

# PLAN UPDATE

Update to Your Summary Plan Description

April 2010

This Plan Update contains important information about your rights under the Motion Picture Industry Pension and Health Plans and under ERISA. Please keep it with your *Summary Plan Description* for future reference.

## MARRIAGE DEFINITION IS EXPANDED FOR PENSION AND IAP

Same-sex married couples will soon receive all the married couple benefits associated with the MPI Pension and Individual Account Plans (IAP).

For those Participants who retire or die on or after June 1, 2010, the term “qualified spouse” in these two Plans will include a same-sex spouse who has been legally married to a Participant for at least 365 days.

A few requirements apply:

- the ceremony was performed in a jurisdiction that recognizes same-sex marriage at the time the marriage takes place, and

- legal proof of marriage is provided to the Plans, and
- the marriage remains valid and officially recognized in that same jurisdiction.

To inform the Plans of your same-sex spouse, please submit a copy of your marriage certificate to the California Plan office.

For more information about the benefits and rules covering spouses, please see the *Pension and IAP Summary Plan Description* available online at [www.mpiphp.org](http://www.mpiphp.org).

## PENSION AND IAP REMINDERS

### Change Both Your Pension and Health Beneficiary Cards

If you are changing your health beneficiary card, remember to also change your pension beneficiary card. Each plan has its own, separate card. You can get the form you need online.

### Monitor Any Monthly Work Hours After Retirement

If you are retired and have been receiving MPI Pension Plan benefits for at least two calendar months, you may choose to work in the motion picture industry and still receive benefits. *However*, you must work fewer than 40 hours in any given payroll month. If you work 40 hours or more in a payroll month, the portion of your retirement benefits that was derived from employer contributions will be forfeited that month. The portion that comes from monies you contributed yourself will still be paid to you.

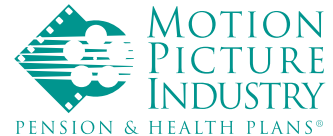
Be sure to monitor your hours carefully based on *payroll* months, not calendar

months. A payroll month is the period that begins on the Sunday before the last Thursday of a calendar month and ends on the Saturday before the last Thursday of the next calendar month. Please go online at [www.mpiphp.org](http://www.mpiphp.org) under the Pension section for a list of the exact dates for payroll months in 2010. (There is also an annual limit that may apply. See story below.)

### Carefully Calculate Annual Hours After Unreduced Early Retirement

At age 60 - 64, with 30 qualified years and requisite hours, you can take advantage of early retirement with full benefits. You may work in the motion picture industry after you retire and still maintain your retirement benefits if you work less than 40 hours in any given payroll month and less than 400 hours in a computation year. If you work over that limit, you will forfeit all of your Plan benefits until you reach age 65, so be sure to monitor your monthly and annual hours carefully.

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### MPIPHP Departments

**California Office:**  
818 or 310.769.0007

**Outside of Southern California:**  
888.369.2007

### Participant Services

**Extension 244 7 a.m. to 5 p.m.\***  
Benefits Changes Inquiries  
Case Management  
Claims Inquiries  
Health Benefits

### Eligibility Department

**Extension 263 8 a.m. to 5 p.m.\***  
Address Changes  
Adding Dependents  
Plan Enrollments

### Pension Department

**Extension 627 8 a.m. to 5 p.m.\***  
Benefit Estimate Statements  
Death Benefit  
Pension History Print-outs  
Refund of Employee Contributions  
Retirement

\* *Pacific Daylight Time*

### Motion Picture Industry Pension and Health Plans

[www.mpiphp.org](http://www.mpiphp.org)

### Other Web Sites of Interest

#### Blue Shield of California

[www.blueshieldca.com](http://www.blueshieldca.com)

#### Medco

[www.medco.com](http://www.medco.com)

#### Motion Picture & Television Fund

[www.mptvfund.org](http://www.mptvfund.org)

### Participants, Please Take Note:

As a result of unique agreements associated with mergers of various Locals throughout the years, information reflected in this notice may not apply to all Participants.

# ANNUAL FUNDING NOTICE FOR THE MOTION PICTURE INDUSTRY PENSION PLAN

This notice includes important funding information about your pension plan (“the Plan”). This notice also provides a summary of federal rules governing multiemployer plans in reorganization and insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning January 1, 2009, and ending December 31, 2009 (referred to hereafter as the “Plan Year”).

## Funded Percentage

The funded percentage of a plan is a measure of how well that plan is funded. This percentage is obtained by dividing the Plan’s assets by its liabilities on the valuation date for the plan year. In general, the higher the percentage, the better funded the plan. The Plan’s funded percentage for the plan year and two preceding plan years is set forth in the chart, along with a statement of the value of the Plan’s assets and liabilities for the same period.

|                      | 2009            | 2008            | 2007            |
|----------------------|-----------------|-----------------|-----------------|
| Valuation Date       | January 1, 2009 | January 1, 2008 | January 1, 2007 |
| Funded Percentage    | 74.6%           | 86.3%           | Not applicable* |
| Value of Assets      | \$2,549,761,000 | \$2,631,953,000 | Not applicable* |
| Value of Liabilities | \$3,415,810,000 | \$3,050,852,000 | Not applicable* |

\* Please refer to the explanation in the section entitled “Transition Data.”

## Transition Data

For a brief transition period, the Plan is not required by law to report certain funding-related information. In lieu of that information, however, the Plan is providing you with comparable information that reflects the funding status of the Plan under the law then in effect. For 2007, the Plan’s “funded current liability percentage” was 60.0%, the Plan’s assets were \$2,355,940,000, and Plan liabilities were \$3,928,895,787. The “funded current liability percentage” for 2007 is significantly lower than the “funded percentages” for 2008 and 2009 because the Plan was required to determine the 2007 percentage under U.S. Department of Labor (DOL) guidelines using extremely conservative actuarial assumptions that the DOL determined were no longer required beginning in 2008.

## Fair Market Value of Assets

Asset values in the chart above are actuarial values, not market values.

Market values tend to show a clearer picture of a plan’s funded status as of a given point in time. However, because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values for funding purposes. While actuarial values fluctuate less than market values, they are estimates. As of December 31, 2009, the fair market value of the Plan’s assets was \$2,467,628,000. As of December 31, 2008, the fair market value of the Plan’s assets was \$2,124,801,000. As of December 31, 2007, the fair market value of the Plan’s assets was \$2,739,754,000.

## Participant Information

The total number of participants in the Plan as of the Plan’s valuation date was 70,764. Of this number, 45,963 were active participants, 12,865 were retired or separated from service and receiving benefits, and 11,936 were retired or

separated from service and entitled to future benefits.

## Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. The funding policy of the Plan is to confirm that the minimum funding requirements of ERISA are being satisfied and to determine that anticipated employer contributions will not exceed the amounts deductible under the Internal Revenue Code. The policy for the 2009 Plan Year includes a target contribution amount sufficient to amortize the unfunded liability over a 14-year fixed amortization period (as of January 1, 2010) and meet the normal cost if all actuarial assumptions were met. Each employer makes contributions weekly pursuant to collective bargaining agreements.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is to seek a total rate of return from the Plan's assets that provides, together with employer contributions, sufficient assets to fund participant benefits. In

order to accomplish this goal, the Plan seeks well-managed investments and a competitive long-term return in a wide variety of asset classes.

In accordance with the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets listed below.

For information about the Plan's investment in any of the following types of investments as described in the chart below – common/collective trusts, pooled separate accounts, master trust investment

accounts, or 103-12 investment entities – contact the Plan Office, at 818 or 310.769.0007 (outside Southern California 888.369.2007, or by mail at Motion Picture Industry Pension & Health Plans, P.O. Box 1999, Studio City, CA 91614-0999.

### Critical or Endangered Status

Under federal pension law a plan generally will be considered to be in "endangered" status if, at the beginning of the Plan Year, the funded percentage of the plan is less than 80 percent or in "critical" status if the percentage is less than 65 percent (other factors may also apply). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

As of January 1, 2009, the Plan was in endangered status because the Plan's funding percentage was below 80 percent. As stated, a plan determined to be in endangered status has to adopt a funding improvement plan. However, in response to the 2008 stock market decline, Congress enacted a new law providing that a multi-employer plan may elect to temporarily freeze its funding status for 2009 so that it remains the same as the Plan's 2008 funding status, which was neither critical nor endangered. The Plan made this election and was consequently not required to adopt a funding improvement plan during the 2009 Plan Year.

As of January 1, 2010, the Plan's actuary has estimated that the Plan's funding percentage was 79.2%, placing the Plan in endangered status for the 2010 Plan Year. A separate notice will detail the Plan's 2010 endangered status certification.

### Right to Request a Copy of the Annual Report

A pension plan is required to file with the U.S. Department of Labor an annual report (i.e., Form 5500) containing

| Asset Allocations  | Percentage |
|--|------------|
| 1. Interest-bearing cash   | 3.27 %     |
| 2. U.S. Government securities  | 11.30 %    |
| 3. Corporate debt instruments (other than employer securities):                  |            |
| Preferred  | 0.00 %     |
| All other  | 17.56 %    |
| 4. Corporate stocks (other than employer securities):                            |            |
| Preferred  | 0.00 %     |
| Common   | 23.32 %    |
| 5. Partnership/joint venture interests   | 0.00 %     |
| 6. Real estate (other than employer real property)                               | 4.83 %     |
| 7. Loans (other than to Participants)  | 0.00 %     |
| 8. Participant loans   | 0.00 %     |
| 9. Value of interest in common/collective trusts                                 | 7.48 %     |
| 10. Value of interest in pooled separate accounts                                | 0.89 %     |
| 11. Value of interest in master trust investment accounts                        | 0.00 %     |
| 12. Value of interest in 103-12 investment entities                              | 11.43 %    |
| 13. Value of interest in registered investment companies (e.g., mutual funds)    | 16.98 %    |
| 14. Value of funds held in insurance co. general account (unallocated contracts) | 0.00 %     |
| 15. Employer-related investments:  |            |
| Employer Securities  | 0.00 %     |
| Employer real property   | 0.00 %     |
| 16. Buildings and other property used in plan operation                          | 0.74 %     |
| 17. Other  | 2.20 %     |

financial and other information about the plan. Copies of the annual report are available from the U.S. Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report for a nominal copying fee by making a written request to the plan administrator.

## Summary of Rules Governing Plans in Reorganization and Insolvent Plans

The Department of Labor requires this section to be included in this notice, but it does not pertain to the Plan, as the Plan is not in reorganization and not insolvent.

Federal law has a number of special rules that apply to financially troubled multiemployer plans. Under so-called "plan reorganization rules," a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC), the plan must apply to the PBGC for financial assistance. The PBGC, by law, will loan the plan the

amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notification of the insolvency to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

## Benefit Payments Guaranteed By the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is \$35.75 per month times a Participant's years of credited service.

**Example 1:** If a participant with 10 years of credited service has an accrued monthly benefit of \$500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ( $\$500/10$ ), which equals \$50. The guaranteed amount for a \$50 monthly accrual rate is equal to the sum of \$11 plus \$24.75 ( $.75 \times \$33$ ), or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 ( $\$35.75 \times 10$ ).

**Example 2:** If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or  $\$200/10$ ). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus \$6.75 ( $.75 \times \$9$ ), or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 ( $\$17.75 \times 10$ ).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

## Where to Get More Information

For more information about this notice, you may contact the Plan Office, at 818 or 310.769.0007 (outside Southern California 888.369.2007), or by mail at Motion Picture Industry Pension & Health Plans, P.O. Box 1999, Studio City, CA 91614-0999. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 95-1810805. For more information about the PBGC and benefit guarantees, go to PBGC's website, [www.pbgc.gov](http://www.pbgc.gov), or call PBGC toll-free at 1.800.400.7242. TTY/TDD users may call the Federal relay service toll free at 1.800.877.8339 and ask to be connected to 1.800.400.7242.

## HEALTH PLAN REMINDERS

### Limited Out-of-Pocket for Dual Coverage

If you and your spouse are both eligible Health Plan Participants and choose coverage by the MPI Health Plan/Blue Shield, your benefits will be coordinated. That means you will have limited out-of-pocket expense for most covered services.

### Lower Your Out-of-Pocket Costs With Generic Drugs

For the lowest co-pay and no additional out-of-pocket expense when using your Medco prescription drug benefit, always choose generic drugs when possible.

Ask your doctor if a generic equivalent is available. Even if your doctor has indicated or prescribed a brand preference, if you choose the brand name when a generic is available, you will pay the generic drug co-pay amount plus the difference in cost between the brand name and the generic drug. That can be a large amount.

If a generic drug is not available, you pay only the brand name drug co-pay.

## GETTING A RETURN CALL REQUIRES YOU END YOUR CALL WITH A #

The MPI Health Plan's phone system allows you to leave a voicemail for the Participant Service Center rather than wait on hold. Your voicemail will remain in the queue in the order received and a Participant Services representative will call you back. However, it's important to complete all the steps of the process.

To receive a call back, simply key in your telephone number when prompted and then leave a short message that includes your name, any phone extension and your Participant ID or Social Security number.

Be sure to press the # key when you're done or your message will not be saved and you will not receive a call back.

## HOW TO USE MEDCO BY MAIL

Using Medco By Mail for prescription drugs you take on a long-term or regular basis is the least expensive and most convenient way for you to purchase your medications. It saves you monthly trips to the pharmacy and your average monthly co-pay is less. In fact, after the first two fills of a prescription, you must use the mail order service or your prescription will not be covered.

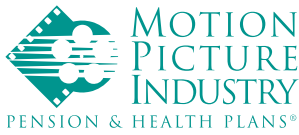
There are some medications that are not appropriate for dispensing by mail because they are for acute conditions, are potent pain medications and/or have special dispensing requirements. Be sure to confirm with your doctor before you order by mail.

### Easy Steps to Order by Mail

- Your prescription:** Ask your doctor to write your prescription(s) for up to a 90-day supply, plus refills for up to one year, as appropriate.
  - Be sure you have a 14-day supply of your medication on hand to allow for processing and delivery the first time. If needed to hold you over, ask your doctor for a prescription for a 30-day supply that you can fill at a participating Medco network pharmacy.
  - If you or your doctor submits a prescription for less than a 90-day supply, you will receive the lesser amount at the 90-day co-pay cost.
- Getting started:** The first mail order fill of a new prescription can be handled in one of two ways.
  - **Order by mail:** You can mail the new prescription(s), a completed "Medco By Mail Order Form" and the appropriate co-pay to Medco.
    - Visit [www.mpiphp.org](http://www.mpiphp.org) to print the form.
    - You may submit a check or money order, or fill out the credit card authorization on the order form.
    - Call Medco at 800.987.5247 to obtain co-pay amounts.
  - **Order by fax:** Ask your doctor to call 888.327.9791 for instructions on how to fax a prescription.
    - Only a doctor may fax a prescription.
    - You will be billed by Medco for your co-pay.
- Refilling your prescription:** Look for the refill date on your prescription bottle or the refill slip from your previous order and be sure to order 14 days before your medication will run out. You may refill in any of three ways.
  - **Online:** Log on to [www.medco.com](http://www.medco.com) to view available prescription refills in the personalized "Order Center" or within your "Prescription History."
    - From the Order Center, simply check the box next to the item(s) you want to order and follow the on-screen instructions to check out.
    - From Prescription History, click on the "Add to Cart" icon next to the prescription number and follow the on-screen instructions to check out.
    - You may pay by credit card online.
  - **By telephone:** Call 800.473.3455 to use the automated refill system.
  - **By mail:** Use the refill order included with your previous shipment. Mail it with your co-pay to Medco in the return envelope provided

### Register Online at [www.medco.com](http://www.medco.com)

If you have not previously registered online, follow the simple on-screen instructions. You'll need your Social Security number and a Medco prescription number, if you have one. The number can be found on any refill slip or the label of any recent prescription bottle you filled using your Medco retail or mail order benefit.



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Check out our website at  
[www.mpiphp.org](http://www.mpiphp.org)

## WE THOUGHT YOU'D LIKE TO KNOW...

This newsletter contains important information about your rights under the Motion Picture Industry Pension and Health Plans and under ERISA. Please keep it with your *Summary Plan Description* for future reference.

### California Office (Main Office)

11365 Ventura Blvd., P.O. Box 1999  
Studio City, CA 91614-0999  
Main Phone 818 or 310.769.0007  
Toll Free  
Outside So. California 888.369.2007  
Main Fax 818.508.4714

### New York Office

145 Hudson St., Suite 6A  
New York, NY 10013-2103  
Main Phone 212.634.5252  
Toll Free 888.758.5200  
Main Fax 212.634.4952

**Web site** [www.mpiphp.org](http://www.mpiphp.org)

*For Your Benefit* and the *Plan Update* are published 4 times a year for Motion Picture Industry Pension and Health Plans Participants.

Please send your comments and suggestions to:  
MPIP&HP – Attn: *For Your Benefit*  
P.O. Box 1999  
Studio City, CA 91614-0999

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## Qualifying Periods for Monthly Eligibility

*Eligibility for six-month benefit periods is determined on a monthly basis according to the schedule below. After satisfying the requirement of 600-work-hours in a six month period to establish initial eligibility for health plan coverage, Participants who work at least 300 qualified hours in a qualifying period will receive continued benefits in the next eligibility period. As an example: 300 hours in the qualifying period 7/26/09 - 1/23/10 confirms benefits coverage in eligibility period 4/1/10 - 9/30/10. See your Summary Plan Description for details.*

### Qualifying Periods

7/26/09 – 1/23/10  
8/23/09 – 2/20/10  
9/20/09 – 3/20/10  
10/25/09 – 4/24/10  
11/22/09 – 5/22/10  
12/27/09 – 6/19/10  
1/24/10 – 7/24/10  
2/21/10 – 8/21/10  
3/21/10 – 9/25/10  
4/25/10 – 10/23/10  
5/23/10 – 11/20/10  
6/20/10 – 12/25/10  
7/25/10 – 1/22/11  
8/22/10 – 2/19/11  
9/26/10 – 3/26/11  
10/24/10 – 4/23/11

### Eligibility Periods

4/1/10 – 9/30/10  
5/1/10 – 10/31/10  
6/1/10 – 11/30/10  
7/1/10 – 12/31/10  
8/1/10 – 1/31/11  
9/1/10 – 2/28/11  
10/1/10 – 3/31/11  
11/1/10 – 4/30/11  
12/1/10 – 5/31/11  
1/1/11 – 6/30/11  
2/1/11 – 7/31/11  
3/1/11 – 8/31/11  
4/1/11 – 9/30/11  
5/1/11 – 10/31/11  
6/1/11 – 11/30/11  
7/1/11 – 12/31/11