

Save Actively

The Macy's, Inc. 401(k) Plan
& Save Actively Plus



★ b | Benefits



Get to know
the savings
opportunities
available to eligible
executives

What You Need to Know

The Save Actively program is designed to help you save for the future and be prepared for what's ahead. For eligible executives, the Save Actively program consists of the Macy's, Inc. 401(k) Plan and Save Actively Plus, the Macy's, Inc. Deferred Compensation Plan. It is important to do your part to ensure you are getting the most out of what the program has to offer. Now is the time to think about how you can Save Actively.

This guide gives you an overview of the important benefits available exclusively to a Save Actively program participant. Find information regarding the following important program highlights:

- **Contribution Options** – how you can contribute, how much you can contribute and how you can maximize your savings
- **Company Match** – the more you save, the more the company will match
- **Investment Options** – you choose the option or options that work for you
- **Vesting & Distributions** – earn your company match sooner and get retirement payments your way
- **Helpful Tools** – learn about the many features available to help you to access your information, create a savings strategy and calculate how much you need to retire
- **Save Actively Plus** – learn about the Macy's, Inc. Deferred Compensation Plan



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Pension benefits are available to eligible associates in the Pension Plan who were employed with the company prior to January 1, 2012. Associates will no longer accrue benefits in their Pension Plan after December 31, 2013; however, benefits already accrued will remain in the Plan.



Macy's, Inc. 401(k) Plan Contribution Options

When you participate in the Save Actively program, you have several options as to how you can contribute to the 401(k) Plan, each with its own advantages. You have the power to choose the option that works best for you!

Pre-Tax Option

You can make pre-tax contributions to your 401(k) Plan account, which allows you to contribute before federal taxes have been paid. In addition, you are eligible to receive the company match up to 6% of your pay.

You also postpone paying income taxes on your contribution until you withdraw it from your 401(k) Plan. If you anticipate being in a lower tax bracket when you retire, this could be a good option for you.

After-Tax* Option

In certain cases, you can make an after-tax contribution to your 401(k) Plan. This option allows you to contribute after federal income taxes have been paid, so you do not pay income taxes when you withdraw your funds. However, **there is no company match on your after-tax contribution.**

**IRS limits prohibit Macy's, Inc. associates who earn \$120,000 or more in 2017 from making after-tax contributions. This limit may change from year to year.*

Roth Option

If you would like to contribute on an after-tax basis but would still like to receive the company match, the after-tax Roth option may be for you. Roth contributions are eligible for the company match up to 6% of your pay, and share many of the benefits of after-tax contributions.

Distributions from your account are tax free when you make a qualified withdrawal – which is a withdrawal at or after age 59½ and at least five calendar years after the year of your first Roth contribution.

401(k) Contribution	Eligibility
Pre-Tax	✓ Match Eligible
After-Tax	✗ Not Match Eligible
Tax Roth	✓ Match Eligible

» Choose wisely! Use the **Tax Withholding Calculator on the Contribution Rates page of Benefits OnLine®** through My IN-SITE to identify selecting the contribution option that works best for you.





Company Match

When you make a pre-tax or Roth contribution to the 401(k) Plan, the company matches a portion of that contribution annually. That's free money for you, just for participating!

When you contribute 6% of your pay, you will receive a 100% match on the first 1% of your contribution, and a 50% match on the next 5%, which equals a 3.5% of pay company match.

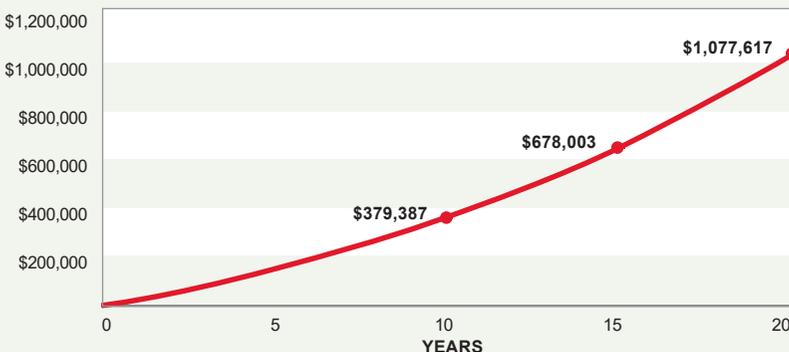
*Don't leave money on the table!
Max your match
by contributing
6% of your pay.*



How Your 401(k) May Grow

The sooner you start, the more you may benefit! Invest in your future. With compounding interest, when you contribute up to the IRS maximum contribution limit in your 401(k) Plan, you may accelerate your account balance growth.

The money you save today can make a substantial difference in your tomorrow.



This hypothetical illustration assumes a \$750 contribution per pay period throughout the year, for a total hypothetical contribution of \$18,000, the 2017 IRS maximum. It assumes total pay of \$300,000 annually and a 6% annual rate of return. It assumes a company match of 100% for every dollar contributed up to the first 1% of eligible compensation, and a match of 50% for every dollar contributed on the next 5% of eligible compensation.



Contribution & Investment Options

Maximum Contribution

You can grow your 401(k) Plan balance faster by contributing the maximum amount. While 6% of your pay is what the company matches, you can contribute more.

Each year, you can save up to 50% in a pre-tax or a Roth option, up to the IRS limit, which is \$18,000 in 2017.

If you choose an after-tax option, your maximum contribution limit is \$54,000 for 2017. The limits for pre-tax, Roth and after-tax options could change annually.

Catch-Up Contributions

Starting the year you turn age 50, and every year after, you can take advantage of catch-up contributions. These can be made in addition to your separately elected pre-tax or Roth contributions.

When you make a separate catch-up contribution election, you are able to contribute to your 401(k) Plan in addition to the maximum pre-tax or Roth contribution limits set by the IRS. You can elect up to an additional \$6,000 for 2017, allowing you to contribute even more as you get closer to retirement.

The company will notify you in Dec. the year before you turn 50.

Investment Options

The 401(k) Plan offers a range of investment options to help you reach your financial goals. You can update your investment elections as your goals and needs change, including changing your allocations for the future, or re-allocating current funds.

Target Retirement Date Funds

If you are new to investing or prefer a “hands off” approach to your investment options, the Target Retirement Date Funds may be the right option for you.

The Target Retirement Date Funds are intended to take the guess work out of investing. Since you may invest your money differently when you enter the workforce than when you near retirement, Target Retirement Date Funds are designed to change over time. This option ensures that you always have a varied and balanced mix of investments, including stocks and bonds. Target Retirement Date Funds keep pace with your needs as you get older – so you don’t have to worry about adjusting your investments on your own.



Retirees need approximately 90% of their after-tax, pre-retirement income each year after they stop working to maintain their standard of living.

Core Funds

You can elect to invest your contributions in the 401(k) Plan's core fund options. These funds allow you to take a personalized approach, without becoming overwhelmed by the number of options. You can select how much you want to invest and in which funds you want to invest. You can invest in every fund or only a few.

Take a look at the chart below to learn more about the available funds.

For more detailed information regarding the Plan's investment funds, including fund performance, visit **Benefits OnLine** through **My IN-SITE**.

» At any time, you can log on to **Benefits OnLine** through **My IN-SITE** and change your fund elections.

	Fund Name	Fund Description
	Target Retirement Date Funds	Invests in a customized variety of funds based on the investor's retirement date. Investments become more conservative over time
Core Funds	Stable Value Fund	Invests in fixed securities with the objective of principal preservation and liquidity
	S&P 500 Stock Index Fund	Invests in the stocks of larger, well-established companies
	Small/Mid Cap Stock Index Fund	Invests in the stocks of medium sized and smaller companies
	International Stock Index Fund	Invests in the stocks of companies not based in the United States
	Macy's, Inc. Stock Fund	Invests in the shares of Macy's, Inc.*

*Investments in the Macy's, Inc. stock fund are generally limited to 25% of the total account balance.



Investment & Distribution Options

Self-Directed Brokerage

This option is the ultimate choice for those who want to take investing into their own hands. The independent investor can take advantage of the Self-Directed Brokerage option through Merrill Lynch.

You can decide to invest your 401(k) Plan funds in any of the over 1,000 mutual funds available from around 100 fund families. Please note: If you select this option, a \$125 annual recordkeeping fee will be deducted from your 401(k) Plan account.

Vesting

While the money you contribute to the 401(k) Plan is always yours, you become entitled to your company match through a process called vesting. The vested part of your 401(k) Plan account is the amount you keep when you leave the company. With each year of vesting service (1,000 hours worked in a calendar year), you are working towards keeping 100% of your company match.

You are fully vested and are eligible for the entire company match after only two years of eligible service. And if you are already fully vested in your 401(k) Plan, you will stay fully vested.

Distribution Options

When you leave the company, your 401(k) Plan vested balance is available to you. While you can leave your money in the Plan until you choose to take a distribution, when you do decide to withdraw your funds, you can access your benefit in a way that works for you. You can choose:

- a one-time lump sum payment of the entire vested account balance;
- to purchase an annuity*, or monthly benefit, that is paid to you over your lifetime; or
- an eligible rollover into a qualified IRA or another 401(k) Plan.

**Annuity distributions are only available for account balances \$5,000 and above.*





Benefits OnLine

We know the importance of quick and easy access to your personalized 401(k) Plan information. Benefits OnLine is the perfect place to get the information you need. You can:

- find account balances;
- change your contribution elections and investment allocations; and
- view prior statements.

You can easily access Benefits OnLine through the Benefits page on My IN-SITE to take advantage of the educational resources, tools, and videos, available to you.

Benefits OnLine Mobile



Benefits OnLine Mobile is specifically designed for your life on the go! Scan the QR Code using your smartphone

or tablet to access your account information and receive messages and alerts about your account.

Education Center

Is it early in your career or have you been working for a while? Are you just starting a family or do you have an empty nest? Whether you are nearing retirement or getting an early start, Merrill Lynch's education center can help you plan.

You can identify the best financial choices for you now and into the future. You will get helpful tips, articles and videos designed to empower you to make the best decisions for your financial future.

Log on to Benefits OnLine through My IN-SITE or visit www.education.ml.com to get started.

Advice Access

Get your retirement savings on track 24/7 with Advice Access! Use this free online tool to develop a personal strategy to help you achieve the retirement you envision. These personalized recommendations make preparing for retirement easy. Advice Access will help you determine:

- how much you should contribute;
- your ideal strategy for selecting investments; and
- the specific funds in which you should invest.

Within Advice Access, you will also have the option of choosing the PersonalManager[®] service. PersonalManager automatically monitors and adjusts your investments on a regular basis to stay on track with your recommended investment strategy.

Log on to Benefits OnLine through My IN-SITE to learn more about Advice Access and PersonalManager.



Save Actively Plus

What is Save Actively Plus?

You are able to take advantage of all the benefits Save Actively Plus has to offer. This is a non-qualified deferred compensation plan, designed to complement the Macy's, Inc. 401(k) Plan.

Save Actively Plus is available to executives who earn a total compensation – base salary plus target annual incentive – above the IRS maximum compensation limits for the 401(k) Plan. Now you can maximize your benefits, in a way similar to a 401(k) Plan, on compensation above the IRS limits.

Save Actively Plus is a non-qualified Plan, which means:

- the Plan is an unfunded, unsecured general obligation of the company;
- your distributions from the Plan are not eligible to be rolled over into a 401(k) Plan or IRA; and
- your distributions are fully taxable when you receive them.

This section of the guide gives you an overview of the valuable benefits available exclusively to you as a Save Actively Plus participant.

Deferral Options

Unlike the 401(k) Plan, where you are limited by the IRS maximum compensation limit, \$270,000 for 2017, when you participate in Save Actively Plus you can invest and earn a company match on 6% of your total compensation.

You can choose to defer the portion of your pay that works best for your lifestyle and goals. When you make your election you can choose to defer:

- up to 50% of your base salary; or
- up to 90% of your target annual incentive; or
- a percentage of your base salary AND a percentage of your target annual incentive.

» After each December 31, elections for the following year may not be changed.

Personal Support

Need a little help understanding Save Actively Plus? You can take advantage of a personal retirement session with a Macy's, Inc. retirement executive in person or by phone. Call **513-562-6565** to schedule a personal session.





Save Actively Plus (continued)

Company Match in Save Actively Plus

Save Actively Plus works in conjunction with the 401(k) Plan. You will receive a 100% company match on the first 1% of your contribution, and a 50% match on the next 5%, which equals a 3.5% of pay company match when you contribute 6% of your total pay.

And when your 401(k) Plan contribution is restricted by the IRS maximum contribution limit – \$18,000 in 2017 – you can continue to contribute and save for retirement with Save Actively Plus. Your contribution over \$18,000 in 2017 (over \$24,000 in 2017 with catch-up contributions) goes into Save Actively Plus, so you can contribute 6% of pay or more.

Now that you are no longer limited to the IRS maximum contribution limit, the 401(k)

Plan and Save Actively Plus can work together to maximize your company match. Save Actively Plus makes up the difference to help you take advantage of the entire 3.5% company match!

» **Don't Forget! You need to enroll every year to continue to take advantage of all the benefits of Save Actively Plus.**

Total Company Match

Your total company match – 6% of your total compensation – will be split between the 401(k) Plan and Save Actively Plus. To take advantage of your maximum company match, review the chart below.

Maximize Your Company Match	Example	My Account
Current Base Salary	\$300,000	\$ _____
Estimated 2017 Target Annual Incentive	+ \$55,000	\$ _____
Total Compensation	\$355,000	\$ _____
Company Match Percentage	x .035	x .035
(3.5%) Company Match (A)	\$12,425	\$ _____

If you are age 50 or older, you are eligible to make a separate catch-up contribution above the IRS limits. Catch-up contributions can be made up to \$6,000 in 2017.

In order to maximize your total company match, you must contribute to your 401(k) Plan account in the amount of the lesser of (1) 6% of your total pay or (2) the maximum IRS contribution amount.



Investment Options

When you participate in Save Actively Plus, you have access to five investment fund options to help you reach your financial goal at a pace you are comfortable with. You can log on to Benefits OnLine through My IN-SITE and change your fund allocations as your needs and goals change.

Visit Benefits OnLine to understand your choices, or talk to your financial advisor, and choose the fund or funds that work best for you.

Vesting

Similar to the 401(k) Plan, you are fully vested in your entire company match after

only two years of eligible service. If you are already fully vested in the 401(k) Plan, you are automatically fully vested in Save Actively Plus.

Distributions

When you leave the company, all of your vested benefit is available to you and will be distributed according to your election. You can choose:

- a one-time lump sum payment of the entire vested account balance; or
- a yearly benefit that is paid in up to 15 annual payments, which are available to participants with total account balances above \$15,000.

Fund Description	
Federal Money Market Fund	Invests in high-quality, fixed income securities with maturities of one year or less
Short Term Bond Index Fund Institutional Index Fund	Invests in high-quality, fixed income securities with maturities from 1-5 years
Fund	Invests in the stocks of larger, well-established companies
Extended Market Index Fund	Invests in the stocks of medium sized and smaller, less-recognized companies
Total International Stock Index Fund	Invests in the stocks of companies not based in the United States

**See disclaimer for the Macy's, Inc. Deferred Compensation Plan.*

IMPORTANT INFORMATION

Hypothetical results are for illustrative purposes only and are not meant to represent the past or future performance of any specific investment vehicle. Investment return and principal value will fluctuate and when redeemed the investments may be worth more or less than their original cost. Taxes are due upon withdrawal. If you take a withdrawal before age 59 ½ you may be subject to a 10% additional federal tax.

Investing involves risk, including the possible loss of principal. Investments in foreign securities or sector funds, including technology or real estate stocks, are subject to substantial volatility due to adverse political, economic or other developments and may carry additional risk resulting from lack of industry diversification. Funds that invest in small- or mid-capitalization companies experience a greater degree of market volatility than those of large-capitalization stocks and are riskier investments. There are ongoing fees and expenses associated with investing. Bear in mind that higher return potential is accompanied by higher risk.

This material is only a general outline of the 401(k) Plan. You are encouraged to read the Summary Plan Description to obtain more detailed information regarding the Plan's operation. This document gives you information you need to make educated decisions about joining the Plan and maintaining the Plan account. If a provision described in this outline differs from the applicable provision of the Plan documents, the Plan documents prevail.

*The **Advice Access** service uses a probabilistic approach to determine the likelihood that you may be able to achieve your stated goals and/or to identify a range of potential wealth outcomes that could be realized. Additionally, the recommendations provided by Advice Access do not consider your comfort level with investment risk, and may include a higher level of investment risk than you may be personally comfortable with. You are strongly advised to consider your personal goals, overall risk tolerance, and retirement horizon before accepting any recommendations made by Advice Access. You should carefully review the explanation of the methodology used, including key assumptions and limitations, which is provided in the Advice Access disclosure statement. It can be obtained through Benefits OnLine or through a Participant Service Representative.*

IMPORTANT: *The projections or other information shown in the Advice Access service regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time.*

The Macy's, Inc. Deferred Compensation Plan, aka Save Actively Plus Plan is a nonqualified deferred compensation plan under the rules and regulations of the Internal Revenue Service and is exempt from most of the rules and regulations under ERISA. The Plan is unfunded and unsecured. The balance(s) in your account represents a promise to pay non-qualified benefits at a future date.

Your investment choices are "deemed" as investments for the purpose of calculating your account value in the Plan. However, you are not actually invested in the underlying investment vehicles. This means the Plan is backed by the general assets of the company and any funds that may be set aside to pay benefits are subject to claims by the company's creditors. Participants have no rights to any assets other than as a general unsecured creditor.

Fees: As a participant in Save Actively Plus, you have access to a fully administered plan. With any fully administered plan, fees apply. If you choose to participate, hypothetical asset management and participant directed fees will be netted from your account.

Pension Plan and 401(k) Plan benefits are subject to all other terms and conditions set forth in the Plan documents. The company reserves the right to amend or modify the Plans. This program may not apply to associates who are subject to the provisions of a collective bargaining agreement.