Summary Plan Description

Macy's, Inc.
Cash Account Pension Plan

macy's inc

Macy’s, Inc. Cash Account Pension Plan

This booklet describes the Macy’s Inc. Cash Account Pension Plan as amended and restated as of January 1, 2014.

This Plan is maintained by Macy’s Inc. which, together with its subsidiary companies, is called the “Company” in this booklet. The Plan is administered by an administrative committee that is appointed by the Company (the “Pension and Profit Sharing Committee”).

This booklet provides a summary of how the Plan operates. The details of the Plan are set forth in the official Plan documents; however, if there are any inconsistencies between this booklet and the official Plan documents, the official Plan documents will control.

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SPECIAL NOTE REGARDING "FROZEN" STATUS OF THE CASH ACCOUNT PENSION PLAN:

The Cash Account Pension Plan was amended to close the Plan to new entrants as of January 1, 2012. Employees who participated in the Plan as of that date continued to earn accruals in the Plan until all Cash Balance Account Pay Credits under the Plan were frozen (i.e., stopped) effective December 31, 2013.

The Plan was frozen under an amendment to the Plan that was adopted by Macy's, Inc. Under this amendment, all participants. except for certain collectively bargained employees, ceased to earn pay credits under the Plan effective January 1, 2014.

Participants who entered the Plan prior to January 1, 2012 will continue to receive post 2013 Vesting Service, as well as Interest Credits on their Cash Balance Account as of December 31, 2013.

This booklet discusses guidelines for eligibility, rehire provisions, and calculation of benefit accruals, which were earned prior to the date the Plan was frozen.

The Cash Account Pension Plan (the Plan) amended and replaced, effective as of January 1, 1997, all of the prior tax qualified pension plan which were maintained by the Company for Company employees and in which you may have participated prior to 1997. Such prior plans were the Federated Department Stores, Inc. Pension Plan, the R.H. Macy & Co., Inc. Pension Plan, the Allied Stores Corporation Retirement Benefit Plan, the Pension Plan for Employees of Broadway Stores Inc., the Supplemental Pension Plan for Hourly Employees of The Emporium, and the Amended and Restated Joseph Horne Co., Inc. Pension Plan.

The Plan is a defined benefit plan that generally determines your benefit on a "cash account" to which pay and interest credits are allocated. You do not pay any amounts yourself into the Plan. You or your beneficiary under the Plan can receive your benefit under the Plan after you terminate employment with the Company if you complete three years of vesting service under the Plan by the time you terminate employment with the Company or if you terminate employment after reaching the Plan's normal retirement age (generally age 65) or because of your permanent and total disability or death.

Your Plan benefit can generally be paid either in a lump-sum or in monthly payments, as you choose.

The Plan is administered by an administrative committee that is appointed by the Company (the "Pension and Profit Sharing Committee").

Eligibility

General Eligibility Rules:

The Plan was closed to new entrants effective January 1, 2012; therefore, the last enrollment date was December 1, 2011, except for certain collectively bargained employees. What follows is an explanation of the Plan's eligibility rules in effect prior to January 1, 2012.

Except as noted below, you were eligible to join the Plan by December 1, 2011 if:

- You were an employee, and on the employee payroll, of the Company;
- You had reached age 21; and
- You had completed one year of eligibility service under the Plan. Eligibility service is described below.

You became a participant in the Plan on the first day of the month following the date that you met all such eligibility requirements.

Special eligibility rules may apply for service prior to January 1, 1997 based on the terms of the prior tax qualified pension Plan in effect at that time.

Exclusions

You were not eligible to enter the Plan or accrue benefits in the Plan if:

- You were only a Director of the Company and not employed by the Company in any other capacity;
- You were paid by the Company for the lessee of a leased department in a store operated by the Company (unless the had Company otherwise taken action to include employees of such leased department in the Pension Plan);
- You were stationed outside the U.S. from the time you began employment with the Company or received your compensation in foreign currency;
- Your compensation consisted solely of a retainer or fee;
- You were represented by a collective bargaining unit (unless such unit's representatives and the Company agreed to include employees represented by such unit in the Company's tax qualified retirement Plan); or
- You were a May Company Defined Benefit Plan Active Participant on or after August 30, 2005.

Automatic Enrollment:

When you became eligible to be a participant in the Plan, you automatically joined the Plan. You did not have to sign any form to participate.

Eligibility Service:

As is noted above, in order to become a participant in the Plan, you must have completed a year of eligibility service by December 1, 2011.

In general, one year of eligibility service was credited at the end of the 12 month period beginning on your original date of work for the Company if you completed at least 1,000 hours of service during that period.

Also, if you failed to be credited with at least 1,000 hours of service at the end of the 12-month period beginning on your original date of hire for the Company, you were, generally credited with a year of eligibility service at the end of the first plan year (a calendar year) which begins after your original date of hire for the Company and during which you completed 1,000 or more hours of service.

Employees who did not meet the above criteria on or before December 1, 2011 were not able to enter the Plan.

Break in Service Rules:

Participants who were not active on December 31, 2011 and subsequently crossed a calendar year not in the Company's employ were excluded from earning additional pay credits if they later rehired. Additional break in service rules applied to eligibility determination prior to December 31, 2011.

Hours of Service:

Hours of service were generally credited to you under the Plan for (1) hours you were paid or entitled to be paid because of active work for the Company and (2) hours you were paid or entitled to be paid by the Company for vacation, illness, or similar absences with pay (but not for more than 501 hours for a single period during which no work is performed and not for hours paid for workers' compensation or for reimbursement of medical expenses). Hours of service were credited in the same year that the paycheck (or pay advice) attributable to such hours of service was dated.

Reemployment:

Generally, once you became a participant in the Plan, you would remain a participant as long as you remained employed by the Company. If, after you became a participant in the Plan, you terminated employment with the Company but later were reemployed by the Company as an employee (other than in a position which is ineligible for the Plan), you would again become a participant in the Plan on the day you start back to work, if such rehire date was prior to January 1, 2012. If you rehired on and after January 1, 2012, you would not continue to earn credited service in the Plan if you crossed a calendar year as inactive.

For purposes of this booklet, it is assumed that you became a participant in the Plan.

Vesting Service

Generally, employees who entered the Plan prior to when it was closed to new entrants on January 1, 2012 can continue to earn vesting in the Plan. Later parts of this section will refer to years of vesting service in determining pay credits to your cash account under the Plan and your right to a retirement benefit under the Plan. This section of the booklet describes the rules under which you are credited with years of vesting service for Pension Plan purposes.

You generally receive one year of vesting service for each plan year (a calendar year) that begins after 1996 and in which you complete at least 1,000 hours of service.

If you were employed by the Company prior to January 1, 1997, you also receive the years of vesting service with which you were credited under the prior tax qualified pension plans maintained by the Company before 1997.

However, if you incur a break in service prior to being eligible for some retirement benefit under the Pension Plan, you generally will lose credit for all years of vesting service you completed prior to such break in service if the break in service lasts at least six years.

The definitions of "hours of service" and "breaks in service" are described under Eligibility.

Your Cash Account

If you become eligible for a retirement benefit in the Plan under rules described later in this section, then your benefit in the Plan is generally based on amounts allocated to an account under the Plan (your "cash account"). Such account is a bookkeeping account and does not represent an account under which specific assets are held just for you. The amounts allocated to your cash account include (1) an initial balance amount based on the single sum value of your December 31, 1996 accrued benefit under the Company's prior pension plans, (2) pay credits for plan years beginning on January 1, 1997 through December 31, 2013, and (3) quarterly interest credits.

This section of the booklet gives an explanation of these terms and how they are determined.

Initial Cash Account:

Your benefit under the prior tax qualified Company pension plans, when expressed as a monthly annuity for your life that begins as of the later of (1) the first day of the month following your attainment of normal retirement age (as is described later in this section) or (2) January 1, 1997, was converted to a single sum and became the opening balance in your cash account.

Such cash account opening balance was actuarially calculated, by applying your December 31, 1996 accrued benefit under the prior plans to actuarial factors set forth in the Pension Plan. Such actuarial factors depend on the age at which you entered CAPP and the prior pension plan(s) in which the benefit was earned.

Pay Credits:

For each plan year (a calendar year) beginning on or after January 1, 1997 through the plan year ending December 31, 2013 and in which you were credited with at least 1,000 hours of service (as are described under Eligibility), your cash account under the Plan was credited with a pay credit equal to a percent of your pay for the year, based on the following formula:

Years of Vesting Service at Beginning of Year	Percent of Pay
less than 3	2.0%
3-4	2.5%
5-9	3.0%
10-14	4.0%
15-19	5.0%
20-24	6.0%
25+	8.0%

For purposes of the Pension Plan, your "pay" generally included your regular salary or wages, overtime pay, pre tax contributions to the 401(k) Plan or the Company's flexible benefits or cafeteria plan, regular annual bonuses, retention bonuses, commissions, and tips.

It did not, however, include certain kinds of fringe benefits or special compensation, such as deferred compensation, stock awards or options, long term cash bonuses based on goals measured over a period longer than one year, moving expense reimbursements, tuition or other education reimbursements, severance pay ordered or approved by a court (unless specifically included pursuant to the terms of a Company severance plan), sign-on bonuses, third party sick or disability pay, income arising from welfare or other non-retirement plans, and lump-sum severance pay or settlements.

Also, by law, a limit was applied to the annual pay was used in determining your benefit for purposes of this Pension Plan. The limit was subject to change annually; for 2013 it was $255,000.

No future pay credits will be posted to the Cash Account Pension Plan following the 2013 plan year. Additionally, any employee who participated in the Plan and separated from service with the Company, then subsequently rehired on or after January 1, 2012, having crossed a calendar year not in the Company's employ, became ineligible to earn future pay credits in the Plan.

Interest Credits:

An interest credit will be added to your cash account at the end of each quarter occurring in a year (March 31, June 30, September 30, and December 31) until you receive payments from the Pension Plan. Such interest credits will continue following the December 31, 2013 Plan freeze.

The interest rate for each plan year is based on the rate quoted for U.S Treasury 30 year bonds for the November prior to the start of such year but is no less than 5.25%. For instance, for November of 2013, the 30 year U.S. Treasury bond rate was quoted at 3.46%. Therefore, the interest credit for 2013 was set to produce a minimum rate of 5.25% return for all of 2014.

Your Pension Amount

As will be discussed in later parts of this section, if you are entitled to a benefit under the Plan, it generally can be paid in a variety of annuity forms or in a lump-sum.

If paid in an annuity form, the monthly amount of your benefit will generally be equal to the monthly amount of annuity which can be provided (under actuarial factors and methods set forth in the Pension Plan) by the amount credited to your cash account on the date as of which the annuity is determined to begin.

Similarly, if paid in a lump sum, your lump-sum benefit will generally be equal to the amount credited to your cash account under the Plan on the date as of which the payment is determined for distribution.

As is explained below, however, there may be special minimum guarantees as to your Plan benefit if you participated in one of the Company's prior tax qualified pension plans before 1997.

Guaranteed Minimum Benefits:

The Plan contains special guarantees to assist in the transition to the Plan's cash account approach of determining benefits if you participated in one of the Company's prior tax qualified pension plans prior to January 1, 1997.

For instance, if you participated in one of such prior plans prior to January 1, 1997, you become entitled to a benefit under this Pension Plan, and such benefit is paid in an annuity form, in which and at a time when, you could have received your benefit under such prior plan, then the monthly amount of your benefit under this Pension Plan cannot be less than the monthly amount of the benefit that would have been paid to you, if paid in such form and at such time, under such prior plan had you terminated employment with the Company if no later than December 31, 1996.

Also, if you participated in one of such prior plans prior to January 1, 1997, the value of any benefit to which you are entitled under the Pension Plan can never be less (as determined under actuarial factors set forth in the Pension Plan) than the value of the benefit that would have been paid to you, if paid in the form of a single life annuity (as is described later in this section) beginning as of the first day of the month following your normal retirement age (as is also described later in this section), under such prior plan had you terminated employment with the Company no later than December 31, 1996.

Most importantly, if you participated in one of the Company's prior tax qualified pension plans before 1997, and you have both (1) attained age 55 and (2) completed at least ten years of vesting service before January 1, 2002, and your benefit under the Pension Plan is to be paid at a time and in any annuity form (other than a single life annuity) which would have been allowed under such prior plan, then the monthly amount of your annuity benefit under this Pension Plan will not be less than what the monthly amount of such benefit would have been if such prior plan had continued in effect without change (except for legally required changes and certain small administrative changes) through December 31, 2013, the date that future accruals under the Plan ceased. Note that such "grandfathered" benefit accrual is not subject to be paid as a lump sum, and other optional forms of payment may not be offered, as determined by the rules of the prior plan.

When Benefits Are Paid

As a participant in the Cash Account Pension Plan, you will be eligible to receive a retirement benefit under the Plan only if you terminate employment with the Company for any reason (other than death) under one of the following retirements.

Normal Retirement:

You are eligible to retire from the Company after attaining normal retirement age. Your "normal retirement age" under the Plan is age 65 or, if later, the fifth anniversary of the first date you became a participant in the Plan.

If you retire within the calendar month in which you reach your normal retirement age, you will be deemed to have retired on "normal retirement" and will be entitled to a retirement benefit under the Plan.

The retirement benefit generally can be paid or begin to be paid after you have retired and have properly completed a benefit form requesting your benefit and specifying the form in which it is to be paid. The forms in which the retirement benefit may be paid are discussed later in this section.

Late Retirement:

If you terminate employment with the Company (other than by reason of your death) after the month you attain your normal retirement age, you will be deemed to have retired on "late retirement" and will also be entitled to a retirement benefit under the Plan.

The retirement benefit generally can be paid or begin to be paid after you have retired and have properly completed a benefit form requesting your benefit and specifying the form in which it is to be paid. The forms in which the retirement benefit may be paid are discussed later in this section.

As a special rule, the value of your retirement benefit in this situation will generally not be less than the value of the Plan benefit which you had earned at your normal retirement age, increased to the date the benefit begins using actuarial factors set forth in the Plan.

Disability Retirement:

If you terminate employment with the Company by reason of your total disability prior to your normal retirement age, you will be deemed to have retired on a "disability retirement" and will also be entitled to a retirement benefit under the Pension Plan. This determination automatically vests your balance in the plan.

The retirement benefit generally can be paid or begin to be paid after you have retired and have properly completed a benefit form requesting your benefit and specifying the form in which it is to be paid. The forms in which the retirement benefit may be paid are discussed later in this section.

Participants who were deemed to have retired on a disability retirement prior to December 31, 2013 continued to earn pay and vesting credits in the Plan until the earlier of:

- December 31, 2013, the date the plan was frozen;
- the date you began payment of your pension benefit; or
- the date you reached age 65.

For purposes of earning disability pay credits, you received credit for a year of vesting service for each full calendar year included in the period from your termination of employment due to the total disability to the date your retirement benefit begins, and your pay for each such full year is deemed to be equal to the amount of your pay taken into account under the Plan for your last full calendar year of employment.

Interest credits will continue to be posted to the accounts of disability retirement eligible participants as described in the "Interest Credits" section above.

Under the Pension Plan, you are considered to have incurred a 'total disability' only if it is determined by the Pension and Profit Sharing Committee that you have a permanent and continuous physical or mental inability to perform the duties and responsibilities of any job. Generally, to be considered totally disabled:

- Your 'total disability' must be confirmed in writing by a licensed physician or psychiatrist; and
- You must qualify for disability benefits from Social Security.

Vested Retirement:

If you terminate employment with the Company before you attain your normal retirement age, and other than by reason of your total disability or death, but after you have completed at least three years of vesting service, you will be deemed to have retired on a "deferred vested retirement" and will also be entitled to a retirement benefit under the Pension Plan.

The retirement benefit generally can be paid or begin to be paid after you have retired and have properly completed a benefit form requesting your benefit and specifying the form in which it is to be paid. The forms in which the retirement benefit may be paid are discussed later in this section.

Latest Date for Payment:

If you are entitled to a retirement benefit under the Pension Plan, the payment of your benefit must generally begin at least by the April 1 following the later of the year you retire or the year you reach age 70 1/2, even if you have not yet completed a benefit form. Under a prior law, your benefit may have had to begin being paid to you if you reached age 70 1/2 before 1998 even if you did not then terminate employment with the Company.

How Your Benefit Is Paid

If you are eligible to receive a Plan benefit by reason of any type of retirement described in When Benefits Are Paid, the form in which the benefit will be paid is determined as follows:

If You Are Single:

If you are single as of the date your benefit begins to be paid, your benefit under the Plan will be paid in the following form:

- Single Life Annuity – a monthly benefit payable for your lifetime. At the time of your death, all benefit payments will stop.

Or, if you elect, you may have your benefit paid under any of the following optional forms:

- Lump Sum Cash Payment – A one-time lump sum payment of the value of your entire benefit.
- Life and Period Certain Annuity – a reduced monthly benefit payable for your lifetime. At the time of your death, if you have not received monthly payments for a period certain which you elect, your beneficiary (whom you name in your election of this form) will continue to receive a benefit until monthly payments for the entire period certain have been made. You can elect 5, 10 or 20 years as the period certain.
- Optional Joint and Survivor Annuity – a reduced monthly benefit is payable for your lifetime. At the time of your death, your beneficiary (whom you name in your election of this form) will continue to receive a lifetime monthly benefit equal to 50%, 66 and 2/3%, 75%, or 100% (as you elect) of the monthly amount you received from the Pension Plan. Note that age restrictions apply to the beneficiary you name under an Optional Joint and Survivor Option.
- Social Security Leveling Annuity – a monthly benefit is payable for your lifetime, beginning before you can begin reduced or unreduced Social Security retirement benefits. The monthly amount of the benefit is adjusted so that, if it were combined with and treated as part of the estimated amount of your Social Security benefits, it can provide a fairly level monthly amount over your lifetime.

If You Are Married:

If you are married as of the date your benefit begins to be paid, your benefit under the Plan will be paid in the following form:

- Qualified Joint and 50% Survivor Annuity – a reduced monthly benefit is payable for your lifetime. At the time of your death, the person who was your spouse on the date as of which your benefit begins (your spouse) will continue to receive a lifetime monthly benefit equal to 50% of the monthly amount you received from the Plan.

Or, if you elect, your benefit may be paid in one of the following forms:

- Qualified Joint and 66 and 2/3% Survivor Annuity – a reduced monthly benefit is payable for your lifetime. At the time of your death, your spouse will continue to receive a lifetime monthly benefit equal to 66 and 2/3% of the monthly amount you received from the Pension Plan.
- Qualified Joint and 75% Survivor Annuity – a reduced monthly benefit is payable for your lifetime. At the time of your death, your spouse will continue to receive a lifetime monthly benefit equal to 75% of the monthly amount you received from the Pension Plan.
- Qualified Joint and 100% Survivor Annuity – a reduced monthly benefit is payable for your lifetime. At the time of your death, your spouse will continue to receive a lifetime monthly benefit equal to 100% of the monthly amount you received from the Pension Plan.

If your spouse agrees by signing your completed election form before a notary, you may also choose any of the following optional forms:

- Lump Sum Cash Payment – A one-time lump sum payment of the value of your entire benefit.
- Single Life Annuity – a monthly benefit payable for your lifetime. At the time of your death, all benefit payments will stop.
- Life and Period Certain Annuity – a reduced monthly benefit payable for your lifetime. At the time of your death, if you have not received monthly payments for a period certain which you elect, your beneficiary (whom you name in your election of this form) will receive a benefit until monthly payments for the entire period certain have been made. You can elect 5, 10 or 20 years as the period certain.
- Optional Joint and Survivor Annuity – a reduced monthly benefit is payable for your lifetime. At the time of your death, your beneficiary (whom you name in your election of this form) will continue to receive a lifetime monthly benefit equal to 50%, 66 and 2/3%, 75%, or 100% (as you elect) of the monthly amount you received from the Pension Plan. Note that if your beneficiary Is not your spouse, age restrictions apply to the beneficiary you name under an optional joint and survivor option.
- Social Security Leveling Annuity – a monthly benefit is payable for your lifetime, beginning before you can begin reduced or unreduced Social Security retirement benefits. The monthly amount of the benefit is adjusted so that, if it were combined with and treated as part of the estimated amount of your Social Security benefits, it can provide a fairly level monthly amount over your lifetime.

Rules for Electing Optional Form:

In order to elect an optional form of benefit under the above provisions, you must file a written application for the optional form with the Pension and Profit Sharing Committee.

If you are married, and you elect a form of benefit other than one of the qualified joint and survivor annuity forms of benefit, such election will generally not be effective unless your spouse consents to such election. Your spouse's consent must also acknowledge the effect of the election, be dated no earlier than the date you sign the form, and be witnessed by a notary public.

In this regard, the monthly amount payable to you under any annuity benefit form other than the single life annuity generally will be reduced (in accordance with actuarial factors set forth in the Pension Plan) from the monthly amount of the same pension if it were paid as a single life annuity, so as to pay for such other form's survivor protection.

Also, the monthly amount payable to you under any annuity benefit form other than a single life annuity or a qualified joint and survivor annuity must meet special rules designed to make sure that most of the value of the benefit will be paid to you in the normal case (if you live as long as your normal life expectancy).

Automatic Form for Small Payment – Lump Sum:

As a special rule, and notwithstanding any other rules, if the value of your benefit under the Plan is $1,000 or less, the Pension and Profit Sharing Committee will have it paid in one lump-sum payment instead of a monthly pension, regardless of the desire of you (or your spouse).

Pre-Retirement Death Benefits

If you die while still employed by the Company or in any event prior to your starting to receive a retirement benefit under the Pension Plan, then a death benefit, called here the "pre-retirement death benefit," will be payable to your beneficiary under the Plan.

Designation of Your Beneficiary:

If a spouse who can reasonably be located survives you, then your surviving spouse will automatically be deemed to be your beneficiary for purposes of the pre-retirement death benefit.

If a spouse who can reasonably be located does not survive you, then your beneficiary for purposes of the pre-retirement death benefit will be the named beneficiary you had previously designated on a form approved by the Pension and Profit Sharing Committee. If the named beneficiary predeceases you, or no beneficiary is named, then your estate is deemed to be your beneficiary.

Form of Pre-Retirement Death Benefit:

If your beneficiary for purposes of the pre-retirement death benefit is your surviving spouse and such benefit becomes payable, then, unless your spouse otherwise elects, such benefit will generally be paid to your spouse as a monthly pension in the form of a single life annuity which begins to be paid as of the first day of the month following the later of the date you would have attained your normal retirement age had you survived or the date you died. Under such single life annuity, a monthly amount is paid to your spouse for as long as your spouse lives and stops when your spouse dies.

Your spouse generally may elect, however, in a written form to the Pension and Profit Sharing Committee, to begin payment of the benefit as of any earlier first day of a month which follows both your death and such election and/or to have such benefit paid in a lump-sum payment.

As a special rule, and notwithstanding the foregoing, if your spouse is your beneficiary and the value of the pre-retirement death benefit is $5,000 or less, it will automatically be paid to your spouse in a lump-sum payment as soon as the Pension Plan can administratively pay it after your death.

If your beneficiary for purposes of the pre-retirement death benefit is either a named beneficiary other than your spouse, or your estate, then such benefit will generally be paid in a lump-sum payment as soon as administratively practical after your death.

Amount of Pre Retirement Death Benefit:

Regardless of the form in which it is paid, the amount of the pre-retirement death benefit which may be paid to your beneficiary is, in general terms, that amount which will make the value of such benefit equal to the amount credited to your cash account on the date the benefit is determined for purposes of being paid or beginning to be paid.

In no event will it be less than the amount which would make the value of such benefit, as determined in accordance with actuarial factors set forth in the Pension Plan when appropriate, equal to the value of the retirement benefit you had earned under the Pension Plan by the time of your death if it had been paid to you in a single life annuity beginning as of the first day of the month following the later of the date that would have been your normal retirement age had you survived or the date of your death.

Other Pension Benefit Rules

In addition to the Pension Plan benefit rules summarized above under Your Cash Account, Your Final Pension Amount, When Benefits Are Paid, How Your Retirement Benefit Is Paid, and Pre Retirement Death Benefits, you should be aware that there are certain other special rules, as follows:

Monthly or Quarterly Installments:

As is indicated through the other sections of this booklet, the Plan generally pays any annuity form of benefit in monthly payments. Notwithstanding those other sections, if the monthly amount of any annuity which is payable under the Pension Plan to you or your beneficiary would otherwise be less than $50, then, as an administrative convenience, the Pension and Profit Sharing Committee may convert such annuity so that it only pays in quarterly payments.

Claim for Benefits:

In general, any benefit to which you are entitled under the Pension Plan will not be paid until a written application for such benefit has been properly completed and filed with the Pension and Profit Sharing Committee. The Pension and Profit Sharing Committee can provide you with the appropriate form to use for such application.

However, as has been indicated before, by reason of law, your benefit generally must begin to be paid no later than the April 1 following the end of the later of the calendar year you reach age 70 1/2 or the calendar year you terminate employment with the Company.

Under a prior law, your benefit may have had to begin being paid to you if you reached age 70 1/2 before 1998 even if you did not then terminate employment with the Company.

Return to Employment:

If you are entitled to receive a retirement benefit under the Plan but it has not yet begun to be paid, then your benefit will be suspended if you are rehired by the Company and if the Pension and Profit Sharing Committee can administratively stop the payment of the benefit.

Unless you otherwise elect under the rule noted below, your benefit generally will continue to be paid despite your reemployment. In that case, your benefit may be adjusted when you again terminate employment to reflect any additional amounts you have earned under the Plan, if you rehired prior to December 31, 2013, the date the Plan was frozen.

As a special rule, if you start to receive an annuity under the Pension Plan and are reemployed by the Company, you can elect, by a written application to the Pension and Profit Sharing Committee, to stop the payment of your benefit until you later terminate employment with the Company.

Benefit Limits:

The law creates special limits for highly compensated participants.

The Internal Revenue Code imposes very high maximum limits on the benefits that can be provided any one participant. Specifically, there is a limit on the annual benefit that can generally be provided under the Pension Plan (currently it is $210,000), and such limit is reduced when the benefit begins before normal retirement age.

Also, as was indicated before, no more than $255,000 annual pay can be taken into account for pay credits to a participant under the Pension Plan. The IRS periodically increases this limit for cost of living increases; however, such increases will not impact the amount of your benefit following December 31, 2013 (the date the plan was frozen).

Tax Consequences:

You should consider the tax consequences of payments received from the Pension Plan. In general, any payment you receive from the Pension Plan is taxable income to you when received.

However, if you receive a lump-sum payment of your benefit from the Pension Plan, it will generally not only be taxable income to you when received by you but also, when received prior to the calendar year in which you attain age 55, subject you to a federal tax equal to 10% of the payment, unless the amount is properly rolled over within 60 days of receipt to an individual retirement account or annuity (an “IRA”) or another employer plan; or a different exception to such extra tax exists.

You generally will be allowed to rollover directly to an IRA or another employer plan any lump-sum payment which is otherwise payable to you under the Pension Plan, subject to minor exceptions.

Additional Information

Quarterly Statements:

While you are actively employed, you will receive statements of your Macy’s Inc. retirement program benefits after the end of each calendar quarter (March 31, June 30, September 30, and December 31), showing current values of your cash account under the Pension Plan as of the end of such quarter.

Your Rights to Benefits and Claims Procedures:

You have a right only to your vested account balance under the Plan. If you leave the Company before becoming vested in your entire account, you will forfeit any portion of your account in which you are not vested. In general, however, you are 100% vested in your account if you complete at least three years of vesting service under the Plan or you reach your normal retirement age, become totally disabled, or die while still an employee of the Company.

Further, you may delay or even forfeit your benefit payments if you fail to notify the Pension and Profit Sharing Committee of a change of address and the payments are undeliverable.

When you are eligible to be paid your benefit under the Plans, you generally must file a claim form for your benefits to be paid. Also, if you feel that you are entitled to a benefit that has not been paid by the Plan, or have any other dispute with respect to the Plan, you may file a written claim with the Pension and Profit Sharing Committee. Your claim will generally be reviewed within 90 days; although the Pension and Profit Sharing Committee can extend the period for making the decision for an additional 90 days if circumstances require, in which case the committee will send you a notice to that effect.

If your claim is denied, you will receive a written notice from the Pension and Profit Sharing Committee setting forth the reasons for the denial, references to the Plan provisions on which the denial is based, any additional information necessary to complete the claim and why such information is needed, and a description of the procedure to be followed to appeal the denial.

If you do not receive any notice of the decision within the time periods described above, you may assume that the claim has been denied and go on immediately to the appeal process described below.

If your claim is denied, you have the right to appeal the denial within 60 days of the denial. You must request the review by filing, or having a representative of yours file, an appeal with the Pension and Profit Sharing Committee. You have the right to name anyone to represent you before the Pension and Profit Sharing Committee, review relevant documents, and submit comments in writing.

The Pension and Profit Sharing Committee will review your appeal and give you a final decision, in writing, usually within 60 days of your appeal; although the review period can be extended for an additional 60 days by the committee. The final decision on review will include the reasons for the decision and refer to the Plan provisions on which the decision is based.

Accounts May Not Be Assigned:

Your benefits generally may not be assigned or transferred by way of levy, garnishment, limitation, attachment, pledge, or bankruptcy.

Qualified Domestic Relations Order (QDRO):

If you are divorcing, your account in the Cash Account Pension Plan can only be divided by a Qualified Domestic Relations Order (QDRO). Participants whose accounts may be divided as a result of a divorce should advise their legal counsel to contact the Plan Administrator.

Payment to Someone Else:

If anyone entitled to benefits is a minor or is judged to be physically or mentally incapable of receiving payments, the Pension and Profit Sharing Committee may direct payments to someone else for the benefit of the recipient, such as to a legal guardian, for example.

Top-Heavy Provisions:

Under federal law, changes would have to be made in the Plan's vesting and certain other provisions if the Plan is ever considered top-heavy. The Plan is treated as top-heavy only if, in basic terms, over 60% of all accrued benefits and distributions made in the last five years under all of the Company's tax-qualified plans go to certain officers and shareholders. Participants in the Plan will be advised of any change in either Plan if it ever becomes top-heavy. It is not anticipated, however, that the Plan will ever be top-heavy.

Plan Continuation:

Macy's Inc. and the other corporations that are part of the Company intend to continue the Plan indefinitely; however the Company reserves the right to amend or discontinue all or any part of the Plan at any time. Under Plan discontinuance, each affected participant will automatically be fully "vested" in his or her Account under the Plan.

Guarantee of Certain Pension Plan Benefits:

Certain benefits under the Cash Account Pension Plan are insured by the Pension Benefit Guaranty Corporation (the "PBGC") if the Pension Plan terminates. The PBGC is a non-profit corporation established within the U.S. Department of Labor to monitor the financial stability of such Plan.

Generally, the PBGC guarantees most vested normal or early retirement benefits, and certain disability and survivor benefits. However, the PBGC does not guarantee all types of benefits under covered Plan, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date of plan termination. However, if a plan has been in effect less than five years before it terminates, or if benefits have been increased within the five years before plan termination, the whole amount of the plan's vested benefits or the benefit increase may not be guaranteed. In addition, there is a ceiling, adjusted periodically, on the amount of monthly benefit that the PBGC guarantees.

For more information on the PBGC insurance protection and its limitations, contact Macy's HR Services, the Pension and Profit Sharing Committee, or the PBGC. Inquiries to the PBGC should be addressed to the Office of Communications, Pension Benefit Guaranty Corporation, 2020 K Street NW, Washington, D.C. 20006; the telephone number of the PBGC is (202) 254 4817.

No Guarantee of Employment:

The establishment of the Plan does not give any person the right to be continued as an employee, and the Plan will not interfere with the Company's ability to discharge any employee.

Effect of Amendments:

When any amendment to the Plan changes in any manner Plan benefits, the Plan provides that such change generally only applies to participants who terminate employment on or after such amendment and not to any former employees who previously retired or terminated employment, unless such amendment by its terms applies to former employees.

In this regard, this booklet generally describes the Plan as it is in effect as of January 1, 2014, and the benefits payable to persons who terminate employment on or after such dates.

If you have terminated employment before such dates, your benefit under the Plan will generally be determined in part on the provisions of the prior Company pension plans which are replaced by this Plan. You should contact the Pension and Profit Sharing Committee if you have any questions concerning your benefit under the provisions of such prior plan(s).

IRS Review:

The Plan that is summarized in this booklet has been submitted to the IRS for approval as to its form. If the IRS requires any further significant changes in the Plan(s), a summary of those changes will be provided.

Plan Administration:

The Plan Administrator is responsible for making sure that the Plan operates according to the terms of applicable law and the appropriate documents or contracts, interpreting the Plan, deciding claims under the Plan, and taking all other actions necessary to the administration of the Plan. The Plan Administrator is:

Macy's Inc.
7 West Seventh Street
Cincinnati, Ohio 45202
(513) 579-7000

The Plan Administrator may delegate certain of its responsibilities to other persons or committees.

In this regard, the Board of Directors of Macy's Inc. has appointed a committee, known as the Pension and Profit Sharing Committee, to act on behalf of the Plan Administrator in carrying out the administrative duties of the Plan. The Pension and Profit Sharing Committee can be reached at the same address as is used for the Plan Administrator.

The Plan Administrator and the Pension and Profit Sharing Committee have complete discretion and authority to decide all matters involving the administration of the Plan. The determination of the Plan Administrator or the Pension and Profit Sharing Committee as to the interpretation of the Plan or any disputed question will be conclusive on all interested parties.

Plan Sponsorship:

The Plan is sponsored for eligible employees of participating divisions and subsidiaries by:

Macy's Inc.
7 West Seventh Street
Cincinnati, Ohio 45202

Macy's Employer Identification Number ("EIN"), assigned by the Internal Revenue Service, is 13-3324058. The plan number of the Plan, assigned by the Company, is 012.

At any time you may obtain a list of all divisions and subsidiaries participating in the Plan from the Pension and Profit Sharing Committee.

Plan Name and Type:

The formal name of the Pension Plan is the Macy's, Inc. Cash Account Pension Plan. The Plan is considered a defined benefit plan under applicable law.

Plan Funding:

The Pension Plan is funded by contributions from the Company. The amount the Company contributes to the Pension Plan is based on the calculations of an enrolled actuary, a pension specialist. Plan assets for benefit payments are paid over to a trust.

The Trustee of the trust is currently:

J.P. Morgan Chase Bank
4 Chase Metrotech Center
18th Floor
Brooklyn, NY 11245

The funds of the trust used for the Plan are not subject to creditors of the Company.

Plan Year:

The plan year of the Plan is the annual period on which plan records are kept. The Plan operates on a Plan year starting each January 1 and ending each December 31. Thus, the plan year is a calendar year.

Service for Legal Process:

If you feel you must take legal action for any reason regarding your benefits, the agent for serving legal process is:

Secretary
Macy's Inc.
7 West Seventh Street
Cincinnati, Ohio 45202

Legal action may also be served on the Plan Trustee.

Further Information:

If you want further information concerning the Plan and its' administration, you should contact the:

Pension and Profit Sharing Committee
Macy's Inc.
7 West Seventh Street,
Cincinnati, Ohio 45202
(513) 579-7000

Your Rights Under ERISA:

As a participant in the Macy's Inc. Cash Account Pension Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

ERISA provides that each Plan participant will be entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as your local Human Resources or Employee Relations Department, all Plan documents, including insurance contracts, collective bargaining agreements, and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.
- Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling the total accrued benefit of the participant and the part of such accrued benefit in which he or she is "vested" or the earliest date on which he or she will become vested. This statement must be requested in writing and is not required to be given more than once a year. The Plan Administrator must provide the statement free of charge.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of all Plan participants and beneficiaries. No one, including your Company, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA. If a claim for a benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan administrator review and reconsider the claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan Administrator and do not receive them within 30 days, you may file a suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the U.S. Labor Management Services Administration, Department of Labor.

macy's inc

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