

## **MEDICAL COVERAGE FOR NON-FULL-TIME EMPLOYEES AND CAST MEMBERS UNDER THE AFFORDABLE CARE ACT (ACA)**

### **Eligibility Process and Frequently Asked Questions**

In order to comply with the Affordable Care Act (ACA), Disney offers basic health care coverage to eligible “non-full-time” (regular part time and temp/recurring) employees and Cast Members working in U.S. based locations.

Eligibility (for all locations other than Hawaii) is defined as being paid for an average of at least 30 hours per week using a 12-month look-back measurement period (or at least 1,560 hours paid for a full 52 weeks).

Non full-time employees in Hawaii meet the eligibility requirement under the Hawaii Prepaid Health Care Act if they are regularly scheduled to work 20 or more hours per week for four consecutive weeks.

In addition, if a Student Program (College Program or Internship Program) is over six months in duration (either at the start of the initial program or extending in to a subsequent program), participants will be eligible for the ACA-compliant coverage.

Impacted employees and Cast Members include any non-full-time employee (outside Hawaii) whose hours are regularly scheduled less than the standard 30 hours per week (such as under 25 hours or 20 hours) due to a collective bargaining agreement or covered by other State law requirements.

Non-full-time employees and Cast Members who are covered by a multi-employer union plan/trust fund are excluded since the Company contributes to the employer plan on behalf of the employee (see *FAQ #29*).

All employees and Cast Members who meet the eligibility requirements will receive a benefit enrollment kit mailed to their registered address in SAP at the time of mailing. The kit includes instructions to enroll or decline coverage, and to enroll any eligible dependents. Employees outside Hawaii are eligible to enroll in the Consumer Choice medical plan option, which comes with a Health Savings Account (HSA). There is no employer contribution to the HSA. If the employee does not make an active election to enroll or decline coverage by choosing “No Coverage Medical” by the enrollment deadline date shown on the Personal Fact Sheet included in the enrollment kit, he/she will be enrolled in individual coverage and weekly payroll contributions will commence with the first paycheck after their effective date of coverage.

If the employee lives in Hawaii, they will be eligible for HMSA Health Plan Hawaii, with a Health Reimbursement Account (HRA). They will be enrolled in individual coverage unless they decline coverage and submit an HC-5 form by their enrollment deadline. There is no cost for coverage for the employee or any dependents they wish to cover.

Employees with questions concerning their health care coverage should call the **Disney Benefits Center** at **1-800-354-3970**.

## ELIGIBILITY PROCESS

### Measurement Period

- **How initial eligibility is determined (employees outside Hawaii)**  
If a newly-hired employee or Cast Member has a full year of service without breaks and works at least 1,560 hours during the 12-month period ending on their anniversary date, (“initial measurement period”), he or she will be sent an enrollment packet by the Disney Benefits Center. The employee will then have a 30-day period in which to enroll or decline coverage. They will be assigned coverage if they make no election.
- **If the 1,560 hours requirement is not met during the first year**  
After the first year, there will be an ongoing 12-month measurement period ending in October of each year. If they meet the hours requirement during one of these “ongoing measurement periods”, their coverage would be effective the following January.

### Stability Period

- **When coverage takes effect**  
Coverage will begin effective the last day of the month following the month at the end of the measurement period during which the employee has met the 1,560-hour requirement (or 20 hour/4-week requirement in Hawaii).

For example, if an employee was hired on February 15, 2019 and worked at least 1,560 hours as of February 15, 2020, coverage would begin effective March 31, 2020. This begins a 12-month “Stability Period” during which the employee is guaranteed to remain eligible for medical coverage whether or not they have a reduction in hours, end a project, or go on a leave of absence, as long as they remain employed with the Company.

### Special Rules Relating to 2021 Eligibility due to COVID-19

Because of the effects of the COVID-19 pandemic on our businesses, many of our non-full-time employees and Cast Members were unable to work their usual work schedule for much of 2020. It is the Company’s intent to apply a fair and consistent process to preserve their medical coverage for 2021 to the fullest extent possible. Following are the steps in this process:

#### Annual Enrollment for 2021 Benefits

- **Regular ACA eligibility rules are applied**  
If non-full-time employees and Cast Members reach the 1,560-hour requirement from October 6, 2019 through October 5, 2020, they will continue eligibility for 2021.
- **Those eligible in 2020 will remain eligible for 2021**  
Anyone who does not meet the 1,560-hour requirement but was eligible for coverage in 2020 will be manually added to the eligibility list for 2021.
- **Hours worked in a partial year will be projected to a full year**  
Remaining non-full-time employees and Cast Members who do not meet either of the above eligibility requirements will have their hours worked between October 6, 2019 and March 15, 2020 projected through October 5, 2020. If the resulting calculation would have been 1,560 or more hours, the employee will be offered eligibility for 2021.

#### Initial Eligibility at Anniversary Date

- If the 1,560-hour requirement is not met as of the anniversary date, hours worked from hire date through March 15, 2020 will be projected to the anniversary date. If the resulting calculation would have been 1,560 or more hours, the employee will be offered eligibility.

## FREQUENTLY ASKED QUESTIONS

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### Hours Measurement and ACA Eligibility

#### **Q1: What is the health care regulation?**

**A:** The Affordable Care Act (or ACA) requires employers to provide affordable health care to all employees who regularly work 30 or more hours per week using a defined look-back period. Disney has determined the look-back period for employees outside Hawaii to be a 12-month measurement period.

#### **Q2: What hours are measured for 30 hours per week?**

**A:** For all non-full-time employees and Cast Members, working and paid in the United States in the regular part time and temp/recurring classification/status, ACA hours testing will be implemented by either the initial measurement/new hire process or by the ongoing process; both processes are based on the individual's hire date. All hours worked and paid for each individual non-full-time employee are considered for ACA measurement which includes straight time hours, overtime hours, vacation pay, sick leave, holiday, bereavement leave and jury duty. In addition, regardless of prior status, all hours paid are included for the individual employee during the 12-month look-back period.

#### **Q3: What is the measurement and eligibility process for ongoing employees and Cast Members?**

**A:** Ongoing employees outside Hawaii who are employed more than one year will be hours tested during the annual measurement period, which takes place from October 6 of the prior year through October 5 of the current year. If they meet the ACA hours requirement (at least 1,560 or more hours paid) during the 12-month period, they will be eligible for Consumer Choice and HSA without the Company contribution, and their coverage would be effective the following January for that calendar year (from Jan. 1 to Dec. 31).

For employees in Hawaii, hours are tracked on a weekly basis to determine if the 20 hours/week for four consecutive weeks requirement is met. If so, they will be eligible for HMSA Health Plan Hawaii with HRA. Employees of the Ala Moana Disney Store will have coverage for up to 12 months. Employees of the Aulani Resort receive coverage for 15 weeks. Hours worked will be monitored at the end of the 15-week period, and if the 20 hour/four week requirement has been met, coverage will continue.

#### **Q4: What medical benefits do employees receive who have worked at least 1,560 hours?**

**A:** Regular part time and temp/recurring employees and Cast Members, who meet the ACA eligibility requirements, receive a health care enrollment kit mailed to their registered address that outlines Consumer Choice and HSA without the Company contribution (or HMSA Health Plan Hawaii with HRA, in Hawaii) and including instructions to enroll or decline coverage and to enroll any eligible dependents. (See additional "Health Care Notification and Coverage Details")

**Q5: What if an employee does not take any action on the enrollment kit they receive?**

**A:** Employees will be automatically enrolled in individual coverage in Consumer Choice, administered by Cigna, unless they log in and enroll in “No Coverage Medical” by the enrollment deadline date which is shown on the Personal Fact Sheet included in the enrollment kit. If an employee takes no action, he/she will be automatically enrolled and weekly payroll deductions for this coverage will begin with the first paycheck following their effective date.

**New Hire Testing and Eligibility – outside Hawaii** (See Q23 for details for Hawaii employees and Cast Members)

**Q6: How are newly hired employees evaluated for ACA eligibility?**

**A:** For new non-full-time employees and Cast Members outside Hawaii hired after early October, hours paid will be initially measured at the individual’s one-year anniversary date from date of hire. For anyone with at least 1,560 hours, he/she will remain in their current non-full-time status and will be offered Consumer Choice and HSA without the Company contribution. Coverage will be in place for one year starting on the last day of the next calendar month.

For example, if a new hire starts on Jan. 14, 2019, hours paid are measured on Jan. 14, 2020. If the employee has been paid at least 1,560 hours, he/she will be offered Consumer Choice with HSA without the Company contribution. Coverage will be effective for one year starting Feb. 29, 2020 through Feb. 28, 2021.

**Q7: When are newly hired employees and Cast Members monitored in the annual October measurement period as an ongoing non-full-time employee?**

**A:** Newly hired employees will transition to the ongoing process (annual October standard measurement period) after they have been employed at least one full year.

For example, a new hire started on Jan 14, 2019, and hours were measured at the one-year anniversary date on Jan. 14, 2020. In October 2020, he/she will again be ACA hours measured with all ongoing non-full-time employees for the prior 12-month look-back period. If hours paid during that period are at least 1,560, the individual will be eligible to continue coverage under the ACA-compliant plan effective the following January for the entire calendar year (Jan. 1, 2021 to Dec. 31, 2021).

**Q8: How long does coverage last?**

**A:** If the non-full-time employee continues to meet the 1,560-hour requirement during subsequent ongoing measurement periods, their 12-month “Stability Period” will be on a calendar year basis and enrollment will align with the Annual Benefits Enrollment for active full-time employees.

**Q9: When does medical coverage end for the newly hired employee or Cast Member who met the initial anniversary year requirement but does not have at least 1,560 hours in October when they are measured as an ongoing non-full-time employee?**

**A:** If the employee (outside Hawaii) does not meet the 1,560-hour requirement during subsequent ongoing measurement periods, coverage ends after one year based on the calculated end date. The employee will be offered the opportunity to continue Consumer Choice coverage through COBRA at full COBRA rates (at the employee’s expense).

For example, if the non-full-time employee is eligible for one year of coverage ending Feb. 28, 2021, and does not have at least 1,560 hours when measured in the ongoing annual October 2020 standard measurement process, coverage ends on Feb. 28, 2021. He or she will be offered the opportunity to continue Consumer Choice coverage through COBRA effective Feb. 28, 2021 at full COBRA rates at the employee’s expense.

**Q10: What happens if the employee leaves the Company?**

**A:** The employee will lose their eligibility for ACA coverage as of the separation date but will be offered the opportunity to continue Consumer Choice or HMSA coverage through COBRA at full COBRA rates.

**Rehired Cast Members**

**Q11: Are regular part time and temp/recurring rehires considered new hires?**

**A:** Hours testing for rehires will be based on the length of break of service after separation from employment:

- If the break in service is **greater than 13 weeks (92 days or more)**, then the rehire is considered a new hire and ACA hours are measured at the one year anniversary date from date of rehire.
- If the break in service is **less than or equal to 13 weeks (91 days or less)**, then the rehire is considered an ongoing Cast Member and ACA hours measured in the ongoing annual October measurement process, and all prior hours paid during the 12-month look-back period are counted.

**Q12: Is the non-full-time rehire eligible for benefits if they were in a prior Regular Full Time status?**

**A:** If the rehired employee was in a regular full-time status at time of separation, and is rehired as regular part time or temp/recurring status within 13 weeks (91 days), the employee, upon rehire date, will be eligible to enroll in Consumer Choice with HSA without the Company contribution (or HMSA, in Hawaii) for the balance of the calendar year. Please refer rehired employees to the Disney Benefits Center at 1-800-354-3970 for a review of their individual situation.

**Q13: If the rehired employee enrolled in COBRA coverage before returning to the Company, can he or she elect to continue their coverage through COBRA?**

**A:** Yes, as long as they continue to pay the required contributions for coverage (for as long as they remain eligible for COBRA).

**Changes in Status**

**Q14: Will non-full-time employees and Cast Members be offered conversion to regular full time status if they have at least 1,560 or more hours?**

**A:** No. If a regular part time or temp/recurring employee meets the 1,560 hours (or 20 hours/4 weeks in Hawaii) threshold for ACA eligibility, the individual remains in their current non-full-time status and will be offered Consumer Choice and HSA without the Company contribution (or HMSA Health Plan Hawaii with HRA).

**Q15: If a regular full time employee or Cast Member changes status to non-full-time, do they lose all full time benefits?**

**A:** When a full time employee changes status to regular part time or temp/recurring, and if the individual was enrolled in a Disney benefit plan, he/she will receive a letter from the Disney Benefits Center. Medical coverage and employee payroll contributions will automatically continue through the end of the calendar year (December 31). If the employee wants to change this coverage, he/she will need to contact the Disney Benefits Center at 1-800-354-3970 within their stated enrollment period. All other coverage (such as dental and vision) will stop and the employee will receive an option to continue certain coverage through COBRA (at full COBRA rates). Paid time off accruals stop at the effective date of the change in status.

**Q16: If a full-time employee or Cast Member changes status to regular part time or temp/recurring, are prior hours of service in the full time status included?**

**A:** Yes. All hours of service during the 12-month look-back measurement period for non-full-time employees will be included regardless of prior status. The individual's hours paid will be evaluated in the ongoing annual October standard measurement period. The non-full-time employee may continue to be eligible for medical coverage until hours measured drop below the 1,560 hours threshold.

**Q17: If a regular part time or temp/recurring status employee or Cast Member converts to full-time status for a temporary special assignment, what benefits are offered?**

**A:** As a full-time employee, he/she will be eligible for full-time *Signature* benefits and paid time off benefits for the duration of the full time work assignment. The employee will receive an enrollment kit from the Disney Benefits Center mailed to their registered address in SAP at the time of mailing.

**Q18: If a regular part time or temp/recurring status employee or Cast Member was temporarily statused as full-time due to a temporary assignment, do they lose benefits when they convert back to non-full-time status?**

**A:** When a full time employee changes status to regular part time or temp/recurring, and if the individual was enrolled in Disney benefits coverage, he or she will receive a letter from the Disney Benefits Center. Medical coverage and weekly payroll contributions will automatically continue through the end of the calendar year (December 31). Should the employee want to change this coverage, he or she will need to contact the Disney Benefits Center at 1-800-354-3970 within their stated enrollment period. All other coverage (such as dental and vision) will stop and the employee will receive an option to continue certain coverage through COBRA at full COBRA rates. Paid time off accruals stop at the effective date of the change in status.

**Q19: If a regular part time or temp/recurring status employee or Cast Member was temporarily statused to full-time due to a temporary assignment, are prior hours of service in the full time status included?**

**A:** Yes. All hours of service during the 12-month look-back measurement period for non-full-time employees will be included regardless of prior status, and the individual's hours paid will be evaluated in the ongoing annual October measurement period. The non-full-time employee may continue to be eligible for medical coverage until tested hours drop below the 1,560 hours threshold.

**Q20: What happens to coverage when a regular part time or temp/recurring status employee or Cast Member with the ACA health care coverage changes to full-time status?**

**A:** If the employee changes status to full-time, he/she will be offered the opportunity to enroll in full *Signature* benefits, including all medical plan options, and will be eligible for paid time off benefits. If hourly, the employee will receive an enrollment kit from the Disney Benefits Center mailed to their registered address in SAP at the time of mailing. If salaried, the employee will receive an email with a link to enrollment information.

## **Salaried Exempt Regular Part Time**

**Q21: How are hours measured for Salaried Exempt Regular Part Time employees and Cast Members?**

**A:** Salaried Exempt Regular Part Time employees are required to enter their weekly actual hours worked into the SAP time recording system (CATS). Ongoing employees who are employed more than one year will be measured during the annual October standard measurement period based on the CATS time entry; new hires will be measured at their one-year service anniversary date. In addition, all hours of service during the 12-month look-back period will be included regardless of prior status (such as prior full time hours before converting to the Salaried Exempt regular part-time position).



## Leave of Absence (LOA)

**Q22: For regular part time or temp/recurring employees and Cast Members who are on an approved Leave of Absence during the 12-month look-back period, are ACA hours adjusted for LOA time?**

**A:** Yes. The Company will evaluate any non-full-time employee with documented LOA time during the 12-month measurement period. The calculation evaluates any employees with hours paid in the range between 1,000 hours to 1,559 hours and determines if there are unpaid hours due to documented leaves (Family Medical Leaves (FML), Maternity, Medical, Military and Jury Duty). For documented LOA time, up to 501 maximum hours may be granted for unpaid hours for non-full-time employees during the 12-month measurement period. Personal LOA time is not credited.

## Hawaii Employees and Cast Members

**Q23: How are Hawaii employees and Cast Members measured for ACA hours requirements?**

**A:** For employees in Hawaii, hours are tracked on a weekly basis to determine if the 20 hours/week for four consecutive weeks requirement is met. If so, they will be eligible for HMSA Health Plan Hawaii with HRA. Employees of the Ala Moana Disney Store will have coverage for up to 12 months. Employees of the Aulani Resort receive coverage for 15 weeks. Hours worked will be monitored at the end of the 15-week period, and if the 20 hour/four week requirement has been met, coverage will continue. If the hours requirement has not been met, he or she will be offered the opportunity to continue HMSA Health Plan Hawaii coverage through COBRA at full COBRA rates at the employee's expense.

Hawaii non-full-time employees are measured in two different processes:

- The Company monitors Hawaii employees on a monthly basis as described above to comply with Hawaii state health care law eligibility requirements; and
- We also measure Hawaii non-full-time employees for ACA hours testing during the 12-month look-back period in the applicable ongoing process (annual October standard measurement period) or in the new hire process based on hire date.

**Q24: What ACA medical plan coverage is offered to Hawaii non-full-time employees and Cast Members?**

**A:** If the employee lives in Hawaii, he/she will be eligible for HMSA Health Plan Hawaii, with a Health Reimbursement Account (HRA) for any potential wellness rewards. The employee will be enrolled in individual coverage unless he/she enrolls in No Coverage Medical and submits an HC-5 form to the Disney Benefits Center by their enrollment deadline. There is no cost for coverage for the employee or any eligible dependents they wish to cover.

## Other (International sites; Non-Employees; Multi-Employer Union Plans/Trust Fund)

**Q25: Are International regular part time and temp/recurring employees and Cast Members included in ACA hours testing and eligible for medical benefits?**

**A:** No. International employees are not considered working in the US and therefore are not subject to ACA eligibility requirements.

**Q26: If a regular part time or temp/recurring employee or Cast Member transfers from an International work assignment to a US-based position, are all prior hours of service included in the ACA hours testing?**

**A:** No. Any prior hours of service outside the US will not be included when the Cast Member transfers to a non-full-time position in the US; he/she will be measured as a new hire and ACA hours measured at the one year anniversary date from date of hire into the US-based regular part time or temp/recurring position.

**Q27: Are regular part time or temp/recurring Non-Employees (such as Independent Contractors, Third Party-Operating Participants, and Vendors) included in the ACA hours testing and eligible for medical benefits?**

**A:** No. Non-employees are not eligible for benefits from TWDC. Any prior hours of service in a Non-Employee assignment will not be included when the individual transfers to regular part time or temp/recurring position with the Company; he/she will be treated as a new hire and ACA hours measured at the one year anniversary date from date of hire as a Disney employee.

**Q28: If a Full Time Disney Cruise Line Crew Member transfers/rehires to a domestic shore-side regular part time or temp/recurring position, are all prior hours of service included in the ACA hours testing?**

**A:** No. Any prior hours of service in a DCL Crew (Ship and Island) position will not be included when the employee rehires into a Domestic non-full-time position; he/she will be treated as a new hire and ACA hours measured at the one year anniversary date from date of hire into the US-based regular part time or temp/recurring position.

**Q29: Are regular part time or temp/recurring employees or Cast Members covered by a multi-employer union plan/trust fund eligible for health care benefits?**

**A:** No. Non-full-time employees and Cast Members who are covered by a multi-employer union plan/trust fund are not monitored for ACA hours and are not eligible for medical benefits. The Company contributes to the employer plan on behalf of the employee. Please contact your union representative if you have any questions.

## Health Care Notification and Coverage Details

**Q30: How are employees and Cast Members notified that they are eligible for ACA health care coverage?**

**A:** Once the employee meets the eligibility requirement for coverage (see page 1 on eligibility process), the Disney Benefits Center will mail an enrollment kit to their registered address in SAP explaining they have qualified to enroll in medical coverage and that they must actively enroll in or decline coverage for themselves and any eligible dependents. If the employee does not respond, he/she will be automatically enrolled in individual coverage.

**Q31: What coverage is offered?**

**A:** Employees outside Hawaii are eligible to enroll themselves and their eligible dependents in the Consumer Choice medical plan option, which comes with a Health Savings Account (HSA). There is no employer contribution to the HSA. If the employee does not make an active election to enroll themselves and their dependents, or to select "No Coverage Medical", he/she will be automatically enrolled in individual coverage under Consumer Choice and weekly payroll contributions will commence with the first paycheck after their effective date of coverage. Coverage will be for one year based on eligibility (see page 1).

If the employee lives in Hawaii, he/she will be eligible for HMSA Health Plan Hawaii, with a Health Reimbursement Account (HRA) for any potential wellness rewards. The employee will be enrolled in individual coverage unless he/she enrolls in No Coverage Medical and submits an HC-5 form to the Disney Benefits Center by their enrollment deadline. There is no cost for coverage for the employee or any eligible dependents they wish to cover.



**Q32: Can the employee cover dependents?**

**A:** Yes. As with full-time employees eligible for Disney medical coverage, ACA-eligible non-full-time employees can choose to cover eligible dependents including a spouse or domestic partner and children up to age 26. The same active rates will apply for dependent coverage. The employee must enroll their eligible dependents within their stated enrollment window.

**Q33: Are non-full-time employees eligible to earn Wellness Rewards?**

**A:** Yes. Any active U.S.-based employee enrolled in a Disney medical plan option is eligible to earn Wellness Rewards. This includes non-full-time employees who are eligible for required ACA coverage under Consumer Choice or HMSA Health Plan Hawaii. If a spouse or domestic partner is also enrolled, they can also earn rewards. Details of the Wellness Rewards Program are available on the D Life | My Benefits site at **Benefits.Disney.com**. Any wellness rewards earned will be deposited into the employee's HSA. (If the employee lives in Hawaii, rewards will be paid into the HRA.)

**Q34: Can the employee contribute to the HSA?**

**A:** Yes. The employee may elect to contribute to their HSA through payroll deduction up to the IRS annual limits, less the amount of potential wellness rewards Disney could contribute.

**Q35: What other benefits are non-full-time Cast Members eligible for?**

**A:** All Disney employees, including employees and Cast Members who qualify for ACA medical coverage, are eligible for the Employee Assistance Program and Personal Life Resources.

**Q36: Is the HSA set up automatically?**

**A:** Yes. Whether the employee actively selects or is assigned Consumer Choice coverage, the HSA will be set up automatically. The employee will receive a welcome kit from Optum Bank, the administrator for the account, with additional information and terms and conditions of the account. An OptumBank debit Mastercard® will be mailed separately to the address on file. The employee can then set up and manage account preferences online at **optumbank.com/disney**. (If the employee lives in Hawaii, Optum Bank will send an HRA welcome kit and separate mailing with the Optum Bank debit Mastercard to access wellness rewards credited to the HRA.)

**Q37: If an employee or Cast Member was eligible for ACA health care coverage for the full year, what happens if their hours measured in the annual October standard measurement period are under 1,560 hours?**

**A:** If a non-full-time employee or Cast Member was eligible for ACA medical coverage and their hours measured in the annual October measurement period are under 1,560 hours for the 12-month look-back measurement period, he/she will lose eligibility for coverage beginning in the following calendar year. The employee will be offered the opportunity to continue coverage through COBRA at full COBRA rates. For example, if the employee was eligible from Jan. 1, 2020 to Dec. 31, 2020, and their annual hours are under 1,560 in October 2020, he/she will lose coverage after Dec. 31, 2020.

**Q38: What happens if the employee or Cast Member, who has ACA medical coverage, leaves the Company?**

**A:** Eligibility for ACA coverage will end as of their date of separation from employment from the Company, but the employee will be offered the opportunity to continue coverage through COBRA at full COBRA rates. If the employee has earned Wellness Rewards or made contributions to the HSA, their account at Optum Bank remains with the employee upon separation and monthly account maintenance fees will apply. If the employee lives in Hawaii, any wellness rewards paid into an HRA account will be available only through the end of the calendar year, and then any remaining balance will be forfeited.