

PLAN UPDATE

Update to Your Summary Plan Description

Summer 2006

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.

BENEFITS CHANGES NEAR FOR MPIPHP AND ITS PARTICIPANTS

As August 1, 2006 approaches, MPI Pension and Health Plans prepare to implement benefits modifications that will impact most Participants in some way. **Not all changes will impact all Participants**, but it is important to pay particular attention to determine what will affect you and your eligible dependents.

The benefit modifications include pension increases and some increased health plan cost sharing. These changes were negotiated between the bargaining parties, ratified by union members and approved by the MPIPHP Boards of Directors earlier this year.

This *Plan Update* provides you with the details you need to better understand these changes and their impact on you. It also addresses the Health Plan's change to the Blue Shield network of providers for indemnity plan Participants, which is happening at the same time.

Comparing MPIPHP Benefits

It's important to put your benefits in perspective, to understand their value in comparison to what others are receiving. Based on credible data, MPI Pension and Health Plans Participants enjoy one of the premier benefit packages in the nation and have for some time.

Secure Retirement Savings

This is a time in our country when defined benefit pension plans are disappearing. MPIPP Participants, on the other hand, are reaping the benefits of Pension and Individual Account Plan *increases* and Plan stability that few others are experiencing. The increases planned for both of these plans are detailed in this *Plan Update*.

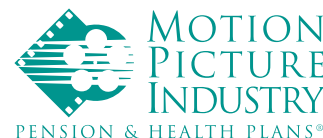
MPI Pension and IAP Plans are on sound financial ground today. The promises made for our Participants' retirement income are being fulfilled as a result of negotiated producer contribution increases, and strong and proactive benefits management. We do not face the Pension losses that have devastated employees in the airlines, steel and automobile industries.

MPI Health Plan Affordability

MPI Health Plan is an exceptional value to Participants as well, even with increased out-of-pocket costs going into effect in August. The increases are a

necessary part of maintaining a strong benefits package for you into the future, helping to offset this country's out-of-control health insurance premiums which, for the fifth straight year have increased by over 9 percent. Even in the face of that, MPIHP has maintained its affordability for Participants, particularly in comparison with national averages.

MPIPHP Participants are reaping the benefits of Pension and Individual Account Plan increases and Plan stability that few others are experiencing.



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MPIPHP Departments, West Coast Office:

Participant Services

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

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

Eligibility Department

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

Blue Shield of California:

www.mylifepath.com
Network Provider List

Motion Picture & Television Fund:

www.MPTVFund.org
Phone numbers - page 7

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RATIFIED MPI PENSION AND HEALTH PLANS BENEFIT CHANGES

Effective Dates: August 2006 to July 2009

In order to maintain a strong benefits package into the future, particularly in the face of double-digit increases in health care costs, new union contracts negotiated between the bargaining parties, ratified by the membership and approved by the MPI Board of Directors earlier this year incorporate changes to your benefits.

These changes, which include pension increases and some increased health plan cost sharing,

impact most Active and Retired Participants in some way. However, not all benefit changes impact all Participants.

Unrelated to these ratified benefit changes, but occurring simultaneously, is the change to the Blue Shield preferred provider network for Participants who have selected indemnity plan health care coverage. All changes are detailed in the following pages.

INCREASES FOR PENSION AND INDIVIDUAL ACCOUNT PLANS

Impacts Active and Retired Participants ♦ Effective August 1, 2006 through July 31, 2009

Both the MPI Pension Plan and the Individual Account Plan (IAP) are scheduled for increases, effective on different dates from 2006 through 2009. The IAP changes have been approved and are guaranteed to take effect as scheduled. The Pension increases are based on having a specified amount of reserves at a particular point in time. That information is spelled out here:

Pension Plan Increases

• 10% Pension Increase for Active Participants:

- This Pension increase will benefit Participants who hold Active status on July 31, 2006, if approved by the MPI Pension Plan Board of Directors around July 31, 2009.
- The increase will be retroactive to August 1, 2006.
- Approval requires that the Plans have enough money in reserve in each of the Active Health Fund and the Retired Employees Fund during the first quarter of 2009 to pay all Participant health bills for 8 months without any additional contributions or residual payments.

• Pension Increase for Current Retirees and Survivors:

- Any Participants who retire prior to August 1, 2006 will be entitled to 13th and 14th checks on or about November 1 of 2006, 2007 and 2008, if approved by the MPI Pension Plan Board.

- Approval requires that an 8-month reserve to pay all Participant health bills is maintained in each of the Active Health Fund and the Retired Employees Fund at each of those intervals.

Individual Account Plan Increases

• IAP Increase for Active Participants and Re-employed Retirees (2007):

- Contributions to most Participants' IAP accounts will increase by .5% (to 5.5%), effective July 29, 2007.
- Check with your union to determine whether this increase was part of your union contract.

• IAP Increase for Active Participants and Re-employed Retirees (2008):

- Contributions to most Participants' IAP accounts will increase by .5% (to 6%) on August 3, 2008.
- Check with your union to determine whether this increase was part of your union contract.

Participants Please Take Note: As a result of unique agreements associated with mergers of various Locals throughout the years, not all benefit changes reflected in this notice apply to all Participants.

INDEMNITY PLAN CHANGES TO BLUE SHIELD PREFERRED PROVIDER NETWORK

Impacts Indemnity Plan Participants, Active and Retired Effective August 1, 2006

MPI Health Plan has contracted with Blue Shield of California to provide health plan services for all its indemnity plan Participants, effective August 1, 2006. Formerly, California Participants enrolled in the indemnity plan were covered by Blue Cross of California, while Participants in the rest of the country had Blue Card coverage, contracted through Blue Cross.

With the new Blue Shield coverage, California Participants will enjoy the benefit of the Blue Card and its extensive national network of providers when traveling outside of the state. The change will be nearly invisible for MPIHP indemnity plan Participants who live outside of California, except that the Blue Card program now will be contracted through Blue Shield, which will be reflected on the Health Plan identification cards.

Using Blue Shield Preferred Providers

As with Blue Cross coverage, out-of-pocket costs for using a Blue Shield preferred provider are lower than they are for non-network physicians. The Blue Shield preferred provider network is extensive, and the physician crossover is very high between the two networks.

Currently, over 93% of the Blue Cross of California providers used by MPIHP Participants are also contracted with Blue Shield, and Blue Shield is working with the rest to encourage their sign on. In addition, a number of providers used by MPIHP Participants that were not contracted with Blue Cross *are* part of the Blue Shield network.

To confirm whether your physician(s) is part of the Blue Shield preferred provider network, visit their website at

www.mylifepath.com, or call MPIHP Participant Services at 818 or 310.769.0007, ext. 244, or toll free outside Southern California at 888.369.2007, ext. 244.

Don't forget: There are no co-pays or out-of-pocket expenses associated with using any of the five Motion Picture & Television Fund (MPTF) health centers, or for referrals made by MPTF physicians to The Industry Health Network (TIHN) specialists for covered services.

Generous Transition for Non-Blue Shield Network Physicians

For those few California Participants who have an ongoing relationship within the past year with a Blue Cross preferred provider physician who is not contracted with Blue Shield, the MPI Health Plan will allow up to a one-year transition period. During that timeframe, the Participant will pay no more than he or she would have paid for the physician's services had the change to Blue Shield not been made. At the end of that year, if the physician has not contracted with Blue Shield, the Participant must either change to a preferred provider or pay the higher out-of-pocket costs associated with non-network physicians.

New Identification Cards

The transition from Blue Cross to Blue Shield will be nearly seamless and will require only a change of identification cards. New Blue Shield cards will be issued to *all* indemnity plan Participants in mid-July and will be effective August 1, 2006.

Benefits Changes Near for MPIHP and Its Participants

continued from page 1

- *MPIHP Participants continue to pay no portion of the annual premium for indemnity plan or HMO coverage, a significant savings over other workers nationally:*
 - 92% of covered workers nationally pay an annual premium for their coverage. The average employee cost for a family plan was \$2,145 for HMO coverage and \$2,515 for PPO coverage in 2003.*
 - In 2005, workers contributed an average of \$2,713. That's \$1,094 more in premiums annually for family coverage than they did in 2000.**
- *MPIHP Participants pay no deductible, which is unusual compared to the average:*
 - 79% of covered workers nationally had a health plan deductible in 2003, 44% had a separate hospital deductible, and 8 percent had a separate prescription drug deductible.*
 - Annual health plan deductibles for PPO preferred providers averaged \$275.*
- *MPIHP indemnity plan Participants are experiencing their first co-pay increase since 1994, and our HMO and indemnity plan Participant prescription drug co-pays will increase somewhat. Compare that to significantly higher national averages:*
 - The (2005) national average employee contribution to company-provided health insurance has increased more than 143 percent since 2000.**
 - Average out-of-pocket costs for deductibles, co-payments for medications and co-insurance for physician and hospital visits rose 115 percent since 2000.**
 - 96 percent of covered workers nationally pay a co-pay and co-insurance for office visits.*

* According to the Kaiser Family Foundation 2003 Employer Health Benefits Survey

** According to 2005 data from the National Coalition on Healthcare

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**MPIHP
INDEMNITY
PLAN CHANGES**
Impacts Indemnity
Plan Participants,
Active and Retired
Effective August 1, 2006

One aspect of the MPIHP benefit changes negotiated by the bargaining parties in 2006 includes increases in out-of-pocket costs for the MPIHP indemnity plan Participants. However, the Health Plan remains *premium-free* to Participants for both indemnity plan and HMO coverage, there is *no deductible*, and *eligibility requirements are modest*.

Although there is an increase in the co-pay for the first time in 12 years, there are cost saving options available.

1. The most cost-effective option is to use Motion Picture & Television Fund (MPTF) health centers and their contracted referral providers, The Industry Health Network (TIHN), for covered services. This option is **cost-free** to all indemnity plan Participants.
2. Using a Blue Shield preferred provider also offers a cost savings, but not as significant as with MPTF health centers.
3. Using a physician who is not part of either the Blue Shield or MPTF networks is the most expensive option. Participants living in the MPTF service area will enjoy the greatest savings by using an MPTF health center.

PARTICIPANTS INSIDE THE MPTF SERVICE AREA

Out-of-pocket costs for those Participants living within the 94 ZIP codes in the MPTF service area.¹

Provider Choices: <i>Medical Professionals</i>	Current Participant Cost	Participant Cost Effective 8/1/06
MPTF/TIHN-Referred Network Provider	NONE ²	NONE ²
Blue Shield Preferred Provider but <i>not</i> an MPTF/TIHN-referred Network Provider	\$10 Co-Pay + 10% of contracted amount after MPIHP pays 90%	\$25 Co-Pay + 10% of contracted amount after MPIHP pays 90%
Not part of either the MPTF/TIHN-referred or Blue Shield Preferred Provider networks	\$10 Co-Pay + Balance after MPIHP pays 85% of allowable amount ³	\$25 Co-Pay + Balance after MPIHP pays 70% of allowable amount ³

PARTICIPANTS OUTSIDE THE MPTF SERVICE AREA

Out-of-pocket costs for those Participants living outside of the 94 ZIP codes in the MPTF service area¹

Provider Choices: <i>Medical Professionals</i>	Current Participant Cost	Participant Cost Effective 8/1/06
MPTF/TIHN-Referred Network Providers	NONE ²	NONE ²
Blue Shield Preferred Provider , but <i>not</i> an MPTF/TIHN-referred Network Provider	\$10 Co-Pay + 10% of contracted amount after MPIHP pays 90%	\$15 Co-Pay +10% of contracted amount after MPIHP pays 90%
Not a part of either the MPTF/TIHN-referred or Blue Shield Preferred Provider networks	\$10 Co-Pay + Balance after MPIHP pays 85% of allowable amount ³	\$15 Co-Pay + Balance after MPIHP pays 70% of allowable amount ³

OTHER BENEFIT CHANGES

Out-of-pocket costs for all Participants, regardless of location in relation to the MPTF service area.

Provider Choices:	Current Participant Cost	Participant Cost Effective 8/1/06
<i>Hospital Providers</i>		
MPTF Hospital in Woodland Hills, California	NONE ²	NONE ²
All Blue Shield Contracted Hospitals	NONE ²	NONE ²
Non-network hospital⁴ (<i>Not a Blue Shield Preferred Provider</i>)	Balance after MPIHP pays 75% of allowable amount ³	Balance after MPIHP pays 70% of allowable amount ³
Hospital Emergency Room Services: No network requirement	NONE	\$50 Co-Pay for Hospital <i>Waived if ultimately admitted</i>
<i>Professional Services not available through MPTF/TIHN</i>		
Blue Shield Preferred Provider (<i>Not an MPTF/TIHN Network Provider</i>) for the following services: • Acupuncture • Speech therapy • Osteopathic care	\$10 Co-Pay	\$15 Co-Pay

1 See page 6 for the listing of the 94 ZIP codes included in the service area.

2 No charge for covered services.

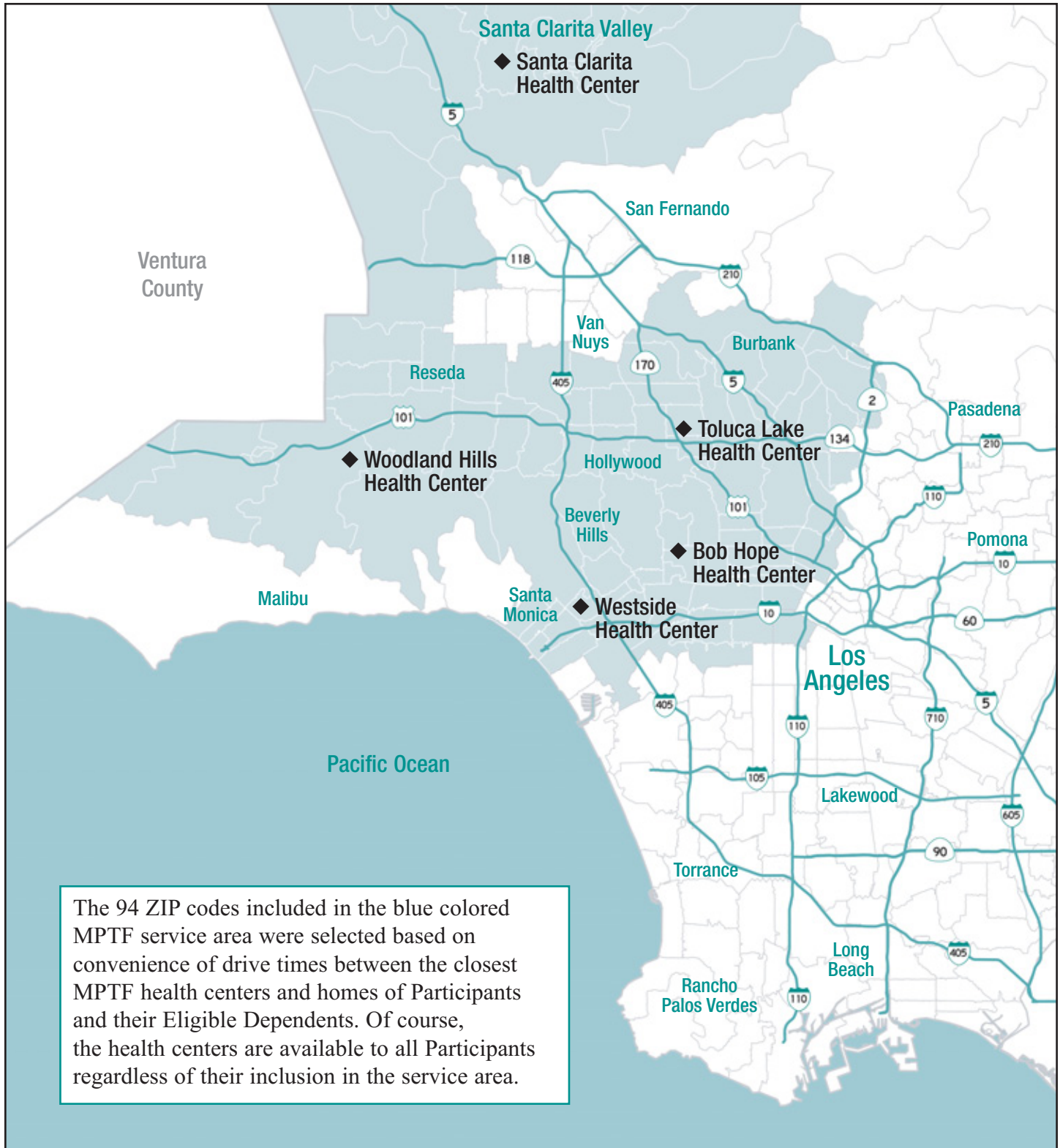
3 85th percentile of Ingenix allowance. Participants will pay the balance up to billed amount.

4 Surgery center allowance will not change.

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MOTION PICTURE & TELEVISION FUND SERVICE AREA MAP

Impacts Indemnity Plan Participants, Active and Retired
 Effective August 1, 2006



■ Service area indicated in blue. ZIP code listing on the next page.

NO COST ACCESS TO MOTION PICTURE & TELEVISION FUND

MPTF/TIHN Preferred Providers

Use of the Motion Picture & Television Fund (MPTF) network is strongly encouraged by the MPI Health Plan. The five MPTF health centers and The Industry Health Network (TIHN) specialist providers have a unique understanding of the needs of Industry Participants and their Eligible Dependents. They have a proven record of providing high quality, affordable health care and have scored at the top in independent statewide customer satisfaction surveys.

Whether located in the service area or out, Participants have no out-of-pocket costs associated with use of any of the health centers for covered services. There is also no cost to use specialist providers associated with TIHN for covered services when referred by an MPTF physician.

In-Area Cost Incentives

There is a strong cost-saving incentive for Participants and their Eligible Dependents who live in the service area to use the MPTF facilities and TIHN providers.

Use of the MPTF network is cost-free, but Participants who live in the service area and choose to use any other provider pay significantly more out-of-pocket. In that case, the co-pay is \$25 per visit plus co-insurance.

Accommodating Participant Needs

MPTF is taking a number of steps to care for additional patients in its health centers. New physicians and staff will be added at the health centers, space for ancillary services (such as lab) is being expanded,

Service Area ZIP Codes

The MPTF service area is based on Participant residence within a defined set of 94 ZIP codes located in the Los Angeles area (see map on previous page). The ZIP codes were identified based on a comprehensive evaluation of realistic drive times, not of actual distance, to the closest MPTF health center. However, Participants and their Eligible Dependents, whether living in the service area or not, may choose to use any of the five health centers.

90004	90028	90068	91020	91307	91381	91505
90005	90029	90069	91201	91311	91384	91506
90006	90034	90077	91202	91316	91387	91522
90007	90035	90095	91203	91321	91390	91601
90008	90036	90210	91204	91335	91401	91602
90010	90038	90211	91205	91350	91403	91604
90016	90039	90212	91207	91351	91405	91605
90018	90046	90232	91208	91352	91406	91606
90019	90048	90290	91214	91354	91411	91607
90020	90049	90401	91301	91355	91423	91608
90024	90057	90402	91302	91356	91436	
90025	90064	90403	91303	91364	91501	
90026	90066	90404	91304	91367	91502	
90027	90067	90405	91306	91377	91504	

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increased provisions for parking are being made, and the Call Centers' hours and days of operation will increase to efficiently handle patient calls. As always, MPTF is very concerned with meeting patient needs and will continue to seek feedback from patients to make sure there is high satisfaction with MPTF Health Center physicians and services.

MPTF Health Centers

The Bob Hope Health Center

(Located in the heart of Hollywood)
335 North LaBrea Avenue
Los Angeles, CA 90036
323.634.3850

The Santa Clarita Health Center

25751 McBean Parkway
Suite 210
Valencia, CA 91355
661.284.3100

The Toluca Lake Health Center

(Located in the media district)
4323 Riverside Drive
Burbank, CA 91505
818.556.2700

The Westside Health Center

(Located in West Los Angeles)
1950 Sawtelle Boulevard
Suite 130
Los Angeles, CA 90025
310.996.9355

Woodland Hills Health Center

23388 Mulholland Drive
Woodland Hills, CA 91364
818.876.1050

MEDCO PRESCRIPTION DRUG CO-PAY CHANGES

Impacts All Plan Participants, Active and Retired, Who Have the Medco Prescription Drug Benefit Effective August 1, 2006

Increased prescription drug benefit co-pay costs were negotiated by the bargaining parties and ratified by the unions' membership in 2006, and they will be effective August 1.

This benefit does, however, remain premium-free and is available to all Participants eligible for MPI Health Plan prescription drug benefits, regardless

of whether they choose an HMO or the indemnity plan. It continues to be offered through the expansive nationwide Medco network of participating pharmacies.

You may decrease your out-of-pocket cost by using generic versus brand name drugs, and by taking advantage of the mail order 90-day supply option, for maintenance medication.

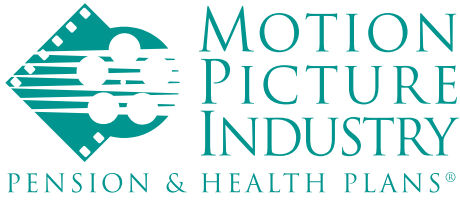
OUT-OF-POCKET PRESCRIPTION DRUG COSTS: ACTIVE PARTICIPANTS

Prescription Choices	Current Co-Pay	Effective 8/1/06
<i>Retail: Up to a 30-Day Supply</i>		
Generic	\$10	\$10
Preferred brand	\$15	\$20
Brand name	\$25	\$30
<i>Mail Order: Up to a 90-Day Supply</i>		
Generic	\$20	\$20
Preferred brand	\$30	\$40
Brand name	\$36	\$60

OUT-OF-POCKET PRESCRIPTION DRUG COSTS: RETIRED PARTICIPANTS

Prescription Choices	Current Co-Pay	Effective 8/1/06
<i>Retail: Up to a 30-Day Supply</i>		
Generic	\$3	\$5
Preferred brand	\$5	\$15
Brand name	\$5	\$25
<i>Mail Order: Up to a 90-Day Supply</i>		
Generic	\$6	\$10
Preferred brand	\$10	\$30
Brand name	\$10	\$36

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WE THOUGHT YOU'D LIKE TO KNOW...

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West Coast Plan Office (Main Office)

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Website: www.mpiphp.org

For Your Benefit is 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. 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 5/22/05 - 11/19/05 confirms benefits coverage in Eligibility Period 2/1/06 - 7/31/06.) Additional qualification requirements apply for new Participants to qualify for Initial Eligibility. See your Summary Plan Description for details.

Qualifying Periods

5/22/05 - 11/19/05
6/26/05 - 12/24/05
7/24/05 - 1/21/06
8/21/05 - 2/18/06
9/25/05 - 3/25/06
10/23/05 - 4/22/06
11/20/05 - 5/20/06
12/25/05 - 6/24/06
1/22/06 - 7/22/06
2/19/06 - 8/26/06
3/26/06 - 9/23/06
4/23/06 - 10/21/06
5/21/06 - 11/25/06
6/25/06 - 12/23/06

Eligibility Periods

2/1/06 - 7/31/06
3/1/06 - 8/31/06
4/1/06 - 9/30/06
5/1/06 - 10/31/06
6/1/06 - 11/30/06
7/1/06 - 12/31/06
8/1/06 - 1/31/07
9/1/06 - 2/28/07
10/1/06 - 3/31/07
11/1/06 - 4/30/07
12/1/06 - 5/31/07
1/1/07 - 6/30/07
2/1/07 - 7/31/07
3/1/07 - 8/31/07