

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2018 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/31/2018</u>			
A	This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)	
	☒ a single-employer plan ☐ a DFE (specify) ____		
B	This return/report is:	☐ the first return/report ☐ the final return/report	
	☒ an amended return/report ☐ a short plan year return/report (less than 12 months)		
C	If the plan is a collectively-bargained plan, check here. ▶ ☐		
D	Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program	
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>MACYS INC CASH ACCOUNT PENSION PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>012</u>
		1c	Effective date of plan <u>01/01/1984</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>MACYS INC</u> <u>MACYS CORPORATE SERVICES INC</u> <u>7 W 7TH ST</u> <u>CINCINNATI, OH 45202</u>	2b	Employer Identification Number (EIN) <u>13-3324058</u>
		2c	Plan Sponsor's telephone number <u>513-579-7000</u>
		2d	Business code (see instructions) <u>452200</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2019	STEPHEN J. O'BRYAN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2019	STEPHEN J. O'BRYAN
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2018)
v. 171027

3a Plan administrator's name and address ☐ Same as Plan Sponsor MACYS INC PENSION & P/S ADMIN COMM MACYS CORPORATE SERVICES 7 W 7TH ST CINCINNATI, OH 45202	3b Administrator's EIN 31-1104425 3c Administrator's telephone number 513-579-7000 <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 122935
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 49106 6a(2) 43577 6b 38607 6c 34322 6d 116506 6e 0 6f 116506 6g 6h 1197
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

1C 3J

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2018 Form M-1 annual report. If the plan was not required to file the 2018 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2018</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

Round off amounts to nearest dollar.
Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan MACYS INC CASH ACCOUNT PENSION PLAN	B Three-digit plan number (PN) 012
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF MACYS INC	D Employer Identification Number (EIN) 13-3324058

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2018			
2 Assets:			
a Market value	2a	3435810369	
b Actuarial value	2b	3222883696	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	37408	983655478	983655478
b For terminated vested participants	42090	829952177	829952177
c For active participants	49106	988539933	1008735568
d Total	128604	2802147588	2822343223
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	5.61 %	
6 Target normal cost	6	29977495	

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

<div>SIGN HERE</div>	<div>09/24/2019</div> <div>Date</div> <div>17-06506</div> <div>Most recent enrollment number</div> <div>952-807-0810</div> <div>Telephone number (including area code)</div>
<div>SCOTT H. DAVIS</div> <div>Type or print name of actuary</div> <div>AON CONSULTING, INC.</div> <div>Firm name</div> <div>5600 WEST 83RD STREET, SUITE 1100 MINNEAPOLIS, MN 55437</div> <div>Address of the firm</div>	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	533729040
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	43183085
9 Amount remaining (line 7 minus line 8)	0	490545955
10 Interest on line 9 using prior year's actual return of <u>15.88</u> %	0	77898698
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.80</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	568444653

Part III Funding Percentages

14 Funding target attainment percentage	14	94.05%
15 Adjusted funding target attainment percentage	15	114.19%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	98.72%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)		18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 3.92%	2nd segment: 5.52%	3rd segment: 6.29%	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions)	Prior regulation:	☐ Prescribed - combined	☐ Prescribed - separate	☐ Substitute
	Current regulation:	☐ Prescribed - combined	☒ Prescribed - separate	☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	29977495	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	167904180		28129826
b Waiver amortization installment			
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	58107321	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	58107321	58107321
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:	
a Schedule elected	☐ 2 plus 7 years ☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2018
		This Form is Open to Public Inspection.

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018		
A Name of plan MACYS INC CASH ACCOUNT PENSION PLAN	B Three-digit plan number (PN) ▶	012
C Plan sponsor's name as shown on line 2a of Form 5500 MACYS INC	D Employer Identification Number (EIN) 13-3324058	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
BLACKSTONE REAL ESTATE PARTNERS
20-8081274

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
EATON VANCE TRUST COMPANY
32-0225130

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
IRIDIAN ASSET MANAGEMENT
06-1439577

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
TA REALTY
25-5054325

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

TPG OPPORTUNITIES PARTNERS II B LP

45-2581159

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

UBS REALTY INVESTORS LLC

36-3718331

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

WASATCH ADVISORS

87-0319391

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MERRILL LYNCH, PIERCE, FENNER & SMITH

13-5674085

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64	RECORDKEEPING	2623836	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

MACY'S INC.

13-3324058

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
14 38	PLAN ADM/PLAN COMM	2551628	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

ADAMS STREET PARTNERS

36-4395178

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
51	INV MGR	930795	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PACIFIC INVESTMENT MANAGEMENT CO LL

33-0629048

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
51	INV MGR	788612	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

WELLINGTON MANAGEMENT CO.

04-2683227

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
51	INV MGR	608157	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

J.P. MORGAN INVESTMENT MGMT.

13-3200244

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
24 27 28	TRUSTEE/INV ADV/INV MGR	591144	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

ACCESS CORP

26-1167000

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15	RCDKPG/INFO MGT	566471	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

NISA INVESTMENT ADVISORS, LLC

48-1140940

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
51	INV MGR	531396	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

WELLS FARGO BANK, N.A.

41-6257133

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	TRUSTEE	399043	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MORGAN STANLEY REAL ESTATE ADVISOR,

20-0109235

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
51	INV MGR	361548	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

MELLON CAPITAL

25-1442864

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
51	INV MGR	340535	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

AON CONSULTING INC

22-2232264

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	ACTUARIAL	326044	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

VICTORY CAPITAL MANAGEMENT, INC.

13-2700161

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
51 68	INV MGR	312087	Yes ☒ No ☐	Yes ☐ No ☒	21213	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

ARTISAN PARTNERS LIMITED PARTNERSHI

39-1807188

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
51	INV MGR	265112	Yes ☒ No ☐	Yes ☐ No ☒	3685	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

JP MORGAN CHASE BANK

13-4994650

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	TRUSTEE	251741	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

BLACKROCK FINANCIAL MANAGEMENT INC

13-3806691

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21 24 28 50 51	INV MGR	131581	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

PENSION BENEFIT INFORMATION

94-2856521

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
38	PART COMM	113799	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

STATE STREET GLOBAL ADVISOR TRUST C

81-4017137

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
51	INV MGR	108647	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

ROCATON INVESTMENT ADVISORS

04-3638035

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
17	CONSULTANT	79710	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

CLARK, SCHAEFER HACKETT

31-0800053

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	AUDITORS	37500	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

UNITED STATES POSTAL SERVICE

41-0760000

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
38	PART COMM	30075	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

CLASSICAL MARKETING, LLC

36-4291764

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
38	PART COMM	11092	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

ONETOUCHPOINT EAST CORP

31-0783274

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
38	PART COMM	8468	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

WELLINGTON TRUST COMPANY, NA

04-2755549

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
52	INV MGR	0	Yes ☒ No ☐	Yes ☐ No ☒	782394	Yes ☐ No ☒

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2018 This Form is Open to Public Inspection
For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018		
A Name of plan MACYS INC CASH ACCOUNT PENSION PLAN	B Three-digit plan number (PN) ►	012
C Plan sponsor's name as shown on line 2a of Form 5500 MACYS INC	D Employer Identification Number (EIN) 13-3324058	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions.....	1b(1)		
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
	(2) U.S. Government securities	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common.....	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property).....	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans.....	1c(8)		
	(9) Value of interest in common/collective trusts	1c(9)		
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)	3435810000	2923433000
	(12) Value of interest in 103-12 investment entities.....	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	3435810000	2923433000

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	3435810000	2923433000
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Part II Income and Expense Statement

- 2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		-129803000
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		-129803000

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	358315000	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		358315000
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	3718000	
(2) Contract administrator fees	2i(2)	2552000	
(3) Investment advisory and management fees	2i(3)	8002000	
(4) Other	2i(4)	9987000	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		24259000
j Total expenses. Add all expense amounts in column (b) and enter total	2j		382574000

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-512377000
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: CLARK SCHAEFER HACKETT & CO.

(2) EIN: 31-0800053

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		30000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?.....	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☐ Yes ☒ No
 If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☒ Yes ☐ No ☐ Not determined
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4161590. (See instructions.)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2018 This Form is Open to Public Inspection.
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

A Name of plan <u>MACYS INC CASH ACCOUNT PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>012</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MACYS INC</u>	D Employer Identification Number (EIN) <u>13-3324058</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): _____		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	<u>9969</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☒ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☒ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☒ Both	☐ No
--	-----------------------------------	-----------------------------------	--	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2018
v. 171027

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year

b The plan year immediately preceding the current plan year

c The second preceding plan year

14a**14b****14c**

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year

b The corresponding number for the second preceding plan year

15a**15b**

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers

16a**16b**

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 27% Investment-Grade Debt: 56% High-Yield Debt: 7% Real Estate: 2% Other: 8%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☒ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

INDEPENDENT AUDITORS' REPORT

Pension and Profit Sharing Committee
Macy's, Inc. Cash Account Pension Plan

Report on the Financial Statements

We have audited the accompanying financial statements of the Macy's, Inc. Cash Account Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2018 and 2017, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2018 and 2017, and the changes in net assets available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
September 13, 2019

Schedule SB Attachment (Form 5500)—2018 Plan Year
Macy's, Inc. Cash Account Pension Plan
EIN: 13-3324058 PN:012

Schedule SB, line 32—Schedule of Amortization Bases

Type of Base	Present Value of Installment	Date Established	Years Remaining	Amortization Installment
Shortfall	\$ 32,860,289	January 1, 2017	6	\$ 6,083,933
Shortfall	\$ 135,043,891	January 1, 2018	7	\$ 22,045,893

Schedule SB Attachment (Form 5500)—2018 Plan Year
Macy's, Inc. Cash Account Pension Plan
EIN: 13-3324058 PN:012

Schedule SB, line 26—Schedule of Active Participant Data

**Schedule SB, Line 26—Schedule of Active Participant Data
As of January 1, 2018**

**Macy's Inc. Cash Account Pension Plan
Schedule of All Active Participants
January 1, 2018**

EIN: 13-332405 PN: 012

Number of Participants, Average Compensation and Average Cash Balance Account

Attained Age	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25	3 \$5,496 \$0	100 \$26,433 \$376	9							
25-29	23 \$5,496 \$0	263 \$25,175 \$500	636 \$36,922 \$1,842	123 \$38,061 \$3,318						
30-34	47 \$7,056 \$0	314 \$21,294 \$538	1,446 \$46,799 \$2,787	1,242 \$53,819 \$7,601	79 \$52,464 \$14,233	1				
35-39	83 \$5,873 \$0	336 \$22,458 \$422	1,066 \$42,479 \$2,832	1,387 \$58,237 \$9,556	889 \$61,823 \$20,604	80 \$61,410 \$30,021				
40-44	94 \$5,236 \$0	315 \$19,570 \$422	906 \$40,132 \$2,839	1,116 \$52,191 \$9,464	964 \$64,857 \$25,634	601 \$69,501 \$41,953	43 \$87,668 \$68,216			
45-49	114 \$5,178 \$0	347 \$21,353 \$367	1,128 \$37,071 \$2,644	1,274 \$46,560 \$8,767	1,074 \$53,942 \$22,437	905 \$72,356 \$46,392	499 \$82,590 \$71,844	73 \$63,789 \$80,600		
50-54	127 \$6,368 \$0	394 \$19,153 \$413	1,316 \$34,681 \$2,558	1,548 \$41,077 \$8,390	1,171 \$47,296 \$20,093	914 \$59,448 \$40,431	807 \$76,925 \$71,079	569 \$79,980 \$97,455	90 \$72,540 \$102,639	
55-59	106 \$5,498 \$0	428 \$19,308 \$366	1,406 \$32,104 \$2,474	1,709 \$36,975 \$7,452	1,399 \$40,750 \$18,360	1,043 \$49,199 \$38,182	782 \$61,301 \$61,916	721 \$73,946 \$95,593	517 \$70,548 \$111,591	107 \$62,280 \$145,626
60-64	81 \$5,432 \$0	332 \$16,763 \$350	1,264 \$29,984 \$2,357	1,624 \$33,301 \$7,266	1,324 \$36,638 \$18,137	1,008 \$41,085 \$34,384	670 \$51,721 \$54,376	500 \$64,871 \$89,123	448 \$61,863 \$105,266	391 \$56,863 \$130,529
65-69	53 \$5,675 \$0	204 \$12,341 \$360	781 \$22,724 \$2,169	1,035 \$28,283 \$6,809	887 \$31,024 \$16,542	653 \$34,531 \$31,283	397 \$38,014 \$49,520	282 \$48,028 \$77,156	184 \$51,161 \$98,362	227 \$51,020 \$131,557
70+	29 \$8,033 \$0	168 \$11,036 \$386	567 \$20,153 \$2,095	876 \$21,449 \$5,851	825 \$23,382 \$14,464	603 \$27,347 \$29,745	404 \$29,550 \$44,529	239 \$30,219 \$65,929	152 \$32,177 \$84,483	164 \$38,285 \$119,417

N-49,106

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2018 This Form is Open to Public Inspection
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For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/31/2018</u>	
► Round off amounts to nearest dollar.	
► Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.	
A Name of plan MACY'S, INC. CASH ACCOUNT PENSION PLAN	B Three-digit plan number (PN) ► <u>012</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF MACY'S, INC.	D Employer Identification Number (EIN) <u>13-3324058</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2018</u>			
2 Assets:			
a Market value.....	2a		3,435,810,369
b Actuarial value.....	2b		3,222,883,696
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	37,408	983,655,478	983,655,478
b For terminated vested participants	42,090	829,952,177	829,952,177
c For active participants	49,106	988,539,933	1,008,735,568
d Total	128,604	2,802,147,588	2,822,343,223
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate.....	5	5.61%	
6 Target normal cost	6	29,977,495	

Statement by Enrolled Actuary
 To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Scott H. Davis Signature of actuary	<u>09/24/2019</u> Date <u>1706506</u> Most recent enrollment number <u>952-807-0810</u> Telephone number (including area code)
SCOTT H. DAVIS Type or print name of actuary		
Aon Consulting, Inc. Firm name		
5600 WEST 83RD STREET, SUITE 1100 MINNEAPOLIS MN 55437 Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	533,729,040
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	43,183,085
9 Amount remaining (line 7 minus line 8).....	0	490,545,955
10 Interest on line 9 using prior year's actual return of <u>15.88%</u>	0	77,898,698
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.80%</u>		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance.....		
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	568,444,653

Part III Funding Percentages

14 Funding target attainment percentage	14	94.05%
15 Adjusted funding target attainment percentage.....	15	114.19%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	98.72%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c)
					0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year?..... ☒ Yes ☐ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
3.92 %2nd segment:
5.52 %3rd segment:
6.29 %☐ N/A, full yield curve used**b** Applicable month (enter code).....**21b**

4

22 Weighted average retirement age**22**

62

23 Mortality table(s) (see instructions)

Prior regulation:

☐

Prescribed - combined

☐

Prescribed - separate

☐

Substitute

Current regulation:

☐

Prescribed - combined

☒

Prescribed - separate

☐

Substitute

Part VI Miscellaneous Items**24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... ☐ Yes ☒ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment..... ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment..... ☒ Yes ☐ No**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....**27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years**28**

0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....**29**

0

30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)**30**

0

Part VIII Minimum Required Contribution For Current Year**31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6)**31a**

29,977,495

b Excess assets, if applicable, but not greater than line 31a**31b**

0

32 Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment.....

167,904,180

28,129,826

b Waiver amortization installment**33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount**33****34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....**34**

58,107,321

Carryover balance

Prefunding balance

Total balance

35 Balances elected for use to offset funding requirement.....

0

58,107,321

58,107,321

36 Additional cash requirement (line 34 minus line 35).....**36**

0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....**37**

0

38 Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36)**38a**

0

b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances**38b**

0

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37).....**39**

0

40 Unpaid minimum required contributions for all years**40**

0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)**41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected☐ 2 plus 7 years☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made☐ 2008☐ 2009☐ 2010☐ 2011

Schedule SB Attachment (Form 5500)—2018 Plan Year
Macy's, Inc. Cash Account Pension Plan
EIN: 13-3324058 PN:012

Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation.

(a) Age	(b) Rate	(c) Weight	Product (a) × (b) × (c)
55.5	11.00%	1.0000	6.11
56.5	10.00%	0.8900	5.03
57.5	10.00%	0.8010	4.61
58.5	11.00%	0.7209	4.64
59.5	11.00%	0.6416	4.20
60.5	10.00%	0.5710	3.45
61.5	13.00%	0.5139	4.11
62.5	16.00%	0.4471	4.47
63.5	14.00%	0.3756	3.34
64.5	16.00%	0.3230	3.33
65.5	20.00%	0.2713	3.55
66.5	18.00%	0.2171	2.60
67.5	16.00%	0.1780	1.92
68.5	17.00%	0.1495	1.74
69.5	17.00%	0.1241	1.47
70.5	50.00%	0.1030	3.63
71.5	50.00%	0.0515	1.84
72.5	50.00%	0.0257	0.93
73	100.00%	0.0129	0.94
Weighted Average			61.91

Schedule SB Attachment (Form 5500)—2018 Plan Year
Macy's, Inc. Cash Account Pension Plan
EIN: 13-3324058 PN:012

Schedule SB, line 26—Schedule of Active Participant Data

**Schedule SB, Line 26—Schedule of Active Participant Data
As of January 1, 2018**

**Macy's Inc. Cash Account Pension Plan
Schedule of All Active Participants
January 1, 2018**

EIN: 13-332405 PN: 012

Number of Participants, Average Compensation and Average Cash Balance Account

Attained Age	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25	3 \$5,496 \$0	100 \$26,433 \$376	9							
25-29	23 \$5,496 \$0	263 \$25,175 \$500	636 \$36,922 \$1,842	123 \$38,061 \$3,318						
30-34	47 \$7,056 \$0	314 \$21,294 \$538	1,446 \$46,799 \$2,787	1,242 \$53,819 \$7,601	79 \$52,464 \$14,233	1				
35-39	83 \$5,873 \$0	336 \$22,458 \$422	1,066 \$42,479 \$2,832	1,387 \$58,237 \$9,556	889 \$61,823 \$20,604	80 \$61,410 \$30,021				
40-44	94 \$5,236 \$0	315 \$19,570 \$422	906 \$40,132 \$2,839	1,116 \$52,191 \$9,464	964 \$64,857 \$25,634	601 \$69,501 \$41,953	43 \$87,668 \$68,216			
45-49	114 \$5,178 \$0	347 \$21,353 \$367	1,128 \$37,071 \$2,644	1,274 \$46,560 \$8,767	1,074 \$53,942 \$22,437	905 \$72,356 \$46,392	499 \$82,590 \$71,844	73 \$63,789 \$80,600		
50-54	127 \$6,368 \$0	394 \$19,153 \$413	1,316 \$34,681 \$2,558	1,548 \$41,077 \$8,390	1,171 \$47,296 \$20,093	914 \$59,448 \$40,431	807 \$76,925 \$71,079	569 \$79,980 \$97,455	90 \$72,540 \$102,639	
55-59	106 \$5,498 \$0	428 \$19,308 \$366	1,406 \$32,104 \$2,474	1,709 \$36,975 \$7,452	1,399 \$40,750 \$18,360	1,043 \$49,199 \$38,182	782 \$61,301 \$61,916	721 \$73,946 \$95,593	517 \$70,548 \$111,591	107 \$62,280 \$145,626
60-64	81 \$5,432 \$0	332 \$16,763 \$350	1,264 \$29,984 \$2,357	1,624 \$33,301 \$7,266	1,324 \$36,638 \$18,137	1,008 \$41,085 \$34,384	670 \$51,721 \$54,376	500 \$64,871 \$89,123	448 \$61,863 \$105,266	391 \$56,863 \$130,529
65-69	53 \$5,675 \$0	204 \$12,341 \$360	781 \$22,724 \$2,169	1,035 \$28,283 \$6,809	887 \$31,024 \$16,542	653 \$34,531 \$31,283	397 \$38,014 \$49,520	282 \$48,028 \$77,156	184 \$51,161 \$98,362	227 \$51,020 \$131,557
70+	29 \$8,033 \$0	168 \$11,036 \$386	567 \$20,153 \$2,095	876 \$21,449 \$5,851	825 \$23,382 \$14,464	603 \$27,347 \$29,745	404 \$29,550 \$44,529	239 \$30,219 \$65,929	152 \$32,177 \$84,483	164 \$38,285 \$119,417

N-49,106

Schedule SB Attachment (Form 5500)—2018 Plan Year
Macy's, Inc. Cash Account Pension Plan
EIN: 13-3324058 PN:012

Schedule SB, line 32—Schedule of Amortization Bases

Type of Base	Present Value of Installment	Date Established	Years Remaining	Amortization Installment
Shortfall	\$ 32,860,289	January 1, 2017	6	\$ 6,083,933
Shortfall	\$ 135,043,891	January 1, 2018	7	\$ 22,045,893

Schedule SB Attachment (Form 5500)—2018 Plan Year
Macy's, Inc. Cash Account Pension Plan
EIN: 13-3324058 PN:012

Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Interest Rates for Minimum Funding Purposes	Based on segment rates with a four-month lookback (as of September 2017), each adjusted as needed to fall within the 25-year average interest rate corridor under HATFA	
1st Segment Rate	3.92%	
2nd Segment Rate	5.52%	
3rd Segment Rate	6.29%	
Interest Rates for Maximum Tax Purposes	Based on segment rates with a four-month lookback (as of September 2017), without regard to interest rate stabilization	
1st Segment Rate	1.75%	
2nd Segment Rate	3.76%	
3rd Segment Rate	4.66%	
Salary Increases	Age Group	Percent Increase
	-24	9.00%
	25-29	6.00%
	30-34	5.50%
	35-39	5.00%
	40-44	4.75%
	45-49	4.50%
	50-54	4.25%
	55-59	4.00%
	60+	3.00%
	Liability weighted average is approximately 4.1% per year.	
Cash Balance Interest Crediting Rate	5.00%	
Cash Balance Annuity Conversion Rate	Based on funding interest rates and 417(e) mortality	
Mortality Rates	2018 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e) based on 2006 base rates from the RP-2014 mortality study	

Schedule SB Attachment (Form 5500)—2018 Plan Year
Macy's, Inc. Cash Account Pension Plan
EIN: 13-3324058 PN:012

Retirement Rates

Age	Rate
55	11%
56	10%
57	10%
58	11%
59	11%
60	10%
61	13%
62	16%
63	14%
64	16%
65	20%
66	18%
67	16%
68	17%
69	17%
70	50%
71	50%
72	50%
73+	100%

Weighted average is approximately 61.9 years old.

Form of Payment and Timing

Upon termination, active participants are assumed to elect a lump sum or an annuity payment form as follows:

Age	Option Election	
	Lump Sum	Annuity
-54	100%	0%
55+	90%	10%

Schedule SB Attachment (Form 5500)—2018 Plan Year
Macy's, Inc. Cash Account Pension Plan
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All active participants eligible to elect a lump sum payment after termination are assumed to commence benefits as follows:

Age	Deferral Period		
	0	1	2+
-54	45%	25%	0%
55-57	45%	25%	5%
58-59	45%	25%	6%
60-61	45%	25%	7%
62-63	45%	25%	8%
64	45%	25%	10%
65+	100%	100%	100%

All inactive participants not eligible for a lump sum are assumed to commence benefits as follows:

Age	Rate
-55	0%
55-61	1%
62-64	3%
65+	100%

Withdrawal Rates

See Table A.

Disability Rates

See Table B.

Surviving Spouse Benefit
Macy's Participants

All active participants and terminated vested participants are assumed to be married. Husbands are assumed to be three years older than wives.

Legacy May Participants

75% of all active participants and terminated vested participants are assumed to be married. Husbands are assumed to be three years older than wives.

Benefit and Compensation Limits

Projected benefits and compensation are limited by the current IRC section 415 maximum benefit of \$220,000 and the 401(a)(17) compensation limit of \$275,000.

Schedule SB Attachment (Form 5500)—2018 Plan Year
Macy's, Inc. Cash Account Pension Plan
EIN: 13-3324058 PN:012

Valuation of Plan Assets	<p>Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.</p> <p>A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market value for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(C)(iii).</p>
Expected Return on Assets	
2016 Plan Year	Lesser of 7.00% and the 3rd segment rate. Actual rate of 6.65%.
2017 Plan Year	Lesser of 7.00% and the 3rd segment rate. Actual rate of 6.48%.
Valuation Date	January 1, 2018
Plan Expenses	Funding Target Normal Cost is increased to reflect anticipated plan administration and investment expenses (\$25,000,000 for 2018).
Actuarial Method	Standard unit credit cost method

Schedule SB Attachment (Form 5500)—2018 Plan Year
Macy's, Inc. Cash Account Pension Plan
EIN: 13-3324058 PN:012

Table A

Withdrawal Rates

Age Group	Years of Service				
	1	2	3	4	5+
–24	42%	35%	31%	26%	22%
25-29	41%	32%	27%	24%	19%
30-34	37%	29%	26%	22%	15%
35-39	33%	26%	23%	18%	12%
40-44	30%	23%	20%	17%	11%
45-49	28%	21%	19%	16%	9%
50-54	25%	21%	17%	14%	9%
55-59	23%	20%	0%	0%	0%
60-64	24%	19%	0%	0%	0%
65	24%	20%	0%	0%	0%
66+	24%	20%	0%	0%	0%

Schedule SB Attachment (Form 5500)—2018 Plan Year
Macy's, Inc. Cash Account Pension Plan
EIN: 13-3324058 PN:012

Table B

Disability Rates

Age	Male	Female	Age	Male	Female
15	0.015%	0.015%	40	0.040%	0.065%
16	0.015%	0.015%	41	0.045%	0.075%
17	0.015%	0.015%	42	0.050%	0.085%
18	0.015%	0.015%	43	0.060%	0.095%
19	0.015%	0.015%	44	0.070%	0.110%
20	0.015%	0.015%	45	0.080%	0.120%
21	0.015%	0.015%	46	0.090%	0.135%
22	0.015%	0.015%	47	0.105%	0.150%
23	0.015%	0.015%	48	0.125%	0.165%
24	0.015%	0.015%	49	0.140%	0.180%
25	0.015%	0.015%	50	0.156%	0.200%
26	0.015%	0.015%	51	0.195%	0.220%
27	0.015%	0.015%	52	0.230%	0.245%
28	0.015%	0.020%	53	0.265%	0.270%
29	0.015%	0.020%	54	0.305%	0.295%
30	0.015%	0.020%	55	0.345%	0.320%
31	0.015%	0.025%	56	0.385%	0.345%
32	0.015%	0.025%	57	0.430%	0.370%
33	0.015%	0.030%	58	0.475%	0.400%
34	0.015%	0.030%	59	0.525%	0.425%
35	0.020%	0.035%	60	0.575%	0.450%
36	0.020%	0.040%	61	0.630%	0.480%
37	0.025%	0.045%	62	0.690%	0.505%
38	0.030%	0.050%	63	0.755%	0.525%
39	0.035%	0.060%	64	0.880%	0.545%

Schedule SB Attachment (Form 5500)—2018 Plan Year
Macy's, Inc. Cash Account Pension Plan
EIN: 13-3324058 PN:012

Schedule SB, Part V—Summary of Plan Provisions

Status of the Plan	Effective December 31, 2011, closed to new entrants except for certain Union groups. Effective December 31, 2013, the plan was frozen except for participants of certain Union groups.	
Participation	The first day of the month following the attainment of age 21 and one year of eligibility service	
Normal Retirement		
Eligibility	Age 65 and three years of Vesting Service	
Benefit	Initial Account Balance plus Pay Credits (credited at the end of each plan year) based on years of Vesting Service at the beginning of each plan year as shown below, increased with Interest Credits each year. The plan was amended January 25, 2016, and effective January 1, 2017, to change Pay Credits to 2.25% for participants with under 3 years of Vesting Service. The table below applies prior to January 1, 2017:	
	Vesting Service	Pay Credits
	0–2	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%
	Participants who had attained age 55 and 10 years of Vesting Service as of January 1, 2002 will receive the greater of the prior plan and the cash balance plan payable as an annuity upon termination.	
Late Retirement		
Eligibility	Over age 65 and three years of Vesting Service	
Benefit	Account Balance at late retirement	
Vested Termination		
Eligibility	Three years of Vesting Service	
Benefit	Account Balance upon vested termination	

Schedule SB Attachment (Form 5500)—2018 Plan Year
Macy's, Inc. Cash Account Pension Plan
EIN: 13-3324058 PN:012

Disability

Eligibility

Termination due to total disability

Benefit

Account Balance upon reaching normal retirement age; Vesting Service, Pay Credits, and Interest Credits continue to accrue after termination.

Preretirement Death

Eligibility

Three years of Vesting Service

Benefit

Account Balance payable to beneficiary at date of death

Forms of Payment

Lump sum, annuity options

Definitions

Interest Credits

Prior to January 1, 2017: 30-year Treasury rate for the previous November (minimum: 5.25%) credited at the end of each calendar quarter

January 1, 2017 and Later: 30-year Treasury rate for the previous November (minimum: 5.00%) credited at the end of each calendar quarter.

Account Balance

Initial Account Balance plus pay and interest credits to the date of separation

Plan Compensation

W-2 Box 1 wages + Section 401(k) deferrals + Section 125 deferrals

Vesting Service

One year for each plan year in which the employee has at least 1,000 hours

Schedule SB Attachment (Form 5500)—2018 Plan Year
Macy's, Inc. Cash Account Pension Plan
EIN: 13-3324058 PN:012

Legacy May Participants

Participation	The first day of the calendar quarter following the attainment of age 21 and one year of eligibility service
Normal Retirement	
Eligibility	Age 65
Benefit	Active participants as of August 1, 2005 will receive a FAP update. As of January 1, 2005, their accrued benefit will be the greater of the benefit accrued to date and 0.7% of Average Pay (2000-2004) x Credited Service before 1/1/2005, plus 0.6% of Average Pay (2000-2004) above Average SSWB for 2005 x Credited Service before 1/1/2005. For Service on or after 1/1/2005 For years eligible for early, normal or deferred retirement: 0.9% of Pay plus 0.6% of Pay above Average SSWB or For years not eligible for any form of retirement: 0.7% of Pay, plus 0.6% Pay above Average SSWB
Early Retirement	
Eligibility	Over age 55 and five years of Vesting Service
Benefit	Normal retirement benefit reduced by 7.2% per year (0.6% per month) between ages 60 and 65 and 3.6% per year (0.3% per month) between ages 55 and 60.
Vested Termination	
Eligibility	Five years of Vesting Service
Benefit	Normal retirement benefit payable at age 65
Disability	
Eligibility	Five years of Vesting Service
Benefit	Normal retirement benefit payable at age 65

Schedule SB Attachment (Form 5500)—2018 Plan Year
Macy's, Inc. Cash Account Pension Plan
EIN: 13-3324058 PN:012

Preretirement Death

Eligibility	Five years of Vesting Service
Benefit	50% Joint & Survivor payable to spouse
Forms of Payment	Lump sum, annuity options
Definitions	
Plan Compensation	W-2 Box 1 wages + Section 401(k) deferrals + Section 125 deferrals
Vesting Service	Elapsed time.
Other Legacy Formulas (Former Subsidiary Participants)	There are no active participants accruing benefits under these formulas. The remaining inactive participants are included in the valuation based on benefits determined under their respective plan provisions.
Administrative Expenses	The following expenses are paid out of the plan assets: PBGC premiums, administrative services, and investment services.

Changes in Plan Provisions Since the Prior Year

There was an update to the mortality and interest rates for determining minimum lump sum payments under IRC 417(e)(3) to the applicable rates for the current plan year.

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

MACY'S, INC.
CASH ACCOUNT PENSION PLAN

Financial Statements

December 31, 2018 and 2017

With Independent Auditors' Report Thereon

MACY'S INC.
CASH ACCOUNT PENSION PLAN

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All schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because all investments are held in a master trust or because there is no other information to report.

INDEPENDENT AUDITORS' REPORT

Pension and Profit Sharing Committee
Macy's, Inc. Cash Account Pension Plan

Report on the Financial Statements

We have audited the accompanying financial statements of the Macy's, Inc. Cash Account Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2018 and 2017, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2018 and 2017, and the changes in net assets available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
September 13, 2019

MACY'S, INC.
CASH ACCOUNT PENSION PLAN

Statements of Net Assets Available for Benefits
December 31, 2018 and 2017
(in thousands)

	<u>2018</u>	<u>2017</u>
Net participation in Master Trust (note 4)	<u>\$ 2,923,433</u>	<u>3,435,810</u>

The accompanying notes are an integral part of these financial statements.

MACY'S, INC.
CASH ACCOUNT PENSION PLAN

Statements of Changes in Net Assets Available for Benefits
Years ended December 31, 2018 and 2017
(in thousands)

	<u>2018</u>	<u>2017</u>
Net investment income (loss) from Master Trust investments (note 4)	\$ (137,805)	\$ 497,955
Benefits paid	(358,315)	(381,356)
Administrative expenses	(16,257)	(18,816)
Net increase (decrease) in net assets available for benefits	<u>(512,377)</u>	<u>97,783</u>
Net assets available for benefits:		
Beginning of year	3,435,810	3,338,027
End of year	<u>\$ 2,923,433</u>	<u>\$ 3,435,810</u>

The accompanying notes are an integral part of these financial statements.

MACY'S, INC.
CASH ACCOUNT PENSION PLAN

Notes to Financial Statements

December 31, 2018 and 2017

1. Description of the Plan

The following brief description of the Macy's, Inc. Cash Account Pension Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

a. General

The Plan is a non-contributory defined benefit pension plan sponsored and administered by Macy's, Inc. (the "Company" or "Plan Sponsor") that covers substantially all employees of the Company that completed eligibility requirements prior to January 1, 2012. The Plan was adopted in 1984 and since establishment has been amended on numerous occasions to comply with various requirements of the Employee Retirement Income Security Act of 1974 ("ERISA") and U.S. tax law as well as to merge certain other Company approved defined benefit plans into the Plan.

Effective January 1, 1997, the Plan was amended and converted to a cash balance program. Amounts credited to the participants' cash balance accounts at January 1, 1997 consisted of opening cash balances equal to the single sum present value, using stated actuarial assumptions, of the participants' accrued normal retirement benefits earned through December 31, 1996 under the former plans.

Effective July 31, 2006, the Company merged the May Department Stores Company Retirement Plan and the Federated Department Stores, Inc. Former Subsidiary Pension Plan, both of which were sponsored by the Company, into the Plan. The merger of the May Department Stores Company Retirement Plan and the Federated Department Stores, Inc. Former Subsidiary Pension Plan into the Plan did not impact benefit accruals.

Effective January 1, 2012, the Plan was closed to new participants, with limited exceptions. Effective December 31, 2013, participants in the Plan no longer earn future pension service credits, with limited exceptions. All retirement benefits attributable to service in subsequent periods are provided by the Company through defined contribution plans.

b. Eligibility and Vesting

Prior to January 1, 2012, employees were generally eligible for participation in the Plan after one year of service of at least 1,000 hours and after reaching a minimum age of 21. However, no new participants (or rehires) entered the Plan on or after January 1, 2012. Exceptions include certain associates covered by a collective bargaining agreement and previous plan participants who rehire within the same calendar year of their termination.

A participant generally became fully vested in the Plan upon completing three years of vesting service with the Company.

c. Pension Benefits

Pension benefits are maintained in separate bookkeeping accounts for each participant. Plan assets are not allocated to individual participants. Plan assets are commingled to pay the benefits of all Plan participants.

Pension benefits for certain employees include an initial balance based on the single sum value of the December 31, 1996 accrued benefit under the Company's former plans, pay credits for plan years beginning on or after January 1, 1997, and quarterly interest credits.

The initial cash balance was actuarially calculated by applying the December 31, 1996 accrued benefit under the prior plans to actuarial factors set forth in the Plan. Such actuarial factors depended on the participant's age and the prior pension plan or plans in which the benefit was earned.

MACY'S, INC.
CASH ACCOUNT PENSION PLAN
Notes to Financial Statements - Continued
December 31, 2018 and 2017

Effective December 31, 2013, participants in the Plan will no longer earn future pension service credits, with limited exceptions.

An interest credit will also be added to each participant's account at the end of each calendar quarter, until benefit payments have commenced. The interest rate for each Plan year is based on the rate quoted for 30-year U.S. Treasury bonds for the November preceding the start of such year. Effective January 1, 2017 the minimum interest credit rate was decreased to 5.00%. The interest credit rate for 2018 and 2017 Plan years was 5.00%.

The Plan contains special minimum benefit guarantees for all participants who participated in one of the Company's prior tax-qualified pension plans on or before December 31, 1996. The value of any benefit to which the participant is entitled under the Plan cannot be less (as determined under actuarial factors set forth in the Plan) than the value of the benefit that would have been paid had termination occurred no later than December 31, 1996. In addition, for any active participant on December 31, 1996 who retires (or had retired) after reaching age 55 with at least 10 years of vesting service prior to December 21, 2001, annuity benefit payments, other than single life annuity benefits, cannot be less than annuity benefits would have been if the participant's 1996 pension plan benefit formula had continued in effect.

Pension benefits for certain participants of the former May Department Stores Company Retirement Plan and the Federated Department Stores, Inc. Former Subsidiary Pension Plan generally continue to be calculated under their applicable benefit formulas and are primarily based on years of credited service and career pay. The Plan contains special minimum benefit guarantees for participants of the former May Department Stores Company Retirement Plan.

Benefits under the Plan can be paid in a lump sum or in a variety of annuity forms. However, if the participant's pension benefit is \$1,000 or less, it will be distributed to the participant in a lump sum.

d. Death and Disability Benefits

If a participant dies prior to receiving a retirement benefit, the benefit becomes payable to the participant's beneficiary under the Plan. If the participant's beneficiary is the surviving spouse, the Plan provides that the benefit payment will be a single life annuity beginning as of the first day of the month following the later of the date the participant would have attained normal retirement age had the participant survived or the date of death. However, the surviving spouse may elect to begin payment of the benefit as of any earlier first day of a month which follows both the participant's death and such election and/or to have such benefit payment paid in a lump sum. If the participant's beneficiary is either a named beneficiary other than the surviving spouse or the participant's estate, then such benefit will generally be paid in a lump sum as soon as administratively practical after the participant's death.

Active participants who become totally disabled (and are approved for total disability by the Pension and Profit Sharing Committee) continue to earn pay credits, if applicable, under the Plan until retirement benefits commence or the participant reaches the normal retirement age, whichever occurs first. For purposes of earning additional pay credits, participants receive credit for a year of vesting service for each full calendar year included in the period from total disability to the date that retirement benefits commence, and the pay for each such full year is deemed to be equal to the amount of pay taken into account under the Plan for the last full calendar year of employment. Interest credits are earned until retirement benefits commence.

MACY'S, INC.
CASH ACCOUNT PENSION PLAN
Notes to Financial Statements - Continued
December 31, 2018 and 2017

2. Summary of Significant Accounting Policies

a. Master Trust

The Plan participates in the Macy's, Inc. Defined Benefit Plans Master Trust ("Master Trust") Agreement with JP Morgan Chase N.A. (the "Trustee"). Under the terms of the Master Trust, the Trustee serves as the custodian for the Master Trust. At December 31, 2018, the Master Trust holds the assets of the Plan and the Broadway Stores, Inc. Pension Plan for Participating Concessionaires, both of which are sponsored by the Company. The Macy's, Inc. Pension and Profit Sharing Committee and the Trustee select a diversified group of investment managers who determine purchases and sales of investments for the respective portions of the assets in the Master Trust managed by them. In addition, investment managers may enter into certain derivative financial instruments within the guidelines of the Plan's investment policy in order to meet the Plan's primary investment objectives of payment of benefit obligations to Plan participants and an ultimate realization of investment returns over longer periods in excess of inflation. Derivative investments of the Master Trust may include the following types of financial instrument contracts: interest rate, foreign exchange, equity, commodity, credit, agency mortgage forward and other types of contracts.

b. Basis of Presentation

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

c. Investment Valuation and Income Recognition

The fair value of the Plan's participation in the Master Trust, as certified by the Trustee, is based on the beginning of year value of the Plan's participation in the Master Trust plus allocated investment income or loss and actual contributions, less actual distributions and allocated administrative expenses (Note 4).

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses on the sale of securities are reported on the average cost method.

The Plan provides for investments in various investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit, overall market volatility, political, currency and regulatory risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

Money market investments include highly liquid fixed-income securities with a maturity of three months or less.

Dividend income is recorded on the ex-dividend date. Interest and other income from investments are recorded as earned on an accrual basis.

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d. Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump sum distributions, that are attributable under the Plan's provisions to the service participants have rendered. Accumulated plan benefits include benefits expected to be paid to (a) active participants (b) retired participants and (c) terminated vested participants. Benefits payable are included, to the extent they are deemed attributable to participant service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

Actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

e. Payment of Benefits

Benefit payments to participants are recorded upon distribution.

f. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, disclosure of contingent assets and liabilities and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

g. Subsequent Events

The Plan has evaluated subsequent events through September 13, 2019, the date the financial statements were available to be issued.

h. Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

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i. New Pronouncements

In February 2017, the Financial Accounting Standards Board issued Accounting Standards Update No. 2017-06, "Plan Accounting: Defined Benefit Pensions Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965), Employee Benefit Plan Master Trust Reporting (ASU 2017-06)." The amendments in this update require a plan's interest in that master trust and any change in that interest to be presented in separate line items in the statements of net assets available for benefits and in the statements of changes in net assets available for benefits, respectively. Additionally, ASU 2017-06 removed the requirement to disclose the percentage interest in the master trust for plans with divided interests and requires that all plans disclose the dollar amount of their interest in each of those general types of investments, which supplements the existing requirement to disclose the master trust's balances in each general type of investments. The amendments in ASU 2017-06 are effective for fiscal years beginning after December 15, 2018 and should be applied retrospectively with early adoption permitted. Adoption of ASU 2017-06 will not have a material impact on the Plan's financial statements.

In August 2018, the Financial Accounting Standards Board issued Accounting Standards Update No. 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement, (ASU 2018-13)," which amends ASC 820 to add, remove, and modify fair value measurement disclosure requirements. ASU 2018-13 is effective for all entities for fiscal years beginning after December 15, 2019. Upon issuance of ASU 2018-13, early adoption permitted for the entire standard or only for the requirements that eliminate or modify disclosures. Certain requirements of the standard should be applied prospectively, while others are required to be adopted retrospectively. Adoption of ASU 2018-13 will not have a material impact on the Plan's financial statements.

MACY'S, INC.
CASH ACCOUNT PENSION PLAN
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3. Obligation for Pension Benefits

The Company contributes amounts to the Plan as deemed necessary on an actuarially determined basis to provide the Plan with assets sufficient to meet the anticipated benefits to be paid to participants and in accordance with ERISA. The contributions are calculated using the standard unit credit method. These amounts fall between the minimum and maximum contributions allowed under the provisions of the Internal Revenue Code and ERISA. For the 2018 and 2017 Plan years, the Plan's funding was impacted by the Pension Protection Act of 2006. No pension contributions were required for the 2018 and 2017 Plan years.

The calculation of the present value of accumulated plan benefits was made by a third party actuary. Significant assumptions underlying the actuarial computations as of December 31, 2018 and 2017 include:

- a) For 2018, the RP-2014 blue collar mortality table has been adjusted to back out estimated mortality improvements from 2006 to the measurement date using MP-2014 and then projected forward to the measurement date using MP-2018 tables. For 2017, the RP-2014 blue collar mortality table was adjusted to back out estimated mortality improvements from 2006 to the measurement date using MP-2014, and then projected forward to the measurement date using MP-2017 tables.
- b) Withdrawal and retirement rates based on years of service and an age-graded scale.
- c) Interest rate of 6.50% and 6.75% compounded annually at December 31, 2018 and 2017, respectively

The actuarial present value of accumulated plan benefits at December 31, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
	(in thousands)	
Vested benefits:		
Participants currently receiving payments	\$ 948,011	\$ 874,324
Other participants	1,517,362	1,713,635
	<u>2,465,373</u>	<u>2,587,959</u>
Nonvested benefits	21,548	22,703
Total actuarial present value of accumulated plan benefits	<u><u>\$ 2,486,921</u></u>	<u><u>\$ 2,610,662</u></u>

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CASH ACCOUNT PENSION PLAN
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December 31, 2018 and 2017

The changes in the actuarial present value of accumulated plan benefits for the years ended December 31, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
	(in thousands)	
Actuarial present value of accumulated plan benefits at beginning of year	\$ 2,610,662	\$ 2,748,391
Increase (decrease) during the year attributable to:		
Benefits accumulated	4,848	5,621
Benefits paid	(358,315)	(381,356)
Interest	164,324	179,265
Actuarial loss	42,696	13,085
Assumption changes	22,706	45,656
Net decrease	<u>(123,741)</u>	<u>(137,729)</u>
Actuarial present value of accumulated plan benefits at end of year	<u>\$ 2,486,921</u>	<u>\$ 2,610,662</u>

4. Investments

All of the Plan's investments are included in the Master Trust. The assets of the Master Trust are held by the Trustee. Each participating plan has an undivided interest in the Master Trust. At December 31, 2018 and 2017, the Plan's interest in the net assets of the Master Trust was approximately 99.9%. Investment income or loss and administrative expenses relating to the Master Trust are allocated to the individual plans based upon monthly balances invested by each plan.

The Plan's investment managers may execute transactions in various financial instruments that may give rise to varying degrees of off-balance sheet market and credit risk, including derivatives. Derivatives are instruments that derive their value from underlying asset prices, indices, reference rates and other inputs, or a combination of these factors. Derivatives may be privately negotiated contracts, which are usually referred to as over-the-counter (OTC) derivatives, or they may be listed and traded on a exchange (exchange-traded). The Plan may enter into various types of derivatives, including:

- *Futures and Forwards:* Contracts that commit counterparties to purchase or sell financial instruments, commodities or currencies in the future.
- *Swaps:* Contracts that require counterparties to exchange cash flows such as currency or interest payment streams. The amounts exchanged are based on the specific terms of the contract with reference to specified rates, financial instruments, commodities, currencies or indices.
- *Options:* Contracts in which the option purchaser has the right, but not the obligation, to purchase from or sell to the option writer financial instruments, commodities, or currencies within a defined time period for a specified price.

MACY'S, INC.
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Market risk includes risk that arises from the potential for changes in value of financial instruments resulting from fluctuations in interest and foreign exchange rates and in prices of debt and equity securities. In many cases, these financial instruments serve to reduce, rather than increase, the Plan's exposure to losses from market or other risks. In addition, the measurement of market risk is meaningful only when all related and offsetting transactions are identified. The investment managers may limit the Plan's market risk by holding or purchasing offsetting positions.

As a writer of options contracts, the Plan may receive a premium to become obligated to buy or sell financial instruments for a period of time at the holder's option. During this period, the Plan would bear the risk of an unfavorable change in the market value of the financial instrument underlying the option, but would have no credit risk, as the counterparty has no performance obligation to the Plan once it has paid its cash premium.

The Plan may be subject to credit risk of counterparty nonperformance on derivative contracts in a gain position, except for written options, which obligate the Plan to perform and do not give rise to any counterparty credit risk.

Investments, including equity securities and fixed income securities, are reported at fair value as determined by quoted market prices on an active market, where applicable. Certain debt instruments are valued based on yields currently available on comparable securities of issuers with similar credit ratings. The fair value of money market investments, other types of investments, including real estate, and private equity, and other derivative contracts, represents the net asset value of shares or underlying assets of the investment as a practical expedient to estimate fair value. Real estate investments are valued using appraisals conducted by experts at least once per year on each property, and those appraisals are certified by independent appraisal consulting firms. Derivatives which are traded over the counter are valued using dealer supplied valuations and certain other derivatives are valued on the basis of valuations received from the counterparty. Derivatives are presented on a gross basis in the disclosure of fair values of investments of the Master Trust.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

As of December 31, 2018 and 2017, the Master Trust had approximately \$2,238,802,000 and \$2,631,594,000 respectively, of investments for which the Plan has concluded that the net asset value reported by the underlying fund approximates the fair value of the investment or net asset value is used as a practical expedient to fair value. These investments are redeemable with the fund at net asset value under the original terms of the partnership agreements and/or subscription agreements and operations of the underlying funds. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of the Plan's interests in the funds.

Money market pooled funds invest in high quality, short-term money market instruments which are issued and payable in U.S. dollars. The funds aim to provide the highest possible level of current income while still maintaining liquidity and preserving capital. International equity pooled funds seek to provide long-term capital growth and income by investing in equity securities of non-U.S. companies located both in developed and emerging markets. There are generally no redemption restrictions or unfunded commitments related to the Master Trust's money market pooled funds, equity securities or fixed income securities.

MACY'S, INC.
CASH ACCOUNT PENSION PLAN
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December 31, 2018 and 2017

Real estate investments include several funds which seek risk-adjusted return by providing a stable, income-driven rate of return over the long term with high potential for growth of net investment income and appreciation of value. Investments may relate to various types of real estate including stable properties of high quality and design, properties under distress or dislocation which can produce high investment returns and wholly-owned equity real estate assets diversified based on strategy and life-cycle. Certain of the Master Trust's real estate investments are subject to lock-up periods ranging from one to four years with no redemption provisions and certain other real estate investments are subject to quarterly redemption restrictions. The Master Trust has unfunded real estate commitments at December 31, 2018 of approximately \$17,532,000.

Private equity investments have an objective of realizing aggregate long-term returns in excess of those available from investments in the public equity markets. The funds may include investments in partnerships or direct investments in various stages of business development, industry sectors, investment cycles and geographic areas. The funds may also invest in pooled investment vehicles relating to business growth strategies, business changes or acquisition transactions, refinancing and recapitalization transactions, or other corporate finance transactions. The Master Trust's private equity investments are subject to lock-up periods ranging from eight to ten years with no redemption provisions and the Master Trust has unfunded private equity commitments at December 31, 2018 of approximately \$31,249,000. Furthermore, changes to the liquidity provisions of certain of these funds may significantly impact the fair value of the Plan's interest in the funds.

Although a secondary market exists for certain of these real estate and private equity investments, it is not active and individual transactions are typically not observable. When transactions occur in this limited secondary market, they may occur at discounts to the reported net asset value. Therefore, if the redemption rights in the funds were restricted or eliminated and the Plan were to sell these investments in the secondary market, it is reasonably possible that a buyer in the secondary market may require a discount to the reported net asset value, and the discount could be significant. However, the Plan does not anticipate selling any of these investments in such a secondary market.

MACY'S, INC.
CASH ACCOUNT PENSION PLAN
Notes to Financial Statements - Continued
December 31, 2018 and 2017

The following table presents the fair values of investments and total net assets for the Master Trust at December 31, 2018 and 2017:

	2018	2017
	(in thousands)	
Investments:		
Short term investments	\$ 566	\$ 7,705
Money market funds	36,158	51,459
Equity securities:		
U.S. stocks	105,132	152,174
U.S. pooled funds	368,836	455,359
International pooled funds	321,931	421,856
Fixed income securities:		
U.S. Treasury bonds	45,783	52,206
Other government bonds	50,417	54,369
Agency-backed bonds	11,387	13,212
Corporate bonds	485,779	534,629
Mortgage-backed securities	16,811	16,275
Asset-backed securities	10,994	5,995
Pooled funds	1,261,953	1,354,322
Other types of investments:		
Real estate	62,203	153,657
Private equity	187,721	194,941
Derivatives in a positive position	4,416	7,375
Derivatives in a negative position	(2,883)	(2,118)
Total investments	<u>2,967,204</u>	<u>3,473,416</u>
Non interest bearing cash	<u>2,791</u>	<u>92</u>
Receivables:		
Due from broker for securities sold	23,686	67,035
Other receivables	7,717	7,876
Total receivables	<u>31,403</u>	<u>74,911</u>
Total assets	<u>3,001,398</u>	<u>3,548,419</u>
Payables:		
Due to broker for securities purchased	(72,989)	(106,559)
Other liabilities	(3,088)	(3,802)
Total liabilities	<u>(76,077)</u>	<u>(110,361)</u>
Net assets	<u>\$ 2,925,321</u>	<u>\$ 3,438,058</u>

MACY'S, INC.
CASH ACCOUNT PENSION PLAN
Notes to Financial Statements - Continued
December 31, 2018 and 2017

Net investment income (loss), including realized and unrealized appreciation (depreciation), for the Master Trust for the years ended December 31, 2018 and 2017 is as follows:

	2018	2017
	(in thousands)	
Net appreciation (depreciation) in fair value of investments	\$ (210,904)	\$ 422,170
Interest	67,924	67,651
Dividends	10,272	14,500
Other	2,813	5,452
Total investment income (loss)	<u>(129,895)</u>	<u>509,773</u>
Investment manager expenses	<u>(8,007)</u>	<u>(11,508)</u>
Net investment income (loss)	<u><u>\$ (137,902)</u></u>	<u><u>\$ 498,265</u></u>

ASC Topic 820 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and requires additional disclosures about fair value measurements. The ASC Topic 820 fair value hierarchy consists of three levels: Level 1 fair values are valuations based on quoted market prices in active markets for identical assets or liabilities that the Plan has the ability to access; Level 2 fair values are those valuations based on quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities; and Level 3 fair values are valuations based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

For the years ended December 31, 2018 and 2017, there were no significant transfers in or out of levels 1, 2 or 3 investments.

MACY'S, INC.
CASH ACCOUNT PENSION PLAN
Notes to Financial Statements - Continued
December 31, 2018 and 2017

The following tables present investments of the Plan that are measured at fair value on a recurring basis as of December 31, 2018 and 2017, and their level within the fair value hierarchy. The fair values within the tables below exclude interest and dividend receivables and pending investment purchases and sales.

	Total Balance as of December 31, 2018	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		(in thousands)		
Short term investments	\$ 566	\$ —	\$ 566	\$ —
Money market funds	36,158	36,158	—	—
Equity securities:				
U.S. stocks	105,132	105,132	—	—
U.S. pooled funds	368,836	368,836	—	—
International pooled funds (a)	321,931	72,298	—	—
Fixed income securities:				
U.S. Treasury bonds	45,783	—	45,783	—
Other government bonds	50,417	—	50,417	—
Agency-backed bonds	11,387	—	11,387	—
Corporate bonds	485,779	—	485,779	—
Mortgage-backed securities	16,811	—	16,811	—
Asset-backed securities	10,994	—	10,994	—
Pooled funds	1,261,953	1,261,953	—	—
Other types of investments:				
Real estate (a)	62,203	—	—	—
Private equity (a)	187,721	—	—	—
Derivatives in a positive position	4,416	74	4,342	—
Derivatives in a negative position	(2,883)	(78)	(2,805)	—
	<u>\$ 2,967,204</u>	<u>\$ 1,844,373</u>	<u>\$ 623,274</u>	<u>\$ —</u>

(a) Certain investments that are measured at fair value using the net asset value per share as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the table of fair values of investments and total net assets for the Master Trust.

MACY'S, INC.
CASH ACCOUNT PENSION PLAN
Notes to Financial Statements - Continued
December 31, 2018 and 2017

	Total Balance as of December 31, 2017	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		(in thousands)		
Short term investments securities	\$ 7,705	\$ —	\$ 7,705	\$ —
Money market funds	51,459	51,459	—	—
Equity securities:				
U.S. stocks	152,174	152,174	—	—
U.S. pooled funds	455,359	455,359	—	—
International pooled funds (a)	421,856	106,785	—	—
Fixed income securities:				
U.S. Treasury bonds	52,206	—	52,206	—
Other government bonds	54,369	—	54,369	—
Agency-backed bonds	13,212	—	13,212	—
Corporate bonds	534,629	—	534,629	—
Mortgage-backed securities	16,275	—	16,275	—
Asset-backed securities	5,995	—	5,995	—
Pooled funds	1,354,322	1,354,322	—	—
Other types of investments:				
Real estate (a)	153,657	—	—	—
Private equity (a)	194,941	—	—	—
Derivatives in a positive position	7,375	41	7,334	—
Derivatives in a negative position	(2,118)	(62)	(2,056)	—
	<u>\$ 3,473,416</u>	<u>\$ 2,120,078</u>	<u>\$ 689,669</u>	<u>\$ —</u>

- (a) Certain investments that are measured at fair value using the net asset value per share as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the table of fair values of investments and total net assets for the Master Trust.

MACY'S, INC.
CASH ACCOUNT PENSION PLAN
Notes to Financial Statements - Continued
December 31, 2018 and 2017

5. Plan Termination

While the Company has not expressed any intent to terminate the Plan or to discontinue contributions, it has the right to do so at any time, subject to the provisions set forth in ERISA. Should the Plan be terminated at some future date, all participants will become 100% vested in benefits earned as of the termination date.

If the termination is the result of the bankruptcy or near bankruptcy of the Company and the Plan's assets are not adequate to pay all benefits vested prior to the termination, the Pension Benefit Guaranty Corporation (the "PBGC") will take over the Plan and will pay those benefits which it guarantees. In this case, some participants may receive a smaller benefit than if the Plan had continued. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits (as described in the Plan document) and the level of benefits guaranteed by the PBGC at that time.

If however, the Plan is terminated for any reason other than the bankruptcy or near bankruptcy of the Company and the Plan has insufficient assets, the Company will be required to pay to the Plan an amount which together with Plan assets will satisfy all benefits accumulated to the date of the Plan termination.

6. Federal Income Taxes

The Plan obtained its latest determination letter on May 27, 2015, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. While the Plan has been amended since receiving such determination letter, the Plan Sponsor and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements. However, in the ordinary course of investing the Plan does pay a negligible amount of excise tax on unrelated business taxable income.

Accounting principles generally accepted in the United States of America require the Plan Sponsor to evaluate tax positions taken by the Plan. The financial statement effects are recognized when the Plan has taken an uncertain position that more likely than not would be sustained upon examination by the Internal Revenue Service. The Plan Sponsor has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2018, there are no uncertain tax positions taken or expected to be taken. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Sponsor believes the Plan is no longer subject to income tax examinations for years prior to 2015.

7. Administrative Expenses

The Plan pays reasonable and necessary expenses incurred for the ongoing administration of the Plan. Administrative expenses are paid directly by the Plan or the Master Trust or are first paid by the Plan Sponsor and subsequently reimbursed by the Plan or the Master Trust.

MACY'S, INC.
CASH ACCOUNT PENSION PLAN
Notes to Financial Statements - Continued
December 31, 2018 and 2017

8. Related Parties

Certain Master Trust investments are units of the JPMCB International Equity Fund, Prime Money Market Fund and various private equity funds. JP Morgan Chase N.A. is the Trustee of the Plan and, therefore, these transactions qualify as party-in-interest transactions. In addition, the Master Trust paid the Trustee approximately \$252,000 and \$506,000 in administrative expenses, principally Trustee fees, in 2018 and 2017, respectively. In addition to expenses incurred by third party service providers, administrative expenses include an allocable portion of services provided by the Plan Sponsor and salaries and benefits of associates who provide services to the plans included in the Master Trust. The Master Trust was allocated approximately \$2,552,000 and \$2,450,000 of Plan Sponsor administrative expense in 2018 and 2017, respectively.

9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits is reported based on certain assumptions pertaining to interest rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Schedule SB Attachment (Form 5500)—2018 Plan Year
Macy's, Inc. Cash Account Pension Plan
EIN: 13-3324058 PN:012

Schedule SB, Part V—Summary of Plan Provisions

Status of the Plan	Effective December 31, 2011, closed to new entrants except for certain Union groups. Effective December 31, 2013, the plan was frozen except for participants of certain Union groups.	
Participation	The first day of the month following the attainment of age 21 and one year of eligibility service	
Normal Retirement		
Eligibility	Age 65 and three years of Vesting Service	
Benefit	Initial Account Balance plus Pay Credits (credited at the end of each plan year) based on years of Vesting Service at the beginning of each plan year as shown below, increased with Interest Credits each year. The plan was amended January 25, 2016, and effective January 1, 2017, to change Pay Credits to 2.25% for participants with under 3 years of Vesting Service. The table below applies prior to January 1, 2017:	
	Vesting Service	Pay Credits
	0–2	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%
	Participants who had attained age 55 and 10 years of Vesting Service as of January 1, 2002 will receive the greater of the prior plan and the cash balance plan payable as an annuity upon termination.	
Late Retirement		
Eligibility	Over age 65 and three years of Vesting Service	
Benefit	Account Balance at late retirement	
Vested Termination		
Eligibility	Three years of Vesting Service	
Benefit	Account Balance upon vested termination	

Schedule SB Attachment (Form 5500)—2018 Plan Year
Macy's, Inc. Cash Account Pension Plan
EIN: 13-3324058 PN:012

Disability

Eligibility

Termination due to total disability

Benefit

Account Balance upon reaching normal retirement age; Vesting Service, Pay Credits, and Interest Credits continue to accrue after termination.

Preretirement Death

Eligibility

Three years of Vesting Service

Benefit

Account Balance payable to beneficiary at date of death

Forms of Payment

Lump sum, annuity options

Definitions

Interest Credits

Prior to January 1, 2017: 30-year Treasury rate for the previous November (minimum: 5.25%) credited at the end of each calendar quarter

January 1, 2017 and Later: 30-year Treasury rate for the previous November (minimum: 5.00%) credited at the end of each calendar quarter.

Account Balance

Initial Account Balance plus pay and interest credits to the date of separation

Plan Compensation

W-2 Box 1 wages + Section 401(k) deferrals + Section 125 deferrals

Vesting Service

One year for each plan year in which the employee has at least 1,000 hours

Schedule SB Attachment (Form 5500)—2018 Plan Year
Macy's, Inc. Cash Account Pension Plan
EIN: 13-3324058 PN:012

Legacy May Participants

Participation	The first day of the calendar quarter following the attainment of age 21 and one year of eligibility service
Normal Retirement	
Eligibility	Age 65
Benefit	Active participants as of August 1, 2005 will receive a FAP update. As of January 1, 2005, their accrued benefit will be the greater of the benefit accrued to date and 0.7% of Average Pay (2000-2004) x Credited Service before 1/1/2005, plus 0.6% of Average Pay (2000-2004) above Average SSWB for 2005 x Credited Service before 1/1/2005. For Service on or after 1/1/2005 For years eligible for early, normal or deferred retirement: 0.9% of Pay plus 0.6% of Pay above Average SSWB or For years not eligible for any form of retirement: 0.7% of Pay, plus 0.6% Pay above Average SSWB
Early Retirement	
Eligibility	Over age 55 and five years of Vesting Service
Benefit	Normal retirement benefit reduced by 7.2% per year (0.6% per month) between ages 60 and 65 and 3.6% per year (0.3% per month) between ages 55 and 60.
Vested Termination	
Eligibility	Five years of Vesting Service
Benefit	Normal retirement benefit payable at age 65
Disability	
Eligibility	Five years of Vesting Service
Benefit	Normal retirement benefit payable at age 65

Schedule SB Attachment (Form 5500)—2018 Plan Year
Macy's, Inc. Cash Account Pension Plan
EIN: 13-3324058 PN:012

Preretirement Death

Eligibility	Five years of Vesting Service
Benefit	50% Joint & Survivor payable to spouse
Forms of Payment	Lump sum, annuity options
Definitions	
Plan Compensation	W-2 Box 1 wages + Section 401(k) deferrals + Section 125 deferrals
Vesting Service	Elapsed time.
Other Legacy Formulas (Former Subsidiary Participants)	There are no active participants accruing benefits under these formulas. The remaining inactive participants are included in the valuation based on benefits determined under their respective plan provisions.
Administrative Expenses	The following expenses are paid out of the plan assets: PBGC premiums, administrative services, and investment services.

Changes in Plan Provisions Since the Prior Year

There was an update to the mortality and interest rates for determining minimum lump sum payments under IRC 417(e)(3) to the applicable rates for the current plan year.

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

Schedule SB Attachment (Form 5500)—2018 Plan Year
Macy's, Inc. Cash Account Pension Plan
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Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Interest Rates for Minimum Funding Purposes	Based on segment rates with a four-month lookback (as of September 2017), each adjusted as needed to fall within the 25-year average interest rate corridor under HATFA	
1st Segment Rate	3.92%	
2nd Segment Rate	5.52%	
3rd Segment Rate	6.29%	
Interest Rates for Maximum Tax Purposes	Based on segment rates with a four-month lookback (as of September 2017), without regard to interest rate stabilization	
1st Segment Rate	1.75%	
2nd Segment Rate	3.76%	
3rd Segment Rate	4.66%	
Salary Increases	Age Group	Percent Increase
	-24	9.00%
	25-29	6.00%
	30-34	5.50%
	35-39	5.00%
	40-44	4.75%
	45-49	4.50%
	50-54	4.25%
	55-59	4.00%
	60+	3.00%
	Liability weighted average is approximately 4.1% per year.	
Cash Balance Interest Crediting Rate	5.00%	
Cash Balance Annuity Conversion Rate	Based on funding interest rates and 417(e) mortality	
Mortality Rates	2018 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e) based on 2006 base rates from the RP-2014 mortality study	

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Retirement Rates

Age	Rate
55	11%
56	10%
57	10%
58	11%
59	11%
60	10%
61	13%
62	16%
63	14%
64	16%
65	20%
66	18%
67	16%
68	17%
69	17%
70	50%
71	50%
72	50%
73+	100%

Weighted average is approximately 61.9 years old.

Form of Payment and Timing

Upon termination, active participants are assumed to elect a lump sum or an annuity payment form as follows:

Age	Option Election	
	Lump Sum	Annuity
-54	100%	0%
55+	90%	10%

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All active participants eligible to elect a lump sum payment after termination are assumed to commence benefits as follows:

Age	Deferral Period		
	0	1	2+
-54	45%	25%	0%
55-57	45%	25%	5%
58-59	45%	25%	6%
60-61	45%	25%	7%
62-63	45%	25%	8%
64	45%	25%	10%
65+	100%	100%	100%

All inactive participants not eligible for a lump sum are assumed to commence benefits as follows:

Age	Rate
-55	0%
55-61	1%
62-64	3%
65+	100%

Withdrawal Rates

See Table A.

Disability Rates

See Table B.

Surviving Spouse Benefit
Macy's Participants

All active participants and terminated vested participants are assumed to be married. Husbands are assumed to be three years older than wives.

Legacy May Participants

75% of all active participants and terminated vested participants are assumed to be married. Husbands are assumed to be three years older than wives.

Benefit and Compensation Limits

Projected benefits and compensation are limited by the current IRC section 415 maximum benefit of \$220,000 and the 401(a)(17) compensation limit of \$275,000.

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Valuation of Plan Assets

Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.

A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market value for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(C)(iii).

Expected Return on Assets

2016 Plan Year

Lesser of 7.00% and the 3rd segment rate. Actual rate of 6.65%.

2017 Plan Year

Lesser of 7.00% and the 3rd segment rate. Actual rate of 6.48%.

Valuation Date

January 1, 2018

Plan Expenses

Funding Target Normal Cost is increased to reflect anticipated plan administration and investment expenses (\$25,000,000 for 2018).

Actuarial Method

Standard unit credit cost method

Schedule SB Attachment (Form 5500)—2018 Plan Year
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Table A

Withdrawal Rates

Age Group	Years of Service				
	1	2	3	4	5+
–24	42%	35%	31%	26%	22%
25-29	41%	32%	27%	24%	19%
30-34	37%	29%	26%	22%	15%
35-39	33%	26%	23%	18%	12%
40-44	30%	23%	20%	17%	11%
45-49	28%	21%	19%	16%	9%
50-54	25%	21%	17%	14%	9%
55-59	23%	20%	0%	0%	0%
60-64	24%	19%	0%	0%	0%
65	24%	20%	0%	0%	0%
66+	24%	20%	0%	0%	0%

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Table B

Disability Rates

Age	Male	Female	Age	Male	Female
15	0.015%	0.015%	40	0.040%	0.065%
16	0.015%	0.015%	41	0.045%	0.075%
17	0.015%	0.015%	42	0.050%	0.085%
18	0.015%	0.015%	43	0.060%	0.095%
19	0.015%	0.015%	44	0.070%	0.110%
20	0.015%	0.015%	45	0.080%	0.120%
21	0.015%	0.015%	46	0.090%	0.135%
22	0.015%	0.015%	47	0.105%	0.150%
23	0.015%	0.015%	48	0.125%	0.165%
24	0.015%	0.015%	49	0.140%	0.180%
25	0.015%	0.015%	50	0.156%	0.200%
26	0.015%	0.015%	51	0.195%	0.220%
27	0.015%	0.015%	52	0.230%	0.245%
28	0.015%	0.020%	53	0.265%	0.270%
29	0.015%	0.020%	54	0.305%	0.295%
30	0.015%	0.020%	55	0.345%	0.320%
31	0.015%	0.025%	56	0.385%	0.345%
32	0.015%	0.025%	57	0.430%	0.370%
33	0.015%	0.030%	58	0.475%	0.400%
34	0.015%	0.030%	59	0.525%	0.425%
35	0.020%	0.035%	60	0.575%	0.450%
36	0.020%	0.040%	61	0.630%	0.480%
37	0.025%	0.045%	62	0.690%	0.505%
38	0.030%	0.050%	63	0.755%	0.525%
39	0.035%	0.060%	64	0.880%	0.545%

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Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation.

(a) Age	(b) Rate	(c) Weight	Product (a) × (b) × (c)
55.5	11.00%	1.0000	6.11
56.5	10.00%	0.8900	5.03
57.5	10.00%	0.8010	4.61
58.5	11.00%	0.7209	4.64
59.5	11.00%	0.6416	4.20
60.5	10.00%	0.5710	3.45
61.5	13.00%	0.5139	4.11
62.5	16.00%	0.4471	4.47
63.5	14.00%	0.3756	3.34
64.5	16.00%	0.3230	3.33
65.5	20.00%	0.2713	3.55
66.5	18.00%	0.2171	2.60
67.5	16.00%	0.1780	1.92
68.5	17.00%	0.1495	1.74
69.5	17.00%	0.1241	1.47
70.5	50.00%	0.1030	3.63
71.5	50.00%	0.0515	1.84
72.5	50.00%	0.0257	0.93
73	100.00%	0.0129	0.94
Weighted Average			61.91