

# Benefits Updates



December 2018

Summary of Material Modifications - 2019

*This document contains information on changes to Disney benefits plans effective January 1, 2019 (or as otherwise noted). Depending on your job location and work status, not all plans may apply to you. Please keep this document for reference.*

## IMPORTANT NOTICES REGARDING YOUR DISNEY BENEFITS

The following notices are required to be provided to you each year concerning certain rights and coverages that apply to your Company-provided health and welfare and retirement benefits.

**Annual Notice:** All Disney medical options provide benefits for mastectomy-related services, including reconstruction and symmetrical appearance surgery, prostheses and physical complications resulting from a mastectomy (including lymphedema). For more information, call your medical carrier's member services number.

**Medicaid and Children's Health Insurance Plan (CHIP) Offer Free or Low-Cost Health Coverage to Children and Families:** If you are eligible for employer health coverage but cannot afford the premiums, most states have premium assistance programs through Medicaid or CHIP programs which can help pay for coverage. Contact your State Medicaid or CHIP office or dial 1-877-KIDS NOW or go to [www.insurekidsnow.gov](http://www.insurekidsnow.gov) for more information, to apply for Medicaid or CHIP, or to find out if your state has a premium assistance program and how to apply. To view the full notice, go to D Life | My Benefits at [Benefits.Disney.com](http://Benefits.Disney.com) and select "Find Legal and Regulatory Notices" under the Quick Links.

**Right to request pension estimate:** If you are a participant in a Disney pension plan, you have the ability to request an estimate of your plan benefit. You can request an estimate of your current accrued benefit, or you can request an estimate of your benefit projected to a future date. To request a pension estimate electronically:

- Review your accrued pension benefit estimate online virtually any time at **Fidelity NetBenefits**. Click on your pension plan to be directed to the Pension Summary page.
- Obtain important information from your Pension Summary page, such as your accrued benefit, vesting percentage or the earliest date on which your pension benefit will vest.
- Change the way statements are delivered to you by visiting "Mail Preferences" under the "Your Profile" tab.

If you are unable to view your accrued pension benefit online, you may call the Disney Benefits Center at 1-800-354-3970 to obtain a free copy of your statement. **No action is required on your part.** This notice is being sent to you as a requirement of the Pension Protection Act of 2006, which requires an annual notice to let you know your accrued pension benefit is available for your review.

**Right to elect 401(k)\* and Retirement Savings Plan investments.** If you have not made an active election regarding the investment of your employee and Company-matching contributions in the 401(k) plan, or Company contributions to the Retirement Savings Plan, and those contributions have been defaulted into a BlackRock LifePath Index Fund, you have the ability to transfer your current and future contributions out of the BlackRock LifePath Index Fund to any of the other available investment options at any time. Access your account online at D Life | My Benefits at [Benefits.Disney.com](http://Benefits.Disney.com), or call the Disney Benefits Center at 1-800-354-3970.

**Notice of Your Rights Concerning Employer Securities:** Because you may now or in the future have investments in Company stock under the Disney 401(k) Plan, you should take time to read the notice below on the importance of diversification:

*To help achieve long-term retirement security, you should give special consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can help you achieve a favorable rate of return, while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform well, often cause another asset category, or another particular security, to perform poorly. If your retirement savings is heavily invested in any one company or industry (generally considered to be 20% or more), your savings may not be properly diversified. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk.*

*In deciding how to invest your retirement savings, you should take into account all of your assets, including any retirement savings outside of the 401(k) Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, time horizons for meeting their goals and different tolerances for risk. You should carefully consider your rights described in this notice and how these rights may affect the amount of money that you invest through the 401(k) Plan in Company stock. It is also important to periodically review your investment portfolio, your investment objectives and the investment options under the 401(k) Plan to help ensure your retirement savings will meet your retirement goals.*

\* References to "the 401(k) plan" above include both the Disney Savings and Investment Plan and the Disney Hourly Savings and Investment Plan

**MEDICAL AND PRESCRIPTION DRUG PROGRAMS**

- A new lower-cost medical plan option, Value Select HMO, will be offered to active and COBRA participants who live in Orange, San Bernardino, Riverside or Los Angeles Counties. The plan design is similar to Cigna HMO. Enrollees agree to follow certain preventive wellness and cost-saving parameters. Participants must select a Primary Care Physician from Cigna’s Value Network, which is made up of providers in the Heritage Provider Network and Prospect Medical Group.
- The two HMO medical plan options in Central Florida are being renamed. HMO-Florida Hospital is changing its name to FL Hospital Total CareConnect with iPad, and HMO-Orlando Health is changing its name to Orlando Health Cast Advantage. There are no changes to the plan design of either option although 2019 employee weekly premiums will be slightly less for the Orlando Health HMO than for the Florida Hospital HMO.
- Deductibles and out-of-pocket maximums for Consumer Choice and Basic PPO will increase as follows:

<b>Plan</b>	<b>2018</b>	<b>2019</b>
Consumer Choice Active/COBRA/CMC	INN – Individual \$1,500 Family - \$3,000 OON – Individual \$3,000 Family - \$6,000	INN- Individual \$1,600 Family - \$3,200 OON – Individual \$3,100 Family - \$6,200
Consumer Choice PR Active/COBRA/CMC	INN – Individual \$1,500 Family - \$3,000	INN- Individual \$1,600 Family - \$3,200
Basic PPO Active/COBRA/CMC	INN – Individual \$1,100 Family - \$2,200 OON – Individual \$2,200 Family - \$4,400	INN- Individual \$1,200 Family - \$2,400 OON – Individual \$2,300 Family - \$4,600

- The eye exam copay will be removed from the Basic Vision and High Vision options for active and COBRA participants.
- For BAMTECH employees eligible for Disney *Signature* benefits who reside in AL, AZ, DE, FL, IA, IL, LA, MA, MD, MN, NC, NE, NJ, OR, PA, RI, SC, SD, TN, TX, UT, VT, WA, WV and WY, two new medical plan options are being offered through Cigna. The 100/80 PPO medical option will be offered to full-time employees. Plan features are the same as those offered under the Anthem option, which is available in states other than those listed above. In addition, the Cigna Value option will be offered to part-time employees who meet the ACA requirements for coverage.
- The Express Scripts Advanced Opioid Management Program is being added to Cigna medical plan options for employees, COBRA participants and retirees. The program is a comprehensive solution that reduces excessive and inappropriate opioid prescribing, particularly for those taking an opioid for the first time. The program includes patient education, physician alerting, and safe disposal along with limits on the quantity and type of opioid medication for individuals new to opioid therapy.

**FLEXIBLE SPENDING ACCOUNTS / HEALTH SAVINGS AND HEALTH REIMBURSEMENT ACCOUNTS**

- Optum Bank will replace PayFlex as administrator of the Health Care and Dependent Day Care Flexible Spending Accounts (FSAs), Health Savings Accounts (HSAs) and Health Reimbursement Accounts (HRAs). PayFlex will continue to administer 2018 FSA claims through June 30, 2019. After a short black-out period in January, all HSA and HRA accounts in employee accounts will be transferred from PayFlex to Optum Bank, unless the employee has actively declined the transfer of his or her HSA.
- The maximum annual employee contribution to the Health Care Flexible Spending Account will increase from \$2,600 to \$2,650 in 2019, even though the IRS annual maximum has increased to \$2,700 for 2019.
- The maximum annual contribution (both Company and employee) to the Health Savings Account for individual coverage will increase from \$3,450 to \$3,500 in 2019. Family maximum will increase from \$6,900 to \$7,000. Employee contribution maximums are decreased by the potential amount of Company-paid wellness rewards and the annual Company contribution to the Health Savings Account for eligible active employees participating in the Consumer Choice medical option.

**DISABILITY INSURANCE**

- Effective January 1, 2019, the maximum weekly benefit provided under the *Signature* Benefits Plan's Temporary Disability Insurance for eligible employees in Hawaii will increase to \$632 from the 2018 maximum benefit of \$620.

## DISNEY SAVINGS PLANS

- There will be a change in the fund lineup for the 401(k) Plans and the Disney Retirement Savings Plan effective January 18, 2019. The Northern Global Sustainability Index Unitized Fund investment option will be added as an investment option. This is considered an Environmental, Social and Governance (“ESG”) fund, which considers factors such as climate change, human capital, labor management and gender diversity to invest in companies that are deemed to share a commitment to sustainability in order to positively impact the world. The fund is offered as a broadly diversified equity fund that seeks to replicate the investment composition and overall performance of the stocks included in the MSCI World ESG Leaders Index.
- Effective December 31, 2018 the word “BlackRock” will be added to the beginning of the name of each LifePath Target Retirement Date Fund in the fund lineup for the 401(k) Plans and the Disney Retirement Savings Plan.
- Beginning with the 2018 statement, annual printed statements for the 401(k) plans will no longer be mailed. Participants can access the statement online any time at **Fidelity NetBenefits**, or request a printed copy by calling the Disney Benefits Center.
- Effective December 21, 2018, employees covered under the UNITE HERE Local 11 agreement will be eligible for up to a 3% Company match opportunity in the Disney Hourly Savings and Investment Plan (DHSIP).
- Effective September 1, 2018, Disney Streaming Services (DSS) and Disney Technology Services (DTS) are participating employers in the Disney Savings and Investment Plan (DSIP). Furthermore, any employee of DSS or DTS who is eligible to participate in a BAMTECH retirement plan shall not be eligible to participate in the DSIP.
- The Bipartisan Budget Act of 2018 made several changes to the hardship withdrawal rules for 401(k) plans that will become effective in 2019:
  - Allows distribution of earnings and employer matching contributions as part of a hardship withdrawal.
  - No longer requires participants to first take a loan from their 401(k) account before requesting a hardship withdrawal.
  - Eliminates the requirement that a participant must suspend their employee contributions for six months after receiving a hardship withdrawal.

## DISNEY PENSION PLANS

- Effective September 30, 2018, certain participants in Disney Salaried Pension Plan D and Disney Salaried Pension Plan A (the “qualified plans”) who accrued a *non-qualified pension benefit* under the Walt Disney Productions and Associated Companies Key Employees Deferred Compensation and Retirement Plan and/or Benefit Equalization Plan of ABC, Inc. (the non-qualified plans”) as of December 31, 2017, will receive such benefits under the respective qualified plan rather than the respective non-qualified plan in accordance with distribution provisions under the qualified plans.

**This Summary of Material Modifications (SMM) applies to the following benefit plans sponsored by The Walt Disney Company, E.I.N. 95-4545390:**

- The *Signature* Benefits Plan, Plan 660
- Disney Salaried Pension Plan D, Plan 010
- Disney Salaried Pension Plan A, Plan 022
- Disney Associated Companies’ Retirement Plan, Plan 014
- Disney Savings and Investment Plan, Plan 011
- Disney Hourly Savings and Investment Plan, Plan 026
- Disney Retirement Savings Plan, Plan 015
- Disney Severance Pay Plan, Plan 513

*If you have any questions regarding the information in this SMM, please contact:*

*The Investment and Administrative Committee (IAC) at 500 South Buena Vista Street, Burbank CA 91521*

*This Summary of Material Modifications is designed to highlight certain information about Disney benefits plan changes effective January 1, 2019 (unless otherwise indicated). However, it does not attempt to spell out all the details, provisions, limitations, restrictions and exclusions of the Plans. The Company reserves the right to amend, suspend, or terminate an entire Plan or any part of the Plan(s) at any time. See your Summary Plan Descriptions for the Plans for additional information about these Plans. The Walt Disney Company complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. Please go to **Benefits.Disney.com** for the full text of the nondiscrimination notice as well as information on language assistance for those who do not speak English.*

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