

Macy's, Inc.
Form 11-K
March 30, 2012

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the fiscal year ended December 31, 2011

or

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the transition period from ___ to ___

Commission file number: 1-13536

A. Full title of the plan and the address of the plan, if different from that of the issuer named below: **Macy's,
Inc. Executive Deferred Compensation Plan**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

SECURITIES AND EXCHANGE COMMISSION

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

and

151 West 34th Street
New York, New York 10001

MACY'S, INC. EXECUTIVE DEFERRED COMPENSATION PLAN

Financial Statements

As of December 31, 2011 and 2010 and for

the Years Ended December 31, 2011, 2010 and 2009

With Report of Independent Registered Public Accounting Firm

MACY'S, INC. EXECUTIVE DEFERRED COMPENSATION PLAN

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Report of Independent Registered Public Accounting Firm

Pension and Profit Sharing Committee

Macy's, Inc.:

We have audited the accompanying statements of net assets available for plan benefits of Macy's, Inc. Executive Deferred Compensation Plan (the Plan) as of December 31, 2011 and 2010, and the related statements of changes in net assets available for plan benefits for each of the years in the three-year period ended December 31, 2011. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan as of December 31, 2011 and 2010, and the changes in net assets available for plan benefits for each of the years in the three-year period ended December 31, 2011 in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Cincinnati, Ohio

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March 30, 2012

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MACY'S, INC. EXECUTIVE DEFERRED COMPENSATION PLAN

Statements of Net Assets Available for Plan Benefits

December 31, 2011 and 2010

2011

2010

Receivables from Macy's, Inc. - Cash Credits.....

\$26,861,745

\$27,354,349

Macy's, Inc. common stock -

903,221 shares with a cost basis

of \$18,109,929 at December 31, 2011 and

931,855 shares with a cost basis

of \$18,427,579 at December 31, 2010

29,065,653

23,575,933

Net assets available for plan benefits.....

\$55,927,398

\$50,930,282

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

MACY'S, INC. EXECUTIVE DEFERRED COMPENSATION PLAN

Statement of Changes in Net Assets Available for Plan Benefits

Year Ended December 31, 2011

Cash
Credits
Stock
Credits

Total

Interest income.....

\$ 371,976

\$ -

\$ 371,976

Dividend income.....

-

310,470

310,470

Unrealized appreciation on Macy's, Inc.

common stock.....

-

5,992,811

5,992,811

Participant contributions.....

1,692,492

587,512

2,280,004

Total additions.....

2,064,468

6,890,793

8,955,261

Distributions.....

2,557,072

1,401,073

3,958,145

Net additions (reductions) to net assets available for plan benefits.....

(492,604)

5,489,720

4,997,116

Index

Net assets available for plan benefits:

Beginning of year.....	
<u>27,354,349</u>	
<u>23,575,933</u>	
<u>50,930,282</u>	
End of year.....	
<u>\$26,861,745</u>	
<u>\$29,065,653</u>	
<u>\$55,927,398</u>	

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

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MACY'S, INC. EXECUTIVE DEFERRED COMPENSATION PLAN

Statement of Changes in Net Assets Available for Plan Benefits

Year Ended December 31, 2010

Cash

Credits

Stock

Index

Credits

Total

Interest income.....

\$ 516,894

\$ -

\$ 516,894

Dividend income.....

-

186,796

186,796

Unrealized appreciation on Macy's, Inc.

common stock.....

-

7,677,133

7,677,133

Participant contributions.....

946,003

734,175

1,680,178

Total additions.....

1,462,897

8,598,104

10,061,001

Distributions.....

Index

4,041,738

2,380,756

6,422,494

Net additions (reductions) to net assets available for plan benefits.....

(2,578,841)

6,217,348

3,638,507

Net assets available for plan benefits:

Beginning of year.....

29,933,190

17,358,585

47,291,775

End of year.....

\$27,354,349

\$23,575,933

\$50,930,282

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

MACY'S, INC. EXECUTIVE DEFERRED COMPENSATION PLAN

Statement of Changes in Net Assets Available for Plan Benefits

Year Ended December 31, 2009

Cash

Credits

Stock

Credits

Total

Interest income.....

\$ 674,545

\$ -

\$ 674,545

Dividend income.....

-

202,785

202,785

Unrealized appreciation on Macy's, Inc.

common stock.....

-

6,440,182

6,440,182

Participant contributions.....

909,687

441,595

Index

1,351,282

Total additions.....

1,584,232

7,084,562

8,668,794

Distributions.....

2,467,409

496,653

2,964,062

Net additions (reductions) to net assets available for plan benefits.....

(883,177)

6,587,909

Index

5,704,732

Net assets available for plan benefits:

Beginning of year.....	
<u>30,816,367</u>	
<u>10,770,676</u>	
<u>41,587,043</u>	
End of year.....	
<u>\$29,933,190</u>	
<u>\$17,358,585</u>	
<u>\$47,291,775</u>	

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

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MACY'S, INC. EXECUTIVE DEFERRED COMPENSATION PLAN

Notes to Financial Statements

December 31, 2011, 2010 and 2009

1. Description of the Plan

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

General

The Plan is sponsored by Macy's, Inc. (the Company). The Plan, as amended, enables key employees of the Company to defer cash (and prior to January 1, 2005, certain stock option compensation) for personal income tax purposes. The nonqualified Plan was adopted in 1993 and is not subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended.

Eligibility and Vesting

The Plan covers key employees, as designated by the Company and defined in the Plan document. Participation is voluntary and participants can elect to make contributions to the Plan. Participants are 100% vested in the Plan at all times.

Contributions

Participant contributions represent compensation received during the plan year that has been deferred pursuant to the Plan. Such contributions include base compensation and annual incentive compensation. On an annual basis, participants may elect to defer a percentage of their base compensation and any annual incentive compensation. Participants further elect the amount of their deferred compensation to be credited as Cash Credits, as Stock Credits or as a combination of Cash Credits and Stock Credits, pursuant to the terms and conditions of the Plan. If no election is made, all contributions are deferred as Stock Credits.

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MACY'S, INC. EXECUTIVE DEFERRED COMPENSATION PLAN

Notes to Financial Statements - Continued

December 31, 2011, 2010 and 2009

Participant Accounts

An account is maintained for each participant in the Plan, which shows the participant's separate interest in the Cash Credit and Stock Credit portions of the Plan. If a Cash Credit is elected, the participant's account shall be credited, as of the end of each calendar quarter, with the dollar amount of deferred compensation. At the end of each calendar quarter, the Cash Credit account shall be credited with interest at a rate equal to one-quarter of the percent per annum on United States Five-Year Treasury Bills as of the last day of such calendar quarter. If a Stock Credit is elected, the participant's account shall be credited, as of the end of each calendar quarter, with a stock equivalent which shall be the number of full shares of common stock of the Company that is transferred to or purchased by the Grantor Trust (defined later) with the amount of deferred compensation and with the dollar amount of any part of such credit that is not convertible into a full share. At the end of each calendar quarter, the Stock Credit account shall be credited with a dividend equivalent as declared by the Company, if any, upon each share of common stock during such calendar quarter.

Participants are eligible for distribution of their benefits upon retirement, death, termination of service, in the event of a designated change of control of the Company and in the event of immediate unexpected financial needs of the participant, as the Plan is not subject to the hardship rules of Section 401 of the Internal Revenue Code. Participants, prior to termination, may request to receive the balance of their cash and stock credit accounts in one to fifteen approximately equal annual installments. Such requests are subject to the Pension and Profit Sharing Committee of Macy's, Inc.'s approval.

Participants also have the ability to defer cash compensation on a short-term basis, for a minimum of five years. At the time of such deferral election, participants may request to receive the balance of this short-term deferral account in one to fifteen approximately equal annual installments. Notwithstanding, participants are eligible for distribution of this short-term account as well as other balances due to them under the Plan upon retirement, death, termination of service, in the event of a designated change of control of the Company and in the event of immediate unexpected financial needs of the participant, as the Plan is not subject to the hardship rules of Section 401 of the Internal Revenue Code.

For deferrals to the Plan on or after January 1, 2005, participants must make an election to receive the balance of these cash and stock credit accounts in one to fifteen approximately equal annual installments prior to the deferral. Subsequent changes are subject to restrictions. If no election is made, the cash and stock credit accounts will be paid out in five approximately equal annual installments.

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MACY'S, INC. EXECUTIVE DEFERRED COMPENSATION PLAN

Notes to Financial Statements - Continued

December 31, 2011, 2010 and 2009

2. **Summary of Significant Accounting Policies**

a) **Basis of Presentation**

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

Certain reclassifications were made to prior years' amounts to conform with the classifications of such amounts for the most recent year.

b) **Investments**

The Plan's investments consist of receivables from the Company to be settled in cash or common stock of the Company, both of which exceed 5% of net assets available for Plan benefits. The Company maintains separate book accounts for the benefit of each Plan participant and periodically credits such accounts for deferred compensation, interest and dividend income and reduces such accounts for distributions. Company shares are allocated to participant accounts based on the share price on the date of purchase.

Accounting Standards Codification Topic 820, Fair Value Measurements and Disclosures, (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 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.

The common stock of the Company is valued and reported in the Plan's Statements of Net Assets Available for Plan Benefits at quoted market prices in active markets defined as level 1 in accordance with the fair value hierarchy set forth in ASC Topic 820.

