days
48 but less than 60 months	150 calendar days	143 calendar days
60 or more months	180 calendar days	173 calendar days

*The first seven calendar days must be paid from any available paid time off account balances. Non management associates' paid time off accruals include additional time to help cover the seven day waiting period.

Period Of Disability

Once IRT benefits have begun, a period of disability is defined as:

- A single continuous absence relating to a single off-the-job disability;
- A series of absences separated by less than six calendar months back at work on a full-time basis relating to a single off-the-job disability; or
- An absence due to an unrelated off-the-job disability separated by at least two calendar weeks back at work on a full-time basis.

See the online policy for benefit exclusions.



Top Three Reasons For Delay In Pay

The average time to approve or deny a claim is approximately 10 business days. The main reasons for the delay in approval and payment are:

- Associate did not provide physician with signed Medical Information Release;
- Physician(s) did not provide the medical information needed in a timely manner; and
- Physician's name given at the time the claim was filed was not the current treating physician or the physician who took you off work.

What Happens When Illness Recovery Time Benefits End?

If you are denied IRT benefits or if you are unable to return to work when your IRT benefits end, to prevent automatic termination, you must:

- Call PowerLine at 1-888-890-8900 and select "Leave of Absence" to request an unpaid leave. PowerLine will explain the type of leave available to you.
- For more information, refer to the Leave of Absence brochure.

If you are able to return to work, you must:

- Notify your Store or Unit in advance of your expected return to work date;
- Provide your Store or Unit with a release from your physician allowing you to return to work; and
- Contact the RAC to verify your return to work date.

You will be automatically terminated if you fail to request a leave of absence and you do not report back to work.

If You Enrolled In The Disability Insurance Plan

- If you are enrolled in the Disability Insurance Plan and are unable to return to work, your IRT case manager will work with you to apply for the Disability Insurance Plan benefit.
- The Disability Insurance Plan helps to fill the gap when your IRT benefits end and you are not able to return to work.
- Benefits can begin after the elimination period (180 days) and can continue until you no longer meet the definition of disability or reach age 65. Benefits are not tied to Social Security approval.





Detach Medical Information Release Authorization And Give To Current Treating Physician



Medical Information Release Authorization JCPenney Corporation, Inc. Income Protection Plans

Revised 8/2006

Note to Physician:

The JCPenney Corporation, Inc. (Company) Income Protection Plans are administered by Liberty Life Assurance Company of Boston (Liberty Mutual) through the Recovery Assistance Center (RAC). Providing medical information when Liberty Mutual calls you, or via fax (816) 444-7023 will provide the least disruption to your patient's income.

Approval by Liberty Mutual must be obtained before your patient can receive a benefit from any of the Income Protection Plans offered by the Company, which include the Illness Recovery Time Policy Workers' Compensation Supplement Plan or Disability Insurance Plan.

Information needed to support a claim for plan benefits includes, but is not limited to:

- The date and cause of illness or injury;
- Whether the illness or injury is work related;
- Medical test results;
- Treatment plan;
- The extent to which the illness or injury prevents your patient from returning to work; and
- Any restrictions and limitations on job duties or working hours.

All medical information - other than restrictions or limitations on job duties or hours - received by Liberty Mutual is kept confidential and is only shared with the Company or its counsel when necessary for job accommodation or due to legal actions taken by or against the Company. When appropriate, medical information will be shared with the Company's third party unemployment, Texas Worker Injury Plan or Workers' Compensation carriers.

Consent and Authorization to Release Medical Information

I, the associate, authorize any physician, health care provider; medical facility, insurance company, HMO or Additional Benefit Choices Program insurance companies, Medical Plan or Prescription Drug claims administrator, Social Security Disability Administration, Workers' Compensation, Texas Worker Injury Plan or Unemployment carrier or any other employer