

Benefits Updates



Annual Notices and Summary of Material Modifications - 2022

This document contains information on changes to Disney benefits plans effective January 1, 2022 (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 "Legal and Regulatory Notices" in the bottom menu bar.

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 any time at **Fidelity NetBenefits**. Click on the Quick Links under 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 "Communication" under "Profile" in the top menu bar.

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 Disney 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 Disney 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 Disney 401(k) Plan to help ensure your retirement savings will meet your retirement goals.

* References to the "401(k) plan" above include the following plans: Disney Savings and Investment Plan, Disney Hourly Savings and Investment Plan, Bantech Retirement Saving and Investment Plan, 21CF America Consolidated Savings Plan, and Hulu, LLC Retirement Trust.

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

MEDICAL AND PRESCRIPTION DRUG PROGRAMS

- Effective July 1, 2021, active employees and COBRA participants and their eligible dependents enrolled in a Signature medical option are not required to have a diagnosis of infertility to access infertility and cryopreservation benefits.
- Active employees, CMC retirees and COBRA participants enrolled in Kaiser CA and WA HMOs will see increases in Specialist Office copay from \$20 to \$30 and Emergency Room copay from \$100 to \$150.
- Telehealth services provided by Cigna through subcontractor MDLive will no longer be offered to plan participants in the Cigna medical option effective midnight 12/31/21.
- Telehealth and virtual office visits will be offered to plan participants enrolled in the Cigna medical option by Premise Virtual National Care.
- HMSA Health Maintenance Organization (HMO):
 - Hearing Aids: Fitting, adjustments and batteries not included. Repairs or replacements are covered; subject to certain limitations and exclusions. Repairs or replacements must be pre-certified.

AFFORDABLE CARE ACT (ACA) MEDICAL COVERAGE ELIGIBILITY CHANGES DUE TO COVID-19

Pursuant to the Affordable Care Act (ACA), the Company offers basic medical coverage to eligible “non-full-time” (regular part-time and temporary/recurring) employees and Cast Members. An employee who is not a full-time employee is generally eligible for benefits under The *Signature* Benefits Plan if the employee averages at least 30 hours per week during a “measurement period” of 365 days (with at least 1,560 cumulative hours over this time). These rules are described in further detail in the Summary Plan Description. For Plan Year 2021, the Plan provided broader accommodation in the determination of employee and cast member qualification hours to address the unique situation associated with the COVID-19 pandemic. These exceptions have been eliminated for the 2022 and future Plan years.

WELLNESS REWARDS PROGRAM

The Wellness Rewards Program, which is offered to all active full-time, U.S.-based (and U.S. expatriate) employees, Cast Members, and their spouses or domestic partners who are enrolled in a medical option under The *Signature* Benefits Plan, has been redesigned to change the way eligible participants earn their rewards.

Employees and their spouses or domestic partners earn a \$300 reward by completing one activity that consists of the completion of a medical preventive exam or screening (as described in the “Preventive Exam/Screening Reward” section of the Summary Plan Description). Effective 1/1/22, the \$300 reward can also be earned by participating in five (5) Headspace App activities. The \$300 reward for the employee and spouse or domestic partner will be deposited into the employee’s Health Savings Account (HSA), Health Reimbursement Account (HRA) or paid via payroll if the employee does not have a HSA or HRA.

HEALTH CARE FLEXIBLE SPENDING ACCOUNT AND HEALTH SAVINGS ACCOUNTS

- Health Care Flexible Spending Account (FSA) –The maximum annual contribution to a Health Care FSA will remain at \$2,750.
- Health Savings Accounts (HSA) – For active employees and COBRA participants enrolled in the Consumer Choice medical option, the maximum annual contribution (Company and participating employee) to an HSA will increase from \$3,600 to \$3,650 for those electing individual coverage and from \$7,200 to \$7,300 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.

DISABILITY INSURANCE

- A new company-paid Basic Long Term Disability (LTD) option will be provided to all eligible active employees. Employees on a leave of absence will be auto-enrolled in Basic LTD when they return to active employment.
- Benefit: 50% annual salary with a \$2,500 monthly maximum
- Two new Supplemental 100% employee-paid LTD options will be available:
- Employees in CA will have a 180-day elimination period
 - Benefit: 60% annual salary with a \$30,000 monthly maximum
 - Rates: See Exhibit II
- Employees in all other states will have a 90-day elimination period
 - Benefit: 60% annual salary with a \$30,000 monthly maximum
 - Rates: See Exhibit II
- All employees, including new hires will be auto-enrolled in supplemental LTD, with the option to opt out during their benefits enrollment process.
- An employee that does not actively enroll and has been auto-enrolled in Supplemental LTD, and decides not to take it, will have 60 days from enrollment date to request disenrollment and a refund of the premiums that have been deducted from the paycheck.
- The maximum weekly benefit provided under the Temporary Disability Insurance for eligible employees in Hawaii will be the 2022 maximum weekly benefit amount set by the Hawaii Department of Labor and Industrial Relations.
- The Cigna Long Term and Short Term Disability options offered to Hulu employees during PY 2021 under the Signature Benefits Plan will terminate on midnight 12/31/21. Hulu employees will participate in the Basic and Supplemental LTD options offered to all Disney employees.

EMPLOYEES ON FURLOUGH LEAVE OF ABSENCE

- Effective April 19, 2020, the Company waived employee contributions for medical, dental, vision, short-term disability, long-term disability and supplemental life and AD&D insurance for all employees on a furlough leave of absence.
- For certain coverages (such as employee life insurance, flexible spending accounts, long-term disability, and short-term disability) employees may be required to be “actively at work” on the day coverage is scheduled to begin. Effective April 19, 2020, all “actively at work” requirements under The *Signature* Benefits Plan are waived for all employees on a furlough leave of absence.

COVID-19 CHANGES

The following are changes to coverage under The *Signature* Benefits Plan that were implemented during the 2020 plan year due to the COVID-19 pandemic.

- Effective March 1, 2020, in-network virtual office visits covered under The *Signature* Benefits Plan medical options related to COVID-19 testing or treatment are provided at no cost to the participant and covered dependents. Virtual office visits are office visits that are conducted by the participant’s doctor via telephone or online.
- Effective March 1, 2020, COVID-19 related testing (including home testing) and treatment are covered under The *Signature* Benefits Plan medical options. Copays, deductibles and coinsurance are waived for in-network and out-of-network COVID-19 related testing (including home testing), and copays, deductibles and coinsurance are waived for in-network COVID-19 treatment. This provision will remain effective during the COVID-19 emergency period as defined by the Secretary of the United States Department of Health and Human Services.
- The *Signature* Benefits Plan will provide the following deadline extensions. For purposes of this section, the “Outbreak Period” means the period from March 1, 2020 to 60-days after the announced end of the national

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emergency concerning the COVID-19 outbreak or such other date announced by the United States Departments of Labor, Internal Revenue Service, and Department of the Treasury (the “Departments”).

- Any deadline regarding a HIPAA special enrollment election period that would otherwise occur or accrue during the Outbreak Period will be tolled until the earlier of the end of the Outbreak Period or one year from the date the deadline would have begun running for that individual.
- Any deadline regarding electing COBRA coverage that would otherwise occur or accrue during the Outbreak Period will be tolled until the earlier of the end of the Outbreak Period or one year from the date the deadline would have begun running for that individual.
- The deadline for COBRA premiums under The *Signature* Benefits Plan will be as follows: COBRA participants are allowed an extra 90 days after the 30-day COBRA grace period to make their premium payments. If premium payments are not made within the extra 90 days, COBRA coverage will be terminated retroactively to the last day of the month for which premiums were made. If premium payments are made within the extended deadlines described below, COBRA coverage will be retroactively reinstated.

For initial payments -

- If the COBRA election is made within the regular 60-day deadline, the individual will have 1 year and 45 days after the date of election to make the payment.
- If the COBRA election is made after the regular 60-day deadline – the individual has 1 year and 105 days after the date the COBRA notice was provided.
- Notwithstanding the forgoing, in no event will an initial COBRA payment be due before November 1, 2021 as long as the individual makes the initial COBRA premium payment within 1 year and 45 days after the date he/she made the COBRA election.

Once the National Emergency end is announced, the deadline could be earlier - 45 days after the Outbreak Period.

For subsequent payments –

- COBRA qualified beneficiaries will have 1 year and 30 days from the date the payment originally would have been due.
- Any deadline for employees and their covered dependents to notify the Plan of a COBRA qualifying event (e.g. divorce or legal separation, a dependent child ceasing to be a dependent under the terms of the Plan), and the deadline to notify the Plan of a disability determination from the Social Security Administration will be tolled until the earlier of the end of the Outbreak Period or one year from the date the deadline would have begun running for that individual.
- Any deadline to file a claim for benefits under the Plan, except for the Dependent Care Flexible Spending Account, will be tolled until the earlier of the end of the Outbreak Period or one year from the date the deadline would have begun running for that individual.
- Any deadline to file an appeal under the Plan, except for the Dependent Care Flexible Spending Account, will be tolled until the earlier of the end of the Outbreak Period or one year from the date the deadline would have begun running for that individual.
- Any deadline to file a request for external review, including the additional period for perfecting such a request, will be tolled until the earlier of the end of the Outbreak Period or one year from the date the deadline would have begun running for that individual.

American Rescue Plan Act of 2021 COBRA Premium Subsidy

- Under the American Rescue Plan Act of 2021 (“ARP”), certain COBRA qualified beneficiaries who are eligible for and elect COBRA for some or all of the period beginning April 1, 2021, and ending September 30, 2021, including qualified

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beneficiaries who elect COBRA under the ARP's extended election period (discussed below) may not have to pay the full COBRA premium for periods of COBRA coverage from April 1, 2021 through September 30, 2021.

- Plan participants that meet the following criteria will be eligible for the subsidy:
 - MUST have a COBRA qualifying event that is a reduction in hours or an involuntary termination of a covered employee's employment;
 - MUST elect COBRA continuation coverage;
 - MUST NOT be eligible for Medicare; AND
 - MUST NOT be eligible for coverage under any other group health plan, such as a plan sponsored by a new employer or a spouse's employer.
- Individuals who experienced an involuntary termination of employment or a reduction of hours so that federal COBRA would have started sometime within the 18 months prior to April 1, 2021 (for example, the termination could have occurred as early as October 2019), but who did not timely elect COBRA, will have a second opportunity to elect subsidized COBRA coverage prospectively.
- In addition, individuals who elected but discontinued COBRA coverage before April 1, 2021, are eligible if they otherwise meet the Plan participate criteria outlined above and are still within their COBRA 18-month maximum coverage period.

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DISNEY HOURLY SAVINGS AND INVESTMENT PLAN

- Effective as of January 1, 2022, Hulu, LLC hourly participants are eligible to participate in the Disney Hourly SIP.

DISNEY SAVINGS AND INVESTMENT PLAN

- Effective as of January 1, 2022, Hulu, LLC non-hourly participants are eligible to participate in the Disney SIP.

DISNEY RETIREMENT SAVINGS PLAN

- Effective as of January 1, 2022, Hulu, LLC non-hourly participants are eligible to participate in the DRSP.

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 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, 2022 (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.*