

Benefits Updates



December 2019

Annual Notices and Summary of Material Modifications - 2020

This document contains information on changes to Disney benefits plans effective January 1, 2020 (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 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 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, 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 benefit called the Family Building Program will be offered under the *Signature* Benefits Plan and will consist of a \$75,000 lifetime maximum for fertility and adoption/surrogacy services for medical-eligible employees. Employees enrolled in a Cigna or Allegiance medical plan option will receive fertility services, if needed, including medically necessary cryopreservation through their medical plan. Fertility services for employees enrolled in Kaiser and HMSA medical options will be managed by WINFertility (WIN).
- WINFertility will administer the new Family Building Program and will provide fertility and adoption/surrogacy services, which includes the use of WIN's provider medical and pharmacy network, care management services, adoption/surrogacy and elective cryopreservation reimbursement process.
- The FL Hospital Total CareConnect with iPad medical plan option in Central Florida will be renamed AdventHealth CastCare.
- The Orlando Health Cast Advantage and AdventHealth CastCare medical options service area will include 58 new zip codes. As a result, these same 58 zip codes will be removed from the Cigna HMO FL medical option service area. As a result, employees and Cast Members who will otherwise lose coverage under the Cigna HMO FL medical option by virtue of the ZIP code changes were defaulted into the Orlando Health Cast Advantage or AdventHealth CastCare medical plan options during the 2020 annual enrollment event.
- A new Hearing Aids benefit will be offered under the *Signature* Benefits Plan and will consist of up to \$3,000 per ear, per covered individual, every 3 years. The benefit will be available to employees and former employees enrolled in active, COBRA and CMC medical options, except in Hawaii.
- Effective September 1, 2019, telehealth services were added to all Cigna Active and COBRA medical options.
- The Cigna Global Med/70 medical plan option will be terminated for eligible employees on international assignment.
- Cigna Global Mandated Changes:
 - Coverage for the diagnosis and treatment of infertility services will be subject to the same rules and administrative procedures currently in effect under the plan with no lifetime maximum. Coverage includes but is not limited to: intrauterine insemination, cryopreservation and In-vitro fertilization. Although not required by law, Cigna Global will also provide coverage for GIFT/ZIFT.
 - Physical and chiropractic therapy will be covered for the treatment of back pain.
 - Covered services by a physical therapist and chiropractor for the treatment of back pain will not be subject to visit limitations. In addition, for claims incurred in-network and internationally, the cost share for physical therapy and chiropractic visits will not exceed 25% of the service. There will be no copays for these services.

FLEXIBLE SPENDING ACCOUNTS / HEALTH SAVINGS AND HEALTH REIMBURSEMENT ACCOUNTS

- Health Savings Accounts (HSA) – For active employees and COBRA participants enrolled in the Consumer Choice medical plan option, the maximum annual contribution (Company and participating employee) to an HSA will increase from \$3,500 to \$3,550 for those electing individual coverage, and from \$7,000 to \$7,100 for family coverage. 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.
- Health Care Flexible Spending Account (FSA) – In accordance with changes to the Federal Internal Revenue Code, the maximum annual contribution to a Health Care FSA will increase from \$2,650 to \$2,700.

DISABILITY INSURANCE

- Effective January 1, 2020, the maximum weekly benefit provided under the *Signature* Benefits Plan's Temporary Disability Insurance for eligible employees in Hawaii will increase to \$650 from the 2019 maximum benefit of \$632.

DISNEY 401(k) PLANS AND RETIREMENT SAVINGS PLAN

- The LifePath Funds will transition from the “BlackRock LifePath® Index Fund L” series to the “BlackRock LifePath® Index Fund F” series. The Total Return Bond Fund will transition from “BlackRock Total Return Bond Fund T” to “BlackRock Total Return Bond Fund M.” These changes will result in a lower expense ratio.
- BlackRock LifePath 2065 will be offered as a new investment option in early 2020 for individuals who will reach age 65 between 2063 and 2067. More information will be provided in mid-January; about 30 days before you can make an investment in this fund.
- 2020 contribution limits for the Disney Savings and Investment Plan and Disney Hourly Savings and Investment Plan have increased to \$19,500 with a limit of an additional \$6,500 for participants 50 or older in 2020.

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

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, 2020 (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.*