



DATE: Wednesday, February 25, 2009

TO: All Employee-Shareholder Companies

**IMPORTANT NOTICE RE:
CHANGES TO RULES APPLICABLE TO EMPLOYERS WHICH EMPLOY
CONTROLLING EMPLOYEES**

This is to advise you that the Board of Directors of the Motion Picture Industry Pension and Health Plans (the "Plans") have approved the following changes to the rules of the Plans pertaining to Employers which employ and contribute for Controlling Employees as that term is defined in the Trust Agreements (hereinafter such Employers are referred to as "Controlled Employers"), **effective February 25, 2009:**

1. No Employer which is a "Loan-Out Company" as that term is defined in the Trust Agreements may participate in the Plans, regardless of which Union has signed a Collective Bargaining Agreement with the Employer and regardless of whether that agreement has special provisions relating to Loan-Out Companies. A "Loan-Out" company is a company controlled by the loaned-out employee, who is the only employee of that company and who performs work covered by the applicable Collective Bargaining Agreement. **If your company meets this definition, your status as an Employer Party in the Plans will be terminated effective February 25, 2009.** Employees who have earned Health Plan eligibility based upon hours contributed prior to the termination date will be allowed to exhaust their current Health Plan eligibility, including a Bank of Hours extension if available.
2. All Controlled Employers are required to employ at least one other covered employee in any twelve (12) month period, and report a minimum of 1,500 hours (in the aggregate) for such other employee(s). This is a rolling twelve (12) month period and any Controlled Employer which ceases to meet this criterion will be terminated as an Employer Party to the Plans effective with the first of the month following the end of the twelve (12) month period during which the 1,500 hour requirement was not met.
3. In the event that no Employee, including the Controlling Employee(s), has worked under the Collective Bargaining Agreement for a twelve (12) month period, the Employer will be terminated effective with the first of the month following the end of the twelve (12) month period during which no covered work was performed.

4. The following information must be reported on the Contribution Report forms for the Controlling Employees and all other Employees: the client (if applicable), the production title on which the covered employment is being performed and the number of weeks worked on that title. If the Contribution Report is being submitted solely to fulfill the 48 week reporting requirement for the Controlling Employee, that information must be noted on the form. Incomplete contribution reports cannot be processed, which can potentially result in the loss of Health Plan eligibility.
5. Employers that experience any change to their company type (for example, changing in either direction to/from a Loan-Out company from/to a Controlled Employer or from/to a non-controlled Employer to/from a Controlled Employer) are required to submit notice of said change to the Jt. Legal Committee and the Board of Directors for reconsideration of their signatory status to the Plans.

Please note that these changes apply to all signatory Employers that employ one or more "Controlling Employees". This document only summarizes the changes and the actual plan trust agreement and rules should be reviewed for all the details. If you are not the appropriate person to receive this notice, or if there are others in your organization that will benefit from this information, please pass this notice along to them. If you have any questions, please contact the Plan office at extension 478, or by email at employercontracts@mpiphp.org.

MOTION PICTURE INDUSTRY PENSION AND HEALTH PLANS
Employer Contracts Department

cc: IATSE
LOCAL 399
AMPTP
AICP
AFM