

JACK IN THE BOX INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Future cash flows — Our policy is to fund our plans at or above the minimum required by law. As of the date of our last actuarial funding valuation, there was no minimum requirement. We do not anticipate making any contributions to our Qualified Plan in fiscal 2020. Contributions expected to be paid in the next fiscal year, the projected benefit payments for each of the next five fiscal years, and the total aggregate amount for the subsequent five fiscal years are as follows (*in thousands*):

	Defined Benefit Pension Plans	Postretirement Health Plans
Estimated net contributions during fiscal 2020	\$ 5,371	\$ 1,401
Estimated future year benefit payments during fiscal years:		
2020	\$ 123,471	\$ 1,401
2021	\$ 18,371	\$ 1,431
2022	\$ 18,681	\$ 1,476
2023	\$ 19,135	\$ 1,574
2024	\$ 19,690	\$ 1,607
2025-2029	\$ 109,169	\$ 8,242

We will continue to evaluate contributions to our Qualified Plan based on changes in pension assets as a result of asset performance in the current market and economic environment. Expected benefit payments are based on the same assumptions used to measure our benefit obligations at September 29, 2019 and include estimated future employee service, if applicable.

13. SHARE-BASED EMPLOYEE COMPENSATION

Stock incentive plans — We offer share-based compensation plans to attract, retain, and motivate key officers, employees, and non-employee directors to work toward the financial success of the Company.

Our stock incentive plans are administered by the Compensation Committee of the Board of Directors and have been approved by the stockholders of the Company. The terms and conditions of our share-based awards are determined by the Compensation Committee for each award date and may include provisions for the exercise price, expirations, vesting, restriction on sales, and forfeitures, as applicable. We issue new shares to satisfy stock issuances under our stock incentive plans.

Our Amended and Restated 2004 Stock Incentive Plan authorizes the issuance of up to 11,600,000 common shares in connection with the granting of stock options, stock appreciation rights, restricted stock purchase rights, restricted stock bonuses, restricted stock units, or performance units to key employees, directors, and other designated employees. There were 1,677,983 shares of common stock available for future issuance under this plan as of September 29, 2019.

We also maintain a deferred compensation plan for non-management directors under which those who are eligible to receive fees or retainers may choose to defer receipt of their compensation. The deferred amounts are converted to stock equivalents. The plan requires settlement in shares of our common stock based on the number of stock equivalents and dividend equivalents at the time of a participant's separation from the Board of Directors. This plan provides for the issuance of up to 350,000 shares of common stock in connection with the crediting of stock equivalents. There were 43,122 shares of common stock available for future issuance under this plan as of September 29, 2019.

Compensation expense — The components of share-based compensation expense, included within "Selling, general, and administrative expenses" in our consolidated statement of earnings, in each fiscal year are as follows (*in thousands*):

	2019	2018	2017
Nonvested stock units	\$ 5,458	\$ 5,737	\$ 5,873
Stock options	936	1,790	1,826
Performance share awards	1,417	1,236	2,580
Nonvested restricted stock awards	—	33	88
Non-management directors' deferred compensation	263	350	270
Total share-based compensation expense	<u>\$ 8,074</u>	<u>\$ 9,146</u>	<u>\$ 10,637</u>

Nonvested restricted stock units — Nonvested restricted stock units ("RSUs") are generally issued to executives, non-management directors and certain other members of management and employees. Prior to fiscal 2011, RSUs were granted to certain Executive and Senior Vice Presidents pursuant to our share ownership guidelines. These awards vest upon retirement or termination based on years of service. There were 60,272 of such RSUs outstanding as of September 29, 2019.