# FOR YOUR BENEFIT...

The Newsletter for Motion Picture Industry Pension and Health Plans Participants Volume 18, No. 3 Fall 2008

# MPIPHP REMAINS SECURE DESPITE MARKET DOWNTURN

*The economic news in the United States and throughout the world has been volatile recently, and we have received a number of calls from Participants concerned about its impact on the Pension and Individual Account Plans.*

### For MPI Pension Plan Participants, there is good news…

The good news is that despite the current economic woes, your long-term retirement income from the MPI Pension Plan is secure. While the Plans have experienced losses through the first three quarters of 2008, assets are invested in a well-diversified portfolio and therefore have fared much better than the overall equities market.

### Wise investment strategies keep the Plans strong…

The Board Finance Committee has wisely positioned the Plans' investment portfolios to weather this storm over the last two years. The monies are invested over a wide variety of asset classes, including bonds, stocks, real estate and other alternatives. They are also allocated across many investment management firms, all of which significantly lessens the risk of overexposure in any one area.

### Participants' Pensions remain unchanged…

The Pension Plan is a defined benefit plan, which means the Plan assumes the investment risk. Once eligible and vested under a defined benefit plan, upon retirement Participants receive a guaranteed monthly benefit for their lifetime, regardless of current market conditions. For Pension Plan Participants, that income is based on the number of years/hours worked, as defined in the collective bargaining agreements.

The bottom line is that the Plan is financially positioned to absorb a negative year without having an impact on Participants' income at retirement. Over the 20-year period ended in 2007, for example, the Plan has consistently achieved positive investment results. Investments during that 20-year period averaged a 9.9 percent return per year, despite a number of down years.

### IAP investments are ahead of the market…

Participants are entitled to receive their entire IAP balance in a lump sum at retirement. While it is true the investment returns for 2008 are negative, the IAP is still ahead of the overall equities market. As with the Pension Plan, the Individual Account Plan has also achieved excellent results over the long term. Although it is more conservatively invested, it has still earned an average of 9.5 percent per year during the same 20-year period ended in 2007.

### How does all this impact the MPI Health Plan…

The health of the MPI Health Plan is affected by the market as well. Although the Plan has experienced a negative impact, it remains stable as a result of the same sound investment practices as the Pension and Individual Account Plans.

The Health Plan, however, is also impacted by many years of double digit increases in the cost of delivering care. Although this year health care cost increases have been slightly lower than in the recent past, the long-term escalation has taken a toll across the nation. Much of the growing burden of high insurance premiums is being shifted to employees as their deductibles rise and their co-insurance and co-payment levels climb.

*continued on page 2*

## Your Pension Plan Rights

This issue of *For Your Benefit* includes an insert with important information about your rights under the MPI Pension Plan and the Pension Protection Act. It should be read and retained for future reference.

### Inside This Issue



### Dates to Remember

The Plan Offices will be closed in observance of the following holidays:

**December 25, 2008**
**Christmas Day**

**January 1, 2009**
**New Year's Day**

**February 16, 2009**
**Presidents' Day**

### Participants Please Take Note:

As a result of unique agreements associated with mergers of various Locals throughout the years, not all the benefits reflected in this newsletter apply to all Participants. Please refer to your *Summary Plan Description* for more information, or call the West Coast Plan Office at 818 or 310. 769.0007, ext. 244. From outside Southern California, call toll-free at 888.369.2007, ext. 244.

# MPIPHP REMAINS SECURE

*continued from page 1*

**Participants can help keep their Health Plan benefits strong…**

The MPI Health Plan has an obligation to maintain reserves at a level that ensures all Participants affordable, quality health benefits coverage now and in the future. You can play a major role in making this happen by remaining diligent in your efforts to keep costs down. Through your thoughtful personal choices, you will have a positive impact on your health, your pocketbook and the viability of the Plan for all Participants.

Please consider the following when it comes to your health care:

- Make healthy lifestyle choices.
- Stay within the contracted networks of quality care providers for medical, dental, vision, behavioral health and chiropractic care.
- Use the Medco network of pharmacies and mail order prescription service, and choose generic drugs whenever available.
- Participate in our disease management program to ensure you are doing the most to manage any chronic conditions.

## Did You Know...

### *...Preauthorization for added PT treatment is strongly recommended?*

While preauthorization is not required by the MPI Health Plan, if your doctor feels there might be a need for additional physical therapy beyond the 16 treatment per calendar year benefit limitation, preauthorization is strongly recommended.

It is in your best interest to have your doctor request additional treatment after you have already begun treatment and have completed at least eight visits. Plan coverage extension for additional treatments is based on medical necessity supported by a well-documented assessment of progress and a treatment plan from the referring doctor.

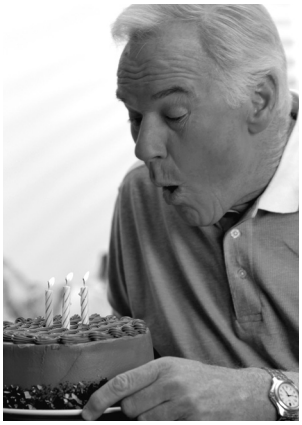
### *...Nerve conduction studies have specific requirements for benefits coverage?*

Nerve conduction studies must be supervised directly by a physician who is qualified by training and experience to do the testing. That physician must provide the professional interpretation and reading as well as conduct the study. In other words, a qualified physician, usually a neurologist, must be present to supervise a nerve conduction study.

To confirm coverage for any provider, please contact the MPI Health Plan office at 818 or 310.769.0007, ext. 106. Outside Southern California, call toll-free at 888.369.2007, ext. 106.

# PROTECT YOURSELF

## *Sign up for Medicare Part B When You Become Eligible.*



Enrollment in Medicare Part A (hospital coverage) is automatic when you become eligible, but it is your responsibility to enroll in Medicare Part B (professional services) because that coverage is optional.

If you are covered in the MPI Retiree Health Plan, Medicare becomes the primary payor as soon as you become eligible for Medicare benefits. For Medicare-eligible retired and disabled Participants and dependents, failure to be enrolled in Part B can result in substantial out-of-pocket expense on medical claims.

The Plan will not pay any benefits which Medicare would have paid had you enrolled. If benefits previously mistakenly paid by the Plan would have been paid by Medicare if you were eligible for Medicare and had enrolled, the Plan will treat the paid benefits as "overpayments." You will be personally liable for the amount of the overpayment, plus interest. The policy is spelled out on page 36 of the 2007 MPI Health Plan *Retiree Summary Plan Description (SPD*) and page 48 of the *Active Health SPD.*

Those Participants who are still working at age 65 and have MPI Health Plan Active Participant benefits should strongly consider signing up for Medicare Part B as well. If you were forced into retirement due to an accident or illness and had not enrolled when you became eligible, there could be a penalty added to your Medicare premium. In addition, you might not be able to enroll in Part B until Medicare's open enrollment period – potentially months down the line.

# NEW NAME. SAME QUALITY SERVICE.

PacifiCare Behavioral Health® (PBH), which provides comprehensive behavioral health services for MPI Health Plan Participants, will be changing its brand name to OptumHealth℠ Behavioral Solutions between late 2008 and early 2009.

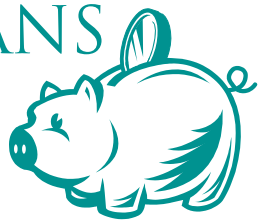
Although the name will change, the organizations' dedication to optimizing their patients' well-being remains the same, according to PacifiCare. Their focus is on assuring access to high quality, responsive and cost-effective care.

There will be a transition period during which Participants may read and hear references to both OptumHealth and PBH. However, neither the transition period nor the name change will negatively affect Participant interactions with the behavioral health services they provide.

OptumHealth℠

Your phone access number will remain the same at 888.661.9141, with staff available to assist you 24 hours a day, seven days a week.

# SPENDING LESS MEANS MORE TODAY



*Use of a Non-Network Provider Can Significantly Increase Your Out-of-Pocket Health Care Costs*

In today's volatile economy, any option for spending less can make a big difference to a family budget. That's why using network providers is important for MPIHP/Blue Shield Health Plan Participants. You can receive quality medical care and maximize your health care dollars by staying within the established networks.

Participants throughout the country can benefit from low out-of-pocket costs by using a Blue Shield preferred provider. There is no premium or deductible, and your co-pay and co-insurance costs are modest when using these providers for services covered by the Plan.

For those who are able to use the Motion Picture & Television Fund (MPTF) physicians and health centers located in the Los Angeles area, there is no out-of-pocket expense for covered services. The same is true for referrals to the MPTF specialist network, The Industry Health Network (TIHN).

MPIHP/Blue Shield Health Plan Participants also have an option to use non-network providers, but it is significantly more costly to do so. Although you still pay no premium or deductible and the co-pay remains low, your co-insurance cost jumps dramatically. And, you are responsible for paying the difference between the Plan allowance and the provider's charge. That amount can be significant, as is demonstrated in the example below, where you could potentially be responsible for a total of $2,925 of the $5,000 charged by the provider. Using a Blue Shield network provider, your cost would be only $315.

The bottom line is that the most cost-effective option for MPIHP/Blue Shield Participants is to stay within the provider networks. Information about Blue Shield's network providers can be found at www.blueshieldca.com. Visit www.mptvfund.org for information about MPTF health centers and TIHN.

### Maximize Your Health Care Dollar Using a Network Provider

*Cost-effective Access to Quality Care through the MPIHP/Blue Shield Health Plan Network*

| Participant Provider Options | Provider Payment Calculation Example | MPI Health Plan Pays | Participant Responsibility |
|---|---|---|---|
| Blue Shield Preferred Provider | Provider charge: $5,000<br>Contracted rate: $3,000<br>Plan pays: 90%* - $15 co-pay<br>Participant pays: 10%* + $15 co-pay | $2,685 | $315 |
| Non-network Provider | Provider charge: $5,000<br>Plan allowance: $3,000<br>Plan pays: 70%* - $15 co-pay<br>Participant pays: The balance due ($5,000 - Plan payment) up to the billed amount | $2,085 | $2,915 |

* Plan payment based on percentage of contracted rate/Plan allowance, **not** on percentage of provider charge.

## Did You Know...

### *...Participant reimbursement for claims requires proof of payment?*

If the MPI Health Plan will be reimbursing the Participant rather than the provider of the services, proof of payment must be submitted with the provider's bill.

## Did You Know...

### *...UCLA has Rejoined the Blue Shield PPO Network?*

The medical centers, physicians and ancillary providers that are part of the University of California at Los Angeles (UCLA) Health System have rejoined the Blue Shield of California provider network effective October 15, 2008.

The new three-year contract that runs through the end of 2011 once again provides MPI Health Plan Participants access to Ronald Reagan UCLA Medical Center in Westwood, Santa Monica UCLA Medical Center, the Resnick Neuropsychiatric Hospital at UCLA and UCLA Medical Group (UCLA physicians/providers).

The recent lapse in network participation, which began in June 2008, occurred while Blue Shield and UCLA worked together toward a new contract agreement. The new agreement reflects the joint commitment of Blue Shield and the MPI Health Plan to provide Participants with cost-effective access to quality health care from a network of highly-regarded physicians, medical groups and health care facilities.

### *...Blue Shield Online Offers Participants Hospital Performance Profiles*

Blue Shield has recently launched a unique new addition to their online provider directory. It incorporates quality & satisfaction data for consumers looking for information to help them choose a health care provider that fits their individual needs.

For MPI Health Plan Participants who use the Blue Shield PPO network in California, the "Performance Profile" is an opportunity to compare hospitals based on nationally-recognized quality measures. It provides easy online access to quality and patient satisfaction scores, as well as efficiency indicators. At this time, the Performance Profile does not yet include quality and performance measures for individual physicians in California. That information is currently available for HMO medical groups only.

The Performance Profile is located in the Find a Provider section of www.blueshieldca.com.

## RECONSTRUCTIVE SURGERY BENEFITS AVAILABLE FOR BREAST CANCER SURVIVORS

A woman diagnosed with breast cancer is forced to make a number of life-altering decisions in a short period of time. The most effective means to fight and beat the disease is the first and most important choice, but if that option involves a mastectomy, a new challenge may arise based on her concerns over body image.

As a Participant or eligible dependent receiving benefits for a mastectomy, the MPI Health Plan is ready to help, with benefit coverage that includes:

- Reconstruction of the breast on which the mastectomy was performed;
- Reconstructive surgery of the other breast to produce a symmetrical appearance; and
- Prostheses and coverage for physical complications at all stages of the mastectomy procedure, including lymphedema.

These comprehensive benefits meet the requirements established by the Women's Health and Cancer Rights Act of 1998. Of course, the standard Participant co-pays apply. Call us at the MPI Health Plan offices, 818 or 310.769.0007, ext. 244, for further information. From outside Southern California, call toll-free at 888.369.2007, ext. 244.

Participants who are enrolled in Health Net, Kaiser or Oxford should review their Evidence of Coverage booklets or contact those plans directly for coverage information.

## Easy Access to Weight Management Online

The Motion Picture & Television Fund will introduce a new Weight Management pilot program for Active eligible MPI Health Plan Participants beginning February 2, 2009. Because it is internet-based, the program is accessible to Participants nationwide.

This online program will help you recognize healthy lifestyle choices, identify easy ways to increase your physical activity, monitor and track your weight loss success, and adopt and maintain new healthy behaviors.

Personal coaching, combined with interactive, web-based technology, will help set you on a course to weight management success.

Participants will need access to a computer with internet service.

Participation is free and enrollees will be accepted on a first-come, first-served basis. Space is limited, so call today to express your interest in this program. 800.654.WELL (9355).

## Clarification of Genetic Testing Coverage

The Benefits/Appeals Committee of the MPI Health Plan Board of Directors has clarified the Plan policy with respect to "Genetic Testing." Genetic testing is a covered benefit in limited cases as follows:

1. Prenatal testing ordered by an obstetrician for evaluating for carrier states.
2. Newborn testing as directed by the State.
3. Testing for congenital abnormalities in utero (by amniocentesis or chorionic villus sampling).
4. BRCA 1 and BRCA 2 testing for evaluating risk of development of breast or ovarian cancer if there has been genetic counseling and the tests are recommended by a Physician Medical Geneticist.
5. Hereditary Non-Polyposis Colorectal Cancer (HNPCC) and Familial Adenomatous Polyposis (FAP) testing for evaluating risk of development of colon cancer if there has been genetic counseling and the test is recommended by a Physician Medical Geneticist.

All other genetic tests are specifically excluded unless the Benefits/Appeals Committee determines, based on the advice of a Physician Medical Geneticist and the Plan's Medical Director, that there is a high likelihood that the results of the genetic test will materially affect the patient's treatment.

**Did You Know...**

### *...It's your responsibility to notify the Plans of any address change?*

If you've moved, it is critical that you notify the Plans of any change of address to assure that all claims will be processed appropriately and the Plans can get important information to you in a timely manner. You must use the MPIPHP "Change of Address Card" as it contains certain disclaimer information that is critical to our being able to maintain accurate Pension and Health data bases. Simply go to www.mpiphp.org and print out the form, fill it out and mail it to the MPIPHP Plan Office in Studio City. Or call us at 818 or 310.769.0007, ext. 251, and ask us to mail you the form. Outside of Southern California, call toll-free at 888.369.2007, ext. 251. Please note that your Union does not pass your change of address information along to the Plans.

# SUMMARY ANNUAL REPORTS 2007

## FOR THE MOTION PICTURE INDUSTRY PENSION, INDIVIDUAL ACCOUNT AND HEALTH PLANS

This is a summary of the annual reports for the Motion Picture Industry Pension Plan, E.I.N. 95-1810805, (Plan No. 001), for the Motion Picture Industry Individual Account Plan, E.I.N. 95-0030749, Plan No. 002, and the Motion Picture Industry Health Plan, E.I.N. 95-6042583, Plan No. 501, for the year ended December 31, 2007.

These annual reports have been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

### Basic Pension Plan Financial Statement

Benefits under the plan are provided through insurance and through a trust fund. Plan expenses were $187,559,725. These expenses included $18,028,725 in administrative expenses and $169,531,000 in benefits paid to or for participants and beneficiaries. A total of 70,014 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was $2,739,754,210 as of December 31, 2007, compared to $2,525,531,398 as of January 1, 2007. During the plan year the plan experienced an increase in its net assets of $214,222,812. This increase includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. The plan had total income of $401,782,537 including employer contributions of $156,428,859, realized gains of $29,070,332 from the sale of assets, earnings from investments of $207,167,221, and other income of $9,116,125.

### Basic Individual Account Financial Statement

Benefits under the plan are provided through insurance and through a trust fund. Plan expenses were $74,533,245. These expenses included $12,865,442 in administrative expenses and $61,667,803 in benefits paid to or for participants and beneficiaries. A total of 68,138 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was $2,202,761,319 as of December 31, 2007, compared to $1,948,961,807 as of January 1, 2007. During the plan year the plan experienced an increase in its net assets of $253,799,512. This increase includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. The plan had total income of $328,332,757 including employer contributions of $144,939,684, realized gains of $18,277,939 from the sale of assets, earnings from investments of $160,026,568, and other income of $5,088,566.

### Minimum Funding Standards

An actuary's statement shows that enough money was contributed to the plans to keep them funded in accordance with the minimum funding standards of ERISA.

### Health Plan Insurance Information

The plan has contracts with The Union Labor Life Insurance Company, Private Medical Care, Inc., Kaiser Foundation Health Plan of California, Oxford Health Insurance, Inc., PacifiCare Behavioral Health of California and Health Net to provide certain medical, dental, vision and life insurance benefits incurred under the terms of the plan. The total premiums paid for the plan year ended December 31, 2007 was $46,847,817.

Because certain contracts are so called "experience-rated" contracts, the premium costs are affected by, among other things, the number and size of claims. Of the total insurance premiums paid for the plan year

*continued on page 6*

*continued from page 5*

ended December 31, 2007, the premiums paid under such "experience-rated" contracts were $1,992,572 and the total of all benefit claims paid under these experience-rated contracts during the plan year was $1,426,022.

## Basic Health Plan Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was $180,160,173 as of December 31, 2007, compared to $235,776,946 as of January 1, 2007. During the plan year, the plan experienced a decrease in its net assets of $55,616,773. This decrease includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. During the plan year, the plan had total income of $514,023,166 including employer contributions of $462,867,982, participant contributions of $6,846,359, realized losses of $11,678,538 from the sale of assets, earnings from investments of $47,883,848 and other income of $8,103,515.

Plan expenses were $569,639,939. These expenses included $26,109,417 in administrative expenses and $543,530,522 in benefits paid to or for participants and beneficiaries.

## Your Rights to Additional Information

You have the right to receive copies of any or all of the full annual reports, or any part thereof, on request. The items listed below are included in the reports:

1. An independent auditors' report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Transactions in excess of 5% of the Plan assets;
5. Insurance information, including sales commissions paid by insurance carriers;
6. Information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the Plan participates (Pension and IAP only); and
7. Actuarial information regarding the funding of the Plan (Pension only).

To obtain copies of the full annual reports, or any part thereof, write or call the office of Tom Zimmerman, who is the Plans' executive administrative director, 11365 Ventura Boulevard, Studio City, CA 91604-3148, 818.769.0007. The charge to cover copying costs will be $15.00 per annual report, or 25 cents per page for any part thereof.

You also have the right to receive from the Plans' administrator, on request and at no charge, a statement of the assets and liabilities of the Plans and accompanying notes, or a statement of income and expenses of the Plans and accompanying notes, or both. If you request a copy of any or all of the full annual reports from the Plans' administrator, these two statements and accompanying notes will be included as part of that report(s). The charge to cover copying costs given above does not include a charge for the copying of these portions of the reports because these portions are furnished without charge.

You also have the legally protected right to examine the annual reports at the main office of the Plans (11365 Ventura Boulevard, Studio City, CA 91604-3148) and at the U.S. Department of Labor in Washington, D.C., or to obtain copies from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

MOTION PICTURE INDUSTRY
PENSION & HEALTH PLANS®

**West Coast Plan 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

**Website: www.mpiphp.org**

# THE POISON ISN'T JUST UNDER THE SINK. IT'S IN THE MEDICINE CABINET AS WELL.

*By Chalmers H. Armstrong III, M.D.*
*MPIPHP Medical Director*

*Actor Heath Ledger's death at the age of 28 was a shock to the world, but its cause is all too common and has brought attention to the alarming increase in unintentional poisoning. It's no longer the chemicals under the sink that present the greatest risk, but rather the ones above, in your medicine cabinet.*

*Prescription drug abuse, misuse and combined drug intoxication has resulted in a dramatic rise in poisoning injuries, disabilities and deaths for all age groups, and particularly for those ages 45 to 54.*

## What drugs present the greatest risk?

The drugs involved are often those prescribed by physicians for pain, such as the narcotics Oxycodone, Percocet, Vicodin, Codeine and Methadone; those prescribed for anxiety, including Valium and Xanax; and prescriptions for sleep aids such as Ambien, Restoril and Dalmane.

The simultaneous use of multiple drugs can create a lethal combination that may involve prescription, over-the-counter or recreational drugs, as well as herbal medications and home remedies. And, of course, alcoholic beverages consumed with medications can present a serious risk.

## Who is at risk and why?

This is not a problem associated only with drug addicts, and most of the deaths are unintentional. We are all at risk.

We self-medicate more than ever before. Patients are discharged from the hospital much sooner and are frequently sent home with relatively large quantities of pain and anxiety medications. Our lifestyle is fast-paced and sometimes dependent on medications to keep up. We may see more than one physician specialist, and there is often little communication between them on medications prescribed.

## How do problems occur?

The drugs you take may not be working as well as you would like, so you exceed the prescribed amount. Perhaps the medications are prescribed incorrectly or you are taking conflicting medications. You may take someone else's medication and it conflicts with other medications you are taking. Or, the individual becomes addicted to the medication and increases quantities to the point of overdose.

## What can you do to lower your risk?

- Tell your physician about every medication and supplement you are taking, prescription or otherwise, to ensure there are no lethal combinations.
- Understand the risks associated with all medications you are taking.
- Fill all your prescriptions at the same pharmacy where their computer program will pick up conflicting medications.
- Do not exceed the prescribed dosage.
- Do not drink alcohol while taking prescription medications unless clearing it first with your doctor.
- Do not continue medications beyond the time you need them.
- Get help immediately if you feel you are becoming dependent on any medication.
- Tell your doctor if you experience an unexpected or bad reaction to a prescribed medication.
- Never take someone else's prescription medication.

## Did You Know...

### *...Medical scans and tests ordered by a Chiropractor are not covered?*

The MPI Health Plan does not cover charges for medical scans and tests ordered by a chiropractor, even if the tests are administered by a medical doctor. This includes MRI/CT scans, as well as other diagnostic and laboratory tests.

To confirm coverage for any provider, please contact the MPI Health Plan office at 818 or 310.769.0007, ext. 106. Outside Southern California, call toll-free at 888.369.2007, ext. 106.

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*Check out our website at*
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.**

**West Coast Plan Office**
**(Main Office)**
11365 Ventura Blvd., P.O. Box 1999
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**Website** 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



11/08

## Qualifying Periods for Monthly Eligibility

*Eligibility for six-month benefit periods is determined on a monthly basis according to the schedule below. Continuing eligible Participants who work at least 300 Qualified Hours in a Qualifying Period will receive benefits in the next Eligibility Period. (Example: 300 hours in the Qualifying Period 2/24/08 - 8/23/08 confirms benefits coverage in Eligibility Period 11/1/08 - 4/30/09.) Additional qualification requirements apply for new Participants to qualify for Initial Eligibility. See your* Summary Plan Description *for details.*

| Qualifying Periods | | | Eligibility Periods | | |
|---|---|---|---|---|---|
| 2/24/08 | – | 8/23/08 | 11/1/08 | – | 4/30/09 |
| 3/23/08 | – | 9/20/08 | 12/1/08 | – | 5/31/09 |
| 4/20/08 | – | 10/25/08 | 1/1/09 | – | 6/30/09 |
| 5/25/08 | – | 11/22/08 | 2/1/09 | – | 7/31/09 |
| 6/22/08 | – | 12/20/08 | 3/1/09 | – | 8/31/09 |
| 7/27/08 | – | 1/24/09 | 4/1/09 | – | 9/30/09 |
| 8/24/08 | – | 2/21/09 | 5/1/09 | – | 10/31/09 |
| 9/21/08 | – | 3/21/09 | 6/1/09 | – | 11/30/09 |
| 10/26/08 | – | 4/25/09 | 7/1/09 | – | 12/31/09 |
| 11/23/08 | – | 5/23/09 | 8/1/09 | – | 1/31/10 |
| 12/21/08 | – | 6/20/09 | 9/1/09 | – | 2/28/10 |
| 1/25/09 | – | 7/25/09 | 10/1/09 | – | 3/31/10 |
| 2/22/09 | – | 8/22/09 | 11/1/09 | – | 4/30/10 |
| 3/22/09 | – | 9/19/09 | 12/1/09 | – | 5/31/10 |
| 4/26/09 | – | 10/24/09 | 1/1/10 | – | 6/30/10 |

# ANNUAL FUNDING NOTICE
## FOR MOTION PICTURE INDUSTRY PENSION PLAN

This notice, which federal law requires all multiemployer plans to send annually, includes important information about the funding level of the Motion Picture Industry Pension Plan [EIN 95-1810805, Plan number 001] (Plan). This notice also includes information about rules governing 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, 2007, and ending December 31, 2007.

### Plan's Funding Level

The Plan's "funded current liability percentage" for the Plan Year was 60.0%. In general, the higher the percentage, the better funded the plan. The funded current liability percentage, however, is not indicative of how well a plan will be funded in the future or if it terminates. Whether this percentage will increase or decrease over time depends on a number of factors, including how the plan's investments perform, what assumptions the plan makes about rates of return, whether employer contributions to the fund increase or decline, and whether benefits payments from the fund increase or decline.

### Plan's Financial Information

The market value of the Plan's assets as of January 1, 2007 was $2,525,531,000. The total amount of benefit payments for the Plan Year was $169,531,000. The ratio of assets to benefit payments is 14.9. This ratio suggests that the Plan's assets could provide for approximately 14.9 years of benefit payments in annual amounts equal to what was paid out in the Plan Year. However, the ratio does not take into account future changes in total benefit payments or Plan assets.

### Rules Governing Insolvent Plans

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, below), 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

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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 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 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 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

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. 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 Fund Office by phone 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 more information about the PBGC and multiemployer benefit guarantees, go to PBGC's website, www.pbgc.gov or, 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).

## Additional Explanation

There are several ways to value a retirement fund's liability and the one set out in this Annual Funding Notice is one such way. For this Notice, Federal law requires that we value the Plan's percentage of funded liability by using certain interest rate assumptions that are significantly below the interest rate that our actuary expects the Plan to earn in the future. Another way to value the liability is to use actual interest rates earned by this Plan and realistic interest rate projections.

Our actuary has advised us that the Plan's funded percentage is 81.9% based on his best estimate of expected future earnings. This is the figure we more commonly use in evaluating the health of the Plan and the ability to pay benefits. Your Trustees constantly monitor, with their advisors, the financial well being of this Plan and take all action that is appropriate to make sure that the Plan remains healthy and able to provide the benefits it has promised.

MOTION PICTURE INDUSTRY
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