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17 UNITED STATES DISTRICT COURT
18 CENTRAL DISTRICT OF CALIFORNIA

19 Patricia Klawonn, on behalf of the Motion
20 Picture Industry Individual Account Plan,

21 Plaintiff,

22 v.

23 Board of Directors for the Motion Picture
24 Industry Pension Plans and John and Jane
Does 1-20,

25 Defendants.
26
27
28

Case No.

COMPLAINT FOR DAMAGES,
INJUNCTIVE RELIEF, AND
OTHER EQUITABLE RELIEF

(1) Breach of Fiduciary Duties under
ERISA (29 U.S.C. § 1104)

SUMMARY

1. Plaintiff Patricia Klawonn, on behalf of the Motion Picture Industry (“MPI”) Individual Account Plan (the “Plan”), brings this action under the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. § 1001, *et seq.* (“ERISA”), against the Board of Directors for the Motion Picture Industry Pension Plans (“Board”) and John and Jane Does 1-20 (collectively, “Defendants”). As described herein, Defendants have breached their fiduciary duties with respect to the Plan in violation of ERISA, to the detriment of the Plan and its participants and beneficiaries. Plaintiff brings this action to remedy this unlawful conduct and to obtain appropriate monetary and equitable relief on behalf of the Plan as provided by ERISA.

INTRODUCTION

2. As of the fourth quarter of 2019, Americans had approximately \$8.9 trillion in assets invested in defined contribution plans, such as 401(k) and 403(b) plans. *See* Investment Company Institute, *Retirement Assets Total \$32.3 Trillion in Fourth Quarter 2019* (March 19, 2020), available at https://www.ici.org/research/stats/retirement/ret_19_q4.

3. The potential for disloyalty and imprudence is much greater in defined contribution plans than in defined benefit plans. In a defined benefit plan, the participant is entitled to a fixed monthly pension payment, while the sponsor is responsible for funding the plan and is liable for any shortfalls if the plan cannot make those payments. As a result, the sponsor bears all risks related to excessive fees and investment underperformance. *See Hughes Aircraft Co. v. Jacobson*, 525 U.S. 432, 439 (1999).

4. In a defined contribution plan, however, participants’ benefits “are limited to the value of their own investment accounts, which is determined by the market performance of employee and employer contributions, less expenses.” *Tibble v. Edison Int’l*, 135 S. Ct. 1823, 1826 (2015). Thus, the sponsor has no financial incentive to keep costs low or to closely monitor the plan to ensure that every

1 investment remains prudent, because all risks related to high fees and poorly
2 performing investments are borne by the participants.

3 5. To protect Americans' retirement savings, ERISA imposes strict
4 fiduciary duties upon retirement plan fiduciaries. *See* 29 U.S.C. § 1104(a)(1). These
5 fiduciary duties include a duty to exercise appropriate "care, skill, prudence, and
6 diligence" in managing the plan's investment options, *see* 29 U.S.C. § 1104(a)(1), and
7 are considered "the highest known to the law." *Howard v. Shay*, 100 F.3d 1484, 1488–
8 89 (9th Cir. 1996).

9 6. In a typical defined contribution plan, the fiduciaries will create a
10 "menu" of investment options designed to meet a wide range of needs, allowing
11 participants to determine which investments on the menu are best suited for them and
12 how much money to invest in each option. However, instead of following this almost
13 universally adopted approach, Defendants elected to adopt a one-size-fits-all
14 approach. Specifically, Defendants funneled all of the Plan's assets into a single
15 investment pool (which invests in a mix of pre-determined underlying investments
16 with the same allocation of assets among these investments for all participants) and
17 locked Plan participants into that investment, without regard to their age, anticipated
18 retirement date, or individual preferences or needs.

19 7. Unfortunately for participants, this unorthodox one-size-fits-all
20 investment strategy designed by Defendants was not a prudent one. To the contrary,
21 it was wildly unsuccessful. From 2011 to 2018, the Plan's returns lagged significantly
22 behind its peers, landing in the bottom 5% of the 1,651 plans with more than \$100
23 million in assets on a 3-year basis, and in the **bottom 3%** of these plans on a 10-year
24 basis. Among plans with over \$1 billion in assets, the Plan ranked **173rd out of 175**
25 on a 10-year basis.

26 8. These abysmal returns were not the result of coincidence or bad luck.
27 Rather, they are the product of a fundamentally flawed investment strategy that relied
28 heavily on hedge funds and other investments with excessive fees. The subpar

1 performance of these investments clearly did not justify their expense. Moreover,
2 Defendants were aware that the Plan was trailing even Defendants' self-selected
3 benchmarks significantly during the statutory period. Yet, Defendants failed to adjust
4 their investment strategy.

5 9. Further, because Defendants locked all participants into the same asset
6 allocation in the same underlying investments, participants had no ability to pursue a
7 different investment strategy.

8 10. Based on this conduct and the other facts alleged herein, it is reasonable
9 to infer that Defendants' process for managing the Plan's investments was flawed and
10 inconsistent with the applicable standard of care under ERISA. Accordingly, Plaintiff
11 asserts a claim against Defendants on behalf of the Plan for breach of their fiduciary
12 duty of prudence under ERISA.

13 **JURISDICTION AND VENUE**

14 11. Plaintiff brings this action pursuant to 29 U.S.C. § 1132(a)(2) and (3),
15 which provide that participants in an employee retirement plan may pursue a civil
16 action on behalf of the plan to remedy breaches of fiduciary duties and other unlawful
17 conduct in violation of ERISA, and to obtain monetary and appropriate equitable
18 relief as set forth in 29 U.S.C. § 1109.

19 12. This case presents a federal question, and this Court has subject matter
20 jurisdiction pursuant to 28 U.S.C. § 1331 and 29 U.S.C. § 1132(e)(1)(F).

21 13. Venue is proper pursuant to 29 U.S.C. § 1132(e)(2) and 28 U.S.C.
22 § 1391(b) because this is the District where the Plan is administered, where the
23 breaches of fiduciary duties giving rise to this action occurred, and where Defendants
24 may be found. In addition, Plaintiff also resides in this District.

25 **THE PARTIES**

26 **PLAINTIFF**

27 14. Plaintiff Patricia Klawonn resides in Santa Monica, California, and has
28 been a participant in the Plan since at least 1992. Plaintiff has never been given any

choice of investments and was subject to Defendants' investment decisions. Plaintiff has suffered financial harm and has been injured by Defendants' unlawful conduct as described herein.

THE PLAN

15. The MPI Individual Account Plan was established, as restated, on January 1, 1993.¹ The Plan is one of two retirement plans the Board manages on behalf of MPI members; the Board also manages a defined benefit plan, known as the MPI Pension Plan.

16. The Plan at issue is an "employee pension benefit plan" within the meaning of 29 U.S.C. § 1002(2)(A) and a "defined contribution plan" within the meaning of 29 U.S.C. § 1002(34).

17. The Plan covers eligible employees of motion picture industry employers in the Los Angeles area that have executed a collective bargaining agreement containing a participation provision approved by the Board. It also covers certain employees who are not covered by a collective bargaining agreement but whose employers have contracted with the Board to participate in the Plan.

18. From the end of 2014 until the end of 2018,² the Plan had between 79,000 and 92,000 participants, and between \$3.7 billion and \$4.5 billion in assets.

19. Participants' accounts are funded by employer contributions, which are allocated to participants on an annual basis.³ Employees are not permitted to contribute their own money to the Plan.

¹ The Summary Plan Description lists the Plan's inception date as August 1, 1979. *See Summary Plan Description*, Exhibit A, at 32.

² 2018 is the most recent plan year for which reported Form 5500 information is available for the Plan.

³ Employer contributions to a retirement plan are part of a standard benefits package offered by employers to attract and retain talented employees. *See 401K SPECIALIST, Top 4 Priorities of 401(k) Plan Sponsors* (Jan. 3, 2016) (highlighting survey findings that, among large defined contribution plan sponsors, attracting and retaining talented employees is a top priority), available at <http://401kspecialistmag.com/top-4-priorities-of-401k-plan-sponsors>; Joan Vogel, *Until Death Do Us Part: Vesting of Retiree Insurance*, 9 Indus. Rel. L.J. 183, 216 (1987) (noting that employers offer

20. The Plan includes one overarching investment in which participants are automatically enrolled. Within that investment, Defendants invest in numerous underlying investment accounts, and the combined returns net of fees for these underlying investment accounts equal the Plan's investment performance. Participants have no choice over how their money is invested, including the allocation of assets among the underlying investments. Instead, the Plan has a "one-size-fits-all" investment strategy to which every participant is bound. Defendants' choices are therefore critical to participants' investment results and, ultimately, their ability to retire with adequate assets.

DEFENDANTS

Board of Directors for the Motion Picture Industry Pension Plans

21. Defendant Board of Directors for the Motion Picture Industry Pension Plans is based in Studio City, California. The Board is the "plan sponsor" within the meaning of 29 U.S.C. § 1002(16)(B), and is a "named fiduciary" pursuant to 29 U.S.C. § 1102(a) with respect to the Plan because it is identified in the Plan Documents as a fiduciary under ERISA.⁴

22. The Board is also a functional fiduciary because it has discretionary authority with respect to the Plan and the Plan's investments. The Board's fiduciary responsibilities include, among other things, "discretion over the ... investment of the assets of the Plan[.]"⁵ According to the Plan's Form 5500s, the Board is also the Plan Administrator, controlling and managing the operation and administration of the Plan. Thus, the Board exercises discretionary authority or discretionary control with respect

retirement benefits to attract and retain "reliable, productive employees"). They do not excuse imprudent management of a plan's assets or investments. *See Brotherston v. Putnam Invs. LLC*, 907 F.3d 17, 28-29 (1st Cir. 2018).

⁴ *See Summary Plan Description*, Exhibit A, at 42 (defining a fiduciary as "[a]n individual and entity that has discretion over the administration of the Plans and investment of the assets of the Plans," and listing "[t]he Board of Directors of the Plans" as a fiduciary).

⁵ *Id.*

1 to management of the Plan, as well as discretionary authority and responsibility with
 2 respect to the administration of the Plan, and is a functional fiduciary under 29 U.S.C.
 3 § 1002(21)(A).

4 ***Board Members***

5 23. The members of the Board are employees of participating employers and
 6 representatives of participating unions, and at all times were acting within the scope
 7 of their agency with the Board. The Board Members are therefore functional
 8 fiduciaries pursuant to 29 U.S.C. § 1002(21)(A). Because the individuals who served
 9 on the Board during the statutory period are not currently known to Plaintiff, they are
 10 collectively named as John and Jane Does 1–20.

11 **FIDUCIARY RESPONSIBILITIES**

12 **DUTY OF PRUDENCE**

13 24. ERISA imposes strict fiduciary duties upon fiduciaries of retirement
 14 plans. Among other things, the statute provides:

15 [A] fiduciary shall discharge his duties with respect to a plan solely in the
 16 interest of the participants and beneficiaries and—

17 (B) with the care, skill, prudence, and diligence under the
 18 circumstances then prevailing that a prudent man acting in a like
 19 capacity and familiar with such matters would use in the conduct
 20 of an enterprise of like character and with like aims

21 29 U.S.C. § 1104(a)(1)(B). This is commonly referred to as the “duty of prudence.”

22 25. The duty of prudence includes “a continuing duty to monitor [plan]
 23 investments and remove imprudent ones” that exists “separate and apart from the
 24 [fiduciary’s] duty to exercise prudence in selecting investments.” *Tibble*, 135 S. Ct.
 25 at 1828. If an investment is imprudent, the plan fiduciary “must dispose of it within a
 26 reasonable time.” *Id.* (quotation omitted). Fiduciaries therefore may be held liable for
 27 failing to monitor a plan’s investments to ensure that each remains prudent, in addition
 28

1 to imprudent selection of the investments. *Patterson v. Capital Grp. Companies, Inc.*,
 2 2018 WL 748104, at *4 (C.D. Cal. Jan. 23, 2018).

3 26. The duty of prudence also includes a duty to minimize investment
 4 expenses. Indeed, “[c]ost-conscious management is fundamental to prudence in the
 5 investment function.” *Tibble v. Edison Int’l*, 843 F.3d 1187, 1197 (9th Cir. 2016) (en
 6 banc) (quoting Restatement (Third) of Trusts § 90 cmt. b (2007)).⁶ Thus, selecting
 7 and retaining higher-cost investments constitutes a breach of fiduciary duties when
 8 similar or identical lower-cost investments are available. *See Braden v. Wal-Mart*
 9 *Stores, Inc.*, 588 F.3d 585, 596 (8th Cir. 2009).

10 27. The Introductory Note to the Restatement’s chapter on the investment of
 11 trust assets further clarifies:

12 [T]he duty to avoid unwarranted costs is given increased emphasis in the
 13 prudent investor rule. This is done to reflect the importance of market
 14 efficiency concepts and differences in the degrees of efficiency and
 15 inefficiency in various markets. In addition, this emphasis reflects the
 16 availability and continuing emergence of modern investment products,
 17 not only with significantly varied characteristics but also with similar
 18 products being offered with significantly differing costs. The duty to be
 19 cost conscious requires attention to such matters as the cumulation of
 20 fiduciary commissions with agent fees or the purchase and management
 21 charges associated with mutual funds and other pooled investment
 22 vehicles. In addition, active management strategies involve investigation
 23 expenses and other transaction costs ... that must be considered,
 24 realistically, in relation to the likelihood of increased return from such
 25 strategies.

26 _____
 27 ⁶ The Supreme Court has noted that the legal construction of an ERISA fiduciary’s
 28 duties is “derived from the common law of trusts.” *Tibble*, 135 S. Ct. at 1828.
 Therefore, “[i]n determining the contours of an ERISA fiduciary’s duty, courts often
 must look to the law of trusts.” *Id.*

1 Restatement (Third) of Trusts ch. 17, intro. note (2007).

2 28. Where markets are efficient, fiduciaries are encouraged to use low-cost
3 index funds. *Id.* § 90 cmt. h(1). While a fiduciary may consider higher-cost, actively
4 managed mutual funds as an alternative to index funds, “[a]ctive strategies . . . entail
5 investigation and analysis expenses and tend to increase general transaction costs . . .
6 [T]hese added costs . . . must be justified by realistically evaluated return
7 expectations.” *Id.* § 90 cmt. h(2) (emphasis added).⁷

8 **CONSTRUCTION OF PRUDENT INVESTMENT MENUS IN DEFINED CONTRIBUTION**
9 **PLANS**

10 29. To ensure a sufficient mix of investments that meet a wide variety of
11 participant needs, prudent fiduciaries of defined contribution plans typically create a
12 “menu” of investment options from which participants can choose to invest. Each
13 investment option is generally a pooled investment product (*e.g.*, a mutual fund,
14 collective investment trust, or separate account) offering exposure to a particular asset
15 class or sub-asset class. See BrightScope/Investment Company Institute, *A Close Look*
16

17 ⁷ The emphasis in trust law and under ERISA in minimizing expenses is consistent
18 with academic and financial industry literature, which has consistently shown that the
19 most important consideration in selecting prudent investments is low fees. Numerous
20 scholars have demonstrated that high expenses are not correlated with superior
21 investment management. Indeed, funds with high fees on average perform worse than
22 less expensive funds, *even on a pre-fee basis*. Javier Gil-Bazo & Pablo Ruiz-Verdu,
23 *When Cheaper is Better: Fee Determination in the Market for Equity Mutual Funds*,
67 J. Econ. Behav. & Org. 871, 873 (2009); see also Jill E. Fisch, *Rethinking the*
24 *Regulation of Securities Intermediaries*, 158 U. Pa. L. Rev. 1961, 1993 (2010)
(summarizing numerous studies showing that “the most consistent predictor of a
25 fund’s return to investors is the fund’s expense ratio”). According to this published
26 academic literature:

27 [T]he empirical evidence implies that superior management is not priced
28 through higher expense ratios. On the contrary, it appears that the effect
of expenses on after-expense performance (even after controlling for
funds’ observable characteristics) is more than one-to-one, which would
imply that low-quality funds charge higher fees. Price and quality thus
seem to be inversely related in the market for actively managed funds.

Gil-Bazo & Ruiz-Verdu, *When Cheaper is Better*, at 883.

1 at 401(k) Plans, 2016, at 2, available at
2 https://www.ici.org/pdf/19_ppr_dcplan_profile_401k.pdf (hereinafter “2019
3 BrightScope/ICI Study”); Ian Ayres & Quinn Curtis, *Beyond Diversification: The*
4 *Pervasive Problem of Excessive Fees and “Dominated Funds” in 401(k) Plans*, 124
5 Yale L.J. 1476, 1485 (2015).

6 30. Asset classes within pooled investments generally include fixed
7 investments, bonds, stocks, and occasionally real estate. Money market funds,
8 guaranteed investment contracts, and stable value funds are examples of fixed
9 investments. Bonds are debt securities, which are generally categorized by the
10 issuer/borrower (U.S. Government, foreign governments, municipalities,
11 corporations), the duration of the debt (repayable anywhere between 1 month and 30
12 years), and the credit risk associated with the particular borrower. Equity, or stock,
13 investments, are generally defined by three characteristics: (1) where they invest
14 geographically (*i.e.*, whether they invest in domestic or international companies, or
15 both); (2) the size of company they invest in (generally categorized as small cap, mid
16 cap, or large cap); and (3) their investment style, *i.e.* growth, value, or blend (growth
17 funds invest in fast-growing companies, value funds look for more conservative or
18 established stocks, and blend funds invest in a mix of both types of stocks). Balanced
19 funds are a type of fund that invests in a mix of stocks, bonds, and occasionally other
20 assets. Target-risk funds are balanced funds that assemble a portfolio of investments
21 to match the risk preference of the investor. Each target-risk portfolio is typically
22 made up of other pooled investment funds.

23 31. Target date funds (“TDFs”) are a particularly popular investment option
24 that many retirement plan fiduciaries use to provide tailored investment strategies for
25 participants of all ages. TDFs invest in a diversified mix of asset classes managed
26 towards the approximate date when the investor expects to start withdrawing money
27 from the fund. Investment companies offer TDFs as a suite with an array of target
28 dates staggered either 5 or 10 years apart, along with an “income” or “retirement”

fund for investors who have already retired. As the target retirement date approaches, the investment mix becomes more conservative, typically by shifting away from stock investments towards more conservative fixed income investments. However, TDFs are not limited to stocks and bonds, and often use asset classes such as commodities, real estate, inflation-linked bonds, or emerging markets stocks. TDFs are the most popular Qualified Default Investment Alternative (“QDIA”)⁸ selected by fiduciaries of defined contribution plans. See Willis Towers Watson, “QDIA evolutions — Moving defined contribution plans into the future,” (April 29, 2019), available at <https://www.willistowerswatson.com/en-US/Insights/2019/04/qdia-evolutions-moving-defined-contribution-plans-into-the-future>. More than \$1.7 trillion of American retirement savings was invested in TDFs as of 2019. Morningstar, “2019 Target-Date Fund Landscape” (May 9, 2019), available at https://www.morningstar.com/lp/tdf-landscape?con=17137&cid=CON_DIR0071.

32. Investment funds can be either passively or actively managed. Passive funds, popularly known as “index funds,” seek to replicate the performance of a market index, such as the S&P 500, by purchasing a portfolio of securities matching the composition of the index itself. James Kwak, *Improving Retirement Savings Options for Employees*, 15 U. Pa. J. Bus. L. 483, 493 (2013). By following this strategy, index funds produce returns that are very close to the market segment tracked by the index. *Id.* Index funds therefore offer predictability, diversified exposure to a particular asset or sub-asset class, and low expenses. *Id.* Actively managed funds, on the other hand, pick individual stocks and bonds within a particular asset or sub-asset class and try to beat the market through superior investment selection. *Id.* at 485–86. Actively managed funds are typically much more expensive than index funds, but

⁸ “A QDIA is a default investment option chosen by a plan fiduciary for participants who fail to make an election regarding investment of their account balances” as permitted under Department of Labor regulations. U.S. Employee Benefits Security Administration, “Target Date Retirement Funds: Tips for ERISA Fiduciaries,” at 1 (February 2013), available at <https://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/fact-sheets/target-date-retirement-funds.pdf>.

offer the potential to outperform the market (although this potential is typically not realized). U.S. Dep’t of Labor, *Understanding Retirement Plan Fees and Expenses*, at 9 (Dec. 2011), available at <https://www.dol.gov/sites/dolgov/files/legacy-files/ebsa/about-ebsa/our-activities/resource-center/publications/understanding-retirement-plan-fees-and-expenses.pdf>.

33. The Plan in this case offered no single-asset class options nor any multi-asset class options tied to a participant’s retirement date or risk tolerance. Nor did it offer an index fund option. Instead, the Plan had one packaged investment that pooled participants’ assets and invested them on participants’ behalf with an investment mix determined by Defendants largely consisting of poorly performing actively managed investments that carried high fees.

ERISA § 404(c)

34. ERISA § 404(c) protects a fiduciary from liability for a participant’s choice of investments where participants have independent control over their accounts and can invest among different options on the plan’s menu. 29 U.S.C. § 1104(c)(1); 29 C.F.R. § 2550.404c-1(d)(2)(i).⁹ In order for fiduciaries to qualify for this potential defense, however, participants must be given an opportunity to choose from a “broad range of investment alternatives.” 29 C.F.R. § 2550.404c-1(b)(1)(ii). At a minimum, this requires that the plan offer “at least three investment alternatives” with “materially different risk characteristics” that “enable the participant or beneficiary by choosing among them to achieve a portfolio with aggregate risk and return characteristics at any point within the range normally appropriate for the participant or beneficiary.” 29 C.F.R. § 2550.404c-1(b)(3)(i)(B); *Jenkins v. Yager*, 444 F.3d 916, 923 (7th Cir. 2006).

⁹ Even in cases where this defense applies, fiduciaries may still be held liable for imprudent construction of the plan’s investment menu. See 29 C.F.R. § 2550.404c-1(d)(2)(iv).

35. Because Defendants have not maintained an investment menu with multiple investment options and have not allowed participants to exercise any independent control over their accounts, Defendants do not qualify for § 404(c) protection.

MINIMIZATION OF PLAN EXPENSES

36. At retirement, employees' benefits "are limited to the value of their own investment accounts, which is determined by the market performance of employee and employer contributions, less expenses." *Tibble*, 135 S. Ct. at 1826.

37. Poor investment performance combined with excessive fees and costs can significantly impair the value of a participant's account. Over time, even seemingly small differences in fees and costs can result in vast differences in the amount of savings available at retirement. The United States Department of Labor has cautioned that a one percent difference in fees and costs can reduce the investor's account balance at retirement by **28 percent**. See U.S. Department of Labor, *A Look at 401(k) Plan Fees*, at 1–2 (2013), available at <https://www.dol.gov/sites/dolgov/files/ebsa/about-ebsa/our-activities/resource-center/publications/a-look-at-401k-plan-fees.pdf>. The U.S. Securities and Exchange Commission and others similarly warn that although the fees and costs associated with investment products and services may seem small, over time they can have a major impact on an investor's portfolio. See SEC Investor Bulletin, *How Fees and Expenses Affect Your Investment Portfolio*, at 1, 3 (2014), available at https://sec.gov/investor/alerts/ib_fees_expenses.pdf.

38. A major category of expenses within a defined contribution plan are investment management expenses. Investment Company Institute & Deloitte Consulting LLP, *Inside the Structure of Defined Contribution/401(k) Plan Fees*, 2013, at 17 (Aug. 2014), available at https://www.ici.org/pdf/rpt_14_dc_401k_fee_study.pdf (hereinafter "ICI/Deloitte Study"). Investment management expenses are the fees that are charged by investment

managers for managing particular investments, and participants “typically pay these asset-based fees as an expense of the investment options in which they invest.” *Id.*

39. Prudent fiduciaries can minimize plan expenses by selecting low-cost investment options. This task is made significantly easier the larger a plan gets. Economies of scale allow larger plans to lower investment management fees by selecting funds only available to institutional investors, or by negotiating directly with the investment manager to obtain even lower rates.¹⁰ Empirical evidence bears this out. In 2016, total participant-weighted plan fees in the average defined contribution plan were 0.62%, but this varied between an average of 1.29% in plans with \$1 million to \$10 million in assets, and an average of only 0.25% for plans with over \$1 billion in assets. 2019 BrightScope/ICI Study at 47.

40. Given the significant variation in total plan costs attributable to plan size, the reasonableness of investment expenses should be determined by comparisons to other similarly sized plans. See 29 U.S.C. § 1104(a)(1)(B) (requiring ERISA fiduciaries to discharge their duties in the manner “that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an *enterprise of a like character*”) (emphasis added); *Tibble v. Edison Int’l*, 2010 WL 2757153, at *9, 15, 28 (C.D. Cal. July 8, 2010) (evaluating the propriety of particular fees and investment decisions in light of the size of the plan), *rev’d on other grounds*, 135 S. Ct. 1823 (2015); *Tussey v. ABB, Inc.*, 2007 WL 4289694, at *6, *6 n.5 (W.D. Mo. Dec. 3, 2007) (determining that investment expenses were unreasonable through

¹⁰ See Consumer Reports, *How to Grow Your Savings: Stop 401(k) Fees from Cheating You Out of Retirement Money* (Aug. 2013), available at <http://www.consumerreports.org/cro/magazine/2013/09/how-to-grow-your-savings/index.htm> (instructing employees of large corporations that “[y]our employer should be able to use its size to negotiate significant discounts with mutual-fund companies”); U.S. Dep’t of Labor, *Study of 401(k) Plan Fees and Expenses*, at 17 (April 13, 1998), available at <https://www.dol.gov/sites/dolgov/files/legacy-files/ebsa/researchers/analysis/retirement/study-of-401k-plan-fees-and-expenses.pdf> (reporting that by using separate accounts and similar instruments, “[t]otal investment management expenses can commonly be reduced to one-fourth of the expenses incurred through retail mutual funds”).

1 comparisons to similar plans because “[a]t most, reasonable compensation should
 2 mean compensation commensurate with that paid by similar plans for similar services
 3 to unaffiliated third parties”) (quoting Nell Hennessy, *Follow the Money: ERISA Plan*
 4 *Investments in Mutual Funds and Insurance*, 38 J. Marshall L. Rev. 867, 877 (2005)).

5 **DEFENDANTS’ VIOLATIONS OF ERISA**

6 **I. DEFENDANTS ADOPTED AN INAPPROPRIATE ONE-SIZE-FITS-ALL** 7 **INVESTMENT STRATEGY FOR THE PLAN**

8 41. Rather than provide multiple investment options for participants to
 9 choose from, Defendants forced all participants into one investment pool and invested
 10 all participants’ retirement assets in the same underlying investments. And unlike with
 11 a menu of investment options or a tailored portfolio such as a target-date or target-
 12 risk fund, Participants had no control over the allocation of their assets among the
 13 underlying investments.

14 42. This one-size-fits-all allocation strategy was inappropriate. As noted
 15 above, the Plan had approximately 79,000 to 92,000 participants, *see supra* at ¶ 18,
 16 with a wide range of ages and financial situations.¹¹ Because of Defendants’ limited
 17 investment strategy, participants did not have the opportunity to invest their
 18 retirement earnings based on their individual financial goals, risk preferences, and
 19 anticipated retirement dates.

20 43. As a result, not only did the Plan perform poorly overall as discussed
 21 further below, but some participants fared particularly poorly. For example,
 22 participants nearing retirement may wish to preserve the capital in their retirement
 23 account rather than take risks that could deplete capital just when they need it most,
 24 while younger individuals may be more risk tolerant. Unlike a target date fund, which
 25 would have accounted for the specific needs of participants of varying ages,
 26

27 _____
 28 ¹¹ Employees are eligible for participation in the Plan after completing 400 hours of
 service in a year with a participating employer.

1 Defendants forced all participants into a strategy that may have directly contradicted
2 their desired investment philosophy.

3 44. Given the overall poor track record of this investment strategy, and its
4 incompatibility with the diverse financial goals of the Plan's individual participants,
5 it is reasonable to infer that Defendants failed to engage in a prudent process for
6 managing the Plan's investments. *See Toomey v. DeMoulas Super Markets, Inc.*, 2020
7 WL 3412747, at *3 (D. Mass. Apr. 16, 2020) (denying motion to dismiss an ERISA
8 breach of fiduciary duty claim when plaintiff alleged "that fiduciaries of the Plan were
9 imprudent in their consideration of (or their failure to consider) the participants'
10 varying interests and needs in the Plan's allocation structure and investment choices,
11 and that these failures were compounded by a failure to review and revise those
12 choices over time").

13 **II. DEFENDANTS FAILED TO PRUDENTLY MONITOR UNDERLYING INVESTMENTS**

14 45. Defendants compounded their imprudence by investing a large
15 percentage of Plan assets in actively managed investments that performed poorly and
16 carried high investment management fees that detracted from participants' retirement
17 earnings.

18 46. The investment strategy that Defendants forced upon participants relied
19 heavily on expensive actively managed funds. Throughout the statutory period,
20 Defendants allocated up to 45% of Plan assets into mutual funds and hedge funds that
21 carried significant investment management fees.

22 47. For example, during the statutory period, the Plan included at least nine
23 investments managed by Bridgewater Associates, a hedge fund manager. Between
24 15% and 17% of Plan assets—up to \$689 million in a given year—were invested in
25 these funds.

26 48. Since at least 2014, an increasing number of investors have been pulling
27 their money out of hedge funds due to their high fees and mediocre performance that
28

has in recent years failed to break even with the market (*e.g.* the S&P 500).¹² For example, the San Joaquin County pension plan recently removed a Bridgewater Pure Alpha series fund from its lineup because the fund charged **3.69% of assets, or 369 basis points (“bps”)**, in investment fees but received only a 3.1% annualized return over the 5-year period ending in September 2017, “meaning that Bridgewater took more than half of the money it made for the county fund in those years.”¹³ By contrast, a passively managed investment option that tracks the performance of the S&P 500 can cost as low as only **0.00% –0.09% of assets, or zero to 9 bps**.¹⁴

49. The Plan’s payment of high investment fees for actively managed mutual funds and hedge funds did not benefit participants. On the contrary, from 2013 to 2018, the Plan’s returns consistently landed it among the **bottom 5% of 1,651 defined contribution plans** with more than \$100 million in assets on a 3-year basis, with returns of up to 6% less than the median of these plans, as shown below. Moreover, the Plan’s 5-year returns and 10-year returns were similarly abysmal.

¹² See MarketWatch, “Hedge funds still can’t keep up with the stock market,” (Oct. 17, 2019), *available at* <https://www.marketwatch.com/story/hedge-funds-still-cant-keep-up-with-the-stock-market-2019-10-15> (stating that “[s]ince the start of the recovery in financial markets in 2009, hedge funds have perennially underperformed the S&P 500 index,” and noting that investors have been pulling money out of hedge funds as a result); Business Insider, “A Bridgewater Associates Alum Is Launching A No-Fee Hedge Fund,” (Aug. 5, 2014), *available at* <https://www.businessinsider.com/howard-wang-ditches-performance-fee-2014-8> (“Lately, it’s become harder for [hedge] fund managers to justify the fee structure, especially because most funds have been underperforming the broader market.”).

¹³ Pensions & Investments, “San Joaquin County dumps Bridgewater fund citing fees, disappointing returns,” (Jan. 24, 2019), *available at* <https://www.pionline.com/article/20190124/ONLINE/190129914/san-joaquin-county-dumps-bridgewater-fund-citing-fees-disappointing-returns>

¹⁴ Bankrate, “Best index funds in July 2020,” (Jul. 1, 2020), *available at* <https://www.bankrate.com/investing/best-index-funds/>.

MPI Performance Compared to Plans Over \$100M ¹⁵						
3-year rolling returns	2013	2014	2015	2016	2017	2018
MPI Plan	7.09%	6.84%	2.35%	2.34%	4.34%	4.28%
Median Return	9.48%	12.20%	8.00%	4.60%	7.75%	5.90%
Percentile Rank	4.20%	0.70%	0.30%	1.30%	1.00%	3.50%
Rank	1582/1651	1640/1651	1647/1651	1631/1651	1635/1651	1594/1651
5-year rolling returns						
MPI Plan	9.52%	7.47%	4.43%	4.74%	4.54%	2.78%
Median Return	12.51%	9.37%	6.90%	8.65%	9.57%	4.81%
Percentile Rank	6.70%	5.70%	1.90%	0.40%	0.30%	1.30%
Rank	1542/1651	1558/1651	1621/1651	1646/1651	1648/1651	1630/1651
10-year rolling returns ¹⁶						
MPI Plan	N/A	N/A	N/A	N/A	N/A	6.09%
Median Return	N/A	N/A	N/A	N/A	N/A	8.59%
Percentile Rank	N/A	N/A	N/A	N/A	N/A	2.40%
Rank	N/A	N/A	N/A	N/A	N/A	1613/1651

50. Among plans with more than \$1 billion in assets, the Plan fared even worse in the long term, as shown below. For example, the Plan landed in the **bottom 2% of 175 plans** on both a 5-year basis and 10-year basis in 2018, and was dead last on a five-year basis in 2017.

¹⁵ Data derived from annual Forms 5500 filed with the Department of Labor and available publicly at <https://www.efast.dol.gov/portal/app/disseminatePublic?execution=e2s1>.

¹⁶ Ten-year rolling returns are only available for 2018 as 2008 is the earliest year for which Form 5500 data is publicly available through the Department of Labor.

MPI Performance Compared to Plans Over \$1B¹⁷						
3-year rolling returns	2013	2014	2015	2016	2017	2018
MPI Plan	7.09%	6.84%	2.35%	2.34%	4.34%	4.28%
Median Return	9.46%	11.99%	7.88%	4.69%	7.68%	5.93%
Percentile Rank	8.50%	1.10%	1.10%	1.10%	2.20%	9.60%
Rank	161/175	174/175	174/175	174/175	172/175	159/175
5-year rolling returns						
MPI Plan	9.52%	7.47%	4.43%	4.74%	4.54%	2.78%
Median Return	12.34%	9.37%	6.82%	8.56%	9.41%	4.81%
Percentile Rank	5.60%	7.30%	4.50%	1.10%	0.50%	2.20%
Rank	166/175	163/175	168/175	174/175	175/175	172/175
10-year rolling returns						
MPI Plan	N/A	N/A	N/A	N/A	N/A	6.09%
Median Return	N/A	N/A	N/A	N/A	N/A	8.58%
Percentile Rank	N/A	N/A	N/A	N/A	N/A	1.70%
Rank	N/A	N/A	N/A	N/A	N/A	173/175

51. Moreover, Defendants were aware that the Plan was performing poorly during the statutory period. In addition to the Plan, Defendants provide members with a defined-benefit pension plan that utilizes an investment strategy substantially similar to that of the Plan, investing in most of the same investments with a similar allocation of assets to those investments. In its participant communications, Defendants compared the plans' performance against two benchmarks: the MSCI World Index¹⁸, and a more traditional investment portfolio containing 60% stocks and 40% bonds. Although Defendants reported in 2019 that the Plan tracked these benchmarks on a 20-year basis, the Plan's performance over the last 10 years on a 3-, 5-, and 10-year basis trailed Defendants' chosen benchmarks significantly, as shown

¹⁷ Data derived from annual Forms 5500 filed with the Department of Labor and available publicly at

<https://www.efast.dol.gov/portal/app/disseminatePublic?execution=e2s1>.

¹⁸ See MSCI, "MSCI Developed Markets Indexes," available at <https://www.msci.com/developed-markets> (last visited July 16, 2020) (explaining that MSCI indexes are "designed to take into account variations reflecting conditions across regions, market cap segments, sectors and styles").

below. Indeed, over the last three years the Plan's returns were nearly 4% lower than a traditional 60/40 fund and *less than half* of the returns of the MSCI World Index.

2019	3-year	5-year	10-year
MPI Plan	5.77%	4.11%	5.78%
Benchmark (60/40)	9.32%	6.65%	7.51%
MSCI World NR USD	12.57%	8.73%	9.46%

52. Yet, despite the Plan's consistent underperformance during the last decade, Defendants failed to change the Plan's investment strategy or diversify the Plan's investment options to offer participants other choices.

53. A prudent fiduciary acting in the best interests of the Plan would not have maintained the same flawed investment strategy, and wedded participants to that strategy, despite such resoundingly poor results. To the contrary, a prudent fiduciary would have abandoned this unorthodox and unsuccessful single-pool strategy and replaced it with a menu of investment options commonly used in other large retirement plans, or at the very least investigated significantly better performing underlying investments with lower fees. If Defendants had taken these measures, they would have materially improved participants' investment options and net performance. Instead, the Plan suffered tens of millions of dollars in lost investment returns, and participants' retirement nest eggs were severely impaired.

III. PLAINTIFF LACKED KNOWLEDGE OF DEFENDANTS' INVESTMENT PROCESS AND OTHER MATERIAL FACTS PRIOR TO SUIT

54. Plaintiff did not have knowledge of all material facts (including, among other things, the asset allocation of the Plan compared to similar plans, the Plan's poor returns compared to other similar plans, Defendants' failure to re-evaluate the Plan's investment strategy after poor performance, the underlying investments utilized by the Plan, the investment management fees for those investments, and the availability of less costly and higher performing investment options) until shortly before this suit was filed. Further, Plaintiff does not have actual knowledge of the specifics of

1 Defendants' decision-making processes with respect to the Plan (including
2 Defendants' processes for selecting, monitoring, and evaluating their unorthodox
3 investment strategy and Defendants' processes for selecting, monitoring, and
4 removing investments), because this information is solely within the possession of
5 Defendants prior to discovery. For purposes of this Complaint, Plaintiff has drawn
6 reasonable inferences regarding these processes based upon (among other things) the
7 facts set forth above.

8 **PLAN-WIDE RELIEF**

9 55. 29 U.S.C. § 1132(a)(2) authorizes any participant or beneficiary of the
10 Plan to bring an action individually on behalf of the Plan to obtain for the Plan the
11 remedies provided by 29 U.S.C. § 1109(a). Plaintiff seeks recovery on behalf of the
12 Plan pursuant to this statutory provision.

13 56. Plaintiff seeks recovery for injuries to the Plan sustained as a result of
14 the aforementioned breaches of fiduciary duties during the statutory period
15 commencing in 2014. *See* 29 U.S. Code § 1113(1) (setting 6-year statute of limitations
16 for ERISA breach of fiduciary duties claims in the absence of actual knowledge).¹⁹

17 57. Plaintiff is adequate to bring this derivative action on behalf of the Plan,
18 and her interests are aligned with the Plan's participants and beneficiaries. Plaintiff
19 does not have any conflicts of interest with any participants or beneficiaries that would
20 impair or impede her ability to pursue this action. Plaintiff has retained counsel
21 experienced in ERISA litigation, and intends to pursue this action vigorously on
22 behalf of the Plan.

23
24
25 ¹⁹ Plaintiff seeks relief for the period from July 24, 2014 onward, as she initially
26 filed a Demand for Arbitration against Defendants on July 24, 2020. Defendants
27 subsequently waived any right to arbitration of the claims in this case, and asked
28 that Plaintiff refile her claims in federal court. The claims asserted in this
Complaint are identical to the claims originally asserted in Plaintiff's Demand.

COUNT I

Breach of Duty of Prudence

U.S.C. § 1104(a)(1)(B)

58. Defendants are fiduciaries of the Plan under 29 U.S.C. §§ 1002(21) and/or 1102(a)(1).

59. 29 U.S.C. § 1104 imposes a duty of prudence upon Defendants in their administration of the Plan and in selecting and monitoring the Plan's investments.

60. Among other things, Defendants are responsible for maintaining investments that would meet the needs of participants, prudently selecting quality investment options, evaluating and monitoring the Plan's investments on an ongoing basis and eliminating imprudent ones, ensuring that the Plan's fees are reasonable, and taking all necessary steps to ensure that the Plan's assets are invested prudently.

61. As described throughout this Complaint, Defendants breached their fiduciary duties and failed to employ a prudent process for selecting, monitoring, and reviewing the Plan's investments. Defendants adopted a one-size-fits-all investment strategy for the Plan without regard for participant needs and failed to prudently execute that strategy by choosing poorly performing options when better performing options would have been revealed by a reasonable investigation. Defendants also imprudently retained poorly performing investments and failed to appropriately monitor their performance. In addition, Defendants failed to investigate lower-cost investment options available to them, opting for higher-cost investments with no benefit to participants.

62. Each of the above actions and omissions described in paragraph 61 and elsewhere in this Complaint demonstrate that Defendants failed to discharge their duties with respect to the Plan with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would have used in the conduct of an enterprise of like

1 character and with like aims, thereby breaching their duties under 29 U.S.C.
2 § 1104(a)(1)(B).

3 63. Each Defendant is personally liable, and jointly and severally liable,
4 under 29 U.S.C. §§ 1109(a), 1132(a)(2), and 1132(a)(3), to make good to the Plan the
5 losses resulting from the aforementioned breaches. In addition, Defendants are subject
6 to other equitable relief as provided by ERISA.

7 **PRAYER FOR RELIEF**

8 WHEREFORE, Plaintiff, on behalf of the Plan, prays for relief as follows:

- 9 A. A declaration that Defendants have breached their fiduciary duties
10 under ERISA;
- 11 B. A declaration that Defendants have no defense to liability under
12 ERISA § 404(c);
- 13 C. An order compelling Defendants to personally make good to the Plan
14 all losses that the Plan incurred as a result of the breaches of fiduciary
15 duties described above;
- 16 D. Other equitable relief to redress Defendants' illegal practices and to
17 enforce the provisions of ERISA as may be appropriate;
- 18 E. An award of pre-judgment interest;
- 19 F. An award of attorneys' fees and costs pursuant to 29 U.S.C. § 1132(g)
20 and/or the common fund doctrine;
- 21 G. An award of such other and further relief as the Court deems equitable
22 and just.

23 Dated: October 7, 2020

ROSEN MARSILI RAPP LLP

/s/ Jason Marsili

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ATTORNEYS FOR PLAINTIFF

EXHIBIT A

MAY | 2017

MPI

SUMMARY PLAN DESCRIPTION

 Pension Plan

 Individual Account Plan





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Ronald Kutak

Hank Lachmund

Matthew Loeb

Carol Lombardini

Michael Messina

Michael Miller

Diane Mirowski

Wes Ponsford

Rebecca Rhine

Michael Rosenfeld

Ted Rubin

Joseph Scudiero

Carole Stepp

Jennifer Talluto

Summary Plan Description

DEAR PARTICIPANT:

We are pleased to provide you with this updated *Summary Plan Description* ("SPD") for the Motion Picture Industry Pension Plan ("Pension Plan") and Motion Picture Industry Individual Account Plan ("IAP"), (collectively, the "Plans"). You are receiving this document because you are eligible to participate in these retirement Plans.

There are some significant differences between the Plans – the Pension Plan is a Defined Benefit Plan, whereas the IAP is a Defined Contribution Plan. Please read the *SPD* in order to familiarize yourself with the benefits provided to you through the Plans.

Because of mergers of other retirement plans into the Plans, some of the information contained in the *SPD* may not be applicable to you. If you are a Participant because your plan merged with the Plans, check the appendix of the *SPD* for information about your benefits through the Plans.

The Trust Agreements for both the Pension Plan and the IAP set out the rules that govern the Plans. In the event of a conflict between a Trust Agreement and the *SPD*, the Trust Agreement takes precedence. Hard copies of the Trust Agreements are available to you for a nominal fee, or may be viewed at www.mpiphp.org.

You are always welcome to contact the Plans' Participant Services Center by telephone at (855) ASK-4MPI (855-275-4674), or by email at service@mpiphp.org, for any questions you may have about the Plans.

Thank you for your participation.

Sincerely,

BOARD OF DIRECTORS

Motion Picture Industry Pension Plan

Motion Picture Industry Individual Account Plan



Special Rules for Former Participants of Other Pension Plans

If you previously participated in a plan that merged into the Pension Plan or IAP, there may be contract variations to the benefits provided to you through the Plans. If so, it is important that you carefully review the appendix to the *SPD* for any rules that may apply to you. Please note, in the event of a conflict between any provision in the *SPD*, including its appendix, and the Trust Agreements for the Plans, the Trust Agreements for the Plans will govern.



MPI

PARTICIPANT SERVICES CENTER

Email

service@mpiphp.org

Call Toll-Free

(855) ASK-4MPI or

(855) 275-4674

Fax

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Website

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145 Hudson Street, Suite 6-A

New York, New York 10013

(212) 634-5252

(888) 758-5200 – Toll Free

Hours: 9 am to 5 pm (Eastern Time)

The Plans maintain administrative offices in California and New York.

Our West Coast office maintains all records pertaining to your eligibility and processes all claims for benefits. Please address any inquiry, claim or correspondence to the West Coast office, and remember to include the Participant's Social Security Number or identification number.

For information regarding health plan benefits, please contact MPI at the California office number listed above.

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Introduction To The Plans

HISTORY

On October 26, 1953, various Employers in the Los Angeles area motion picture industry and more than 40 unions and guilds representing Industry Employees signed an agreement establishing the Motion Picture Industry Pension Plan. Today, retirement benefits consist of two completely Employer-funded plans:

- ▶ Motion Picture Industry Pension Plan, a Defined Benefit Plan, and
- ▶ Motion Picture Industry Individual Account Plan, a Defined Contribution Plan.

These two separate retirement benefits provide broad coverage for Vested Participants.

THE MOTION PICTURE INDUSTRY PENSION PLAN

The Pension Plan provides a fixed monthly benefit payable for the Participant's lifetime after retirement. It may also be payable to a Beneficiary following the Participant's death.

Employer Contributions to the Pension Plan became effective October 26, 1953. Employee Contributions began a year later and ceased on October 27, 1990.

Today, only Employers contribute to the Pension Plan. Retirement benefits are based on a formula that indicates the exact benefit a Participant can expect upon retirement.

THE MOTION PICTURE INDUSTRY INDIVIDUAL ACCOUNT PLAN

The IAP became effective on August 1, 1979 and provides a lump sum or annuity benefit, based on the account balance at the time of retirement, payable to the Participant at retirement or to the Participant's Beneficiaries as a death benefit.

The IAP is also completely Employer-funded, and in general, all Pension Plan Participants automatically participate in the IAP. The Contributions are made by Employers based on the terms of various Collective Bargaining Agreements.

Under the IAP, Contributions made on the Participant's behalf result in allocations to an individual account that shares in the investment performance of the IAP's assets. Participants in the IAP must work a Qualified Year to receive allocations of Employer Contributions for that Computation Year. Special rules apply to re-employed Pensioners.

What are the Major Differences Between the Pension Plan and the IAP?



PLAN TYPE

PENSION PLAN Defined Benefit Plan



BENEFIT RECEIVED

- ▶ Upon retirement, you receive a fixed monthly benefit payable for your lifetime.



BENEFIT CALCULATED

- ▶ Benefit amounts are based on a complex formula that indicates the exact benefit you can expect upon retirement.



CONTRIBUTIONS RECEIVED

- ▶ There are various sources of contributions to the Pension Plan. These include Employer Contributions and Unclaimed Vacation and Holiday Pay.

INDIVIDUAL ACCOUNT PLAN Defined Contribution Plan

- ▶ Upon retirement, various benefit payment options are available to you.

- ▶ Benefit amounts are based on the account balance at the time of retirement. The account balance is based on contributions and investment performance.

- ▶ The IAP operates much like a savings account or IRA; contributions are placed in the account by your Employer each year, based on a percentage of your wages/salary.

The Retirement Process

Deciding to retire is an important decision. The following information will help you understand the steps and timelines required for the retirement application process and the specific documents you must provide prior to your Retirement Date.

RETIREMENT DATE DECISION

Before a Participant can retire and commence receipt of benefits, he/she must have accrued a certain number of Qualified Years and Qualified Hours in the Plans and become Vested. Additionally, the Participant must have reached a certain age, based on the number of Qualified Years he/she has, to apply for retirement. The specific requirements are different for the Pension Plan and IAP and are explained in more detail in the Pension Plan and IAP sections of the SPD.

A Participant's Retirement Date must be on the first day of the month. Participants may continue to work until the day prior to their elected Retirement Date.

APPLICATION SUBMISSION

Participants may submit their retirement application up to six months, but no less than two complete calendar months, prior to their elected Retirement Date. The month the forms are signed is not considered a complete calendar month.

For example, if the Participant chooses to retire on April 1, the forms must be submitted no later than January 31. In this example, the two complete calendar months are February and March.

**QUICK
TIP**

SEE OUR RETIREMENT TIMELINE + CHECKLIST

Check out the next two pages!



DOCUMENTATION REQUIREMENTS

Along with the application for retirement benefits, the Plans require the Participant to provide the following documentation no later than 30 days prior to the Participant's elected Retirement Date:

Proof required from the Participant:

- 1 Proof of the Participant's date of birth (e.g., copy of a passport, birth certificate, DD-214 military discharge form, baptismal certificate, etc.);
- 2 A copy of the Participant's Social Security Card; and
- 3 A copy of the Participant's current marriage certificate, if married.

Proof required from the Participant's spouse:

- 1 Proof of the spouse's date of birth (e.g., copy of a passport, birth certificate, DD-214 military discharge form, baptismal certificate, etc.); and
- 2 A copy of the spouse's Social Security Card.

Additional documentation required from the Participant if he/she has previously been married:

- 1 A conformed copy of the final judgment of Dissolution of Marriage with any previous spouse(s) (including property settlements); and
- 2 A copy of the prior spouse's death certificate, if the prior spouse is deceased.

The Plans will not process retirement payments until the Participant complies with all the above requirements.

Retirement Process Timeline

Applicable to the
Pension Plan and the IAP



Retirement Process Checklist



ARE YOU FINANCIALLY READY TO RETIRE?

Independent financial and tax advisors can help you identify your financial and lifestyle goals and determine how much income you need in retirement to achieve those goals.



IMPORTANT!

Per IRS regulations, if you choose not to retire, you must receive Required Minimum Distribution Payments starting on April 1 in the year following the year you turn age 70½.

QUICK TIP

CHANGING OR CANCELING YOUR RETIREMENT

If you decide to cancel or change your Retirement Date, **you must do so in writing** prior to your scheduled Retirement Date. If you cancel your retirement, you will have to re-apply at least two months before your new Retirement Date.

REQUIRED FORMS

The following forms are included in your **retirement package** and must be submitted before your first Pension Plan payment will be processed.

- ☐ Retirement Benefit Election
- ☐ Federal Tax Withholding (W-4P)
- ☐ The State of California Withholding form (EDD), if applicable
- ☐ Direct Deposit Authorization (optional, but preferred)
- ☐ IAP Benefit Processing Information
- ☐ Unclaimed Vacation and Holiday Pay Processing Information, if applicable
- ☐ Re-employment Rules Acknowledgment
- ☐ Retiree Health Processing Information
- ☐ Medicare Coordination Rules Acknowledgment

REQUIRED LEGAL DOCUMENTS

The following legal documents must be submitted before your first Pension Plan payment will be processed. Gathering these documents takes time, so starting early is recommended. You may submit them to the Plans as they become available but no later than **30 days prior** to your Retirement Date. If your required forms and documents are not submitted on time, your request for retirement will be canceled.

☐ **Proof of Age**

You must submit your birth certificate, passport, DD-214 military discharge form, baptismal certificate, residency card or Certificate of U.S. Naturalization issued by U.S. Citizenship and Immigration Services.

☐ **Proof of Social Security Number or Tax Identification Number**

You must submit proof of your Social Security Number or tax identification number.

IF MARRIED:

☐ **Proof of Marriage**

You must submit legal evidence of your marriage to your spouse.

☐ **Proof of Spouse's or Beneficiaries' Social Security Number(s) or Tax Identification Number(s)**

You must submit proof of their Social Security Number(s) or tax identification number(s).

☐ **Proof of your Spouse's Age**

IF DIVORCED:

☐ **Proof of Divorce**

You must submit a complete conformed copy of the Final Dissolution of Marriage and the Property Settlement Agreement for all previous spouses. This is to verify that your prior spouse(s) has no claim on your benefit. If a former spouse is deceased, the Plans will require a copy of the death certificate.

General Retirement Information



CHOOSING A BENEFICIARY

One of the most important decisions you will make is designating your Beneficiary. A Beneficiary is an individual, or individuals, whom you have officially designated to receive any applicable retirement benefits upon your death. You have the option of designating both primary and contingent Beneficiaries. Primary Beneficiaries will be paid first in the event of your death. This can be one or multiple individuals, and you may indicate the percentage of your benefits you would like each person to receive. Contingent Beneficiaries will only be paid if all primary Beneficiaries are deceased at the time of your death.

To ensure that any applicable benefits are distributed according to your final wishes, you must remember to review and update your named Beneficiaries any time you have a major life event such as a marriage, divorce, or birth or

adoption of a child. Additionally, you should update your Beneficiary contact information whenever there is a change of address.

If you are married for at least one year on the date of your death, your spouse will automatically be your Beneficiary. If you have named someone other than your current spouse as your Beneficiary, the designation will only apply if you have obtained spousal consent, you were divorced or your spouse is deceased.

If you designate your spouse as your Beneficiary and later are divorced or legally separated, that Beneficiary designation will be disregarded unless there is a court order to the contrary.

You may change or update your named Beneficiaries by completing an MPI Pension and Individual Account Plans – Beneficiary Designation form. This form can be found online at www.mpiphp.org or by calling or visiting the Plans' offices.

ADDRESS CHANGES

It is also important to update your contact information with the Plans whenever you move or change your mailing address. Requests for an address change must be made in writing to the Plans using a Change of Address form that can be found online at www.mpiphp.org.

BREAK IN SERVICE

If a Participant has a period of two consecutive Computation Years with less than 200 Vested Hours in each year, a Break in Service occurs. This occurrence affects a Participant's benefits in many ways. For example:

- ▶ It may result in a Forfeiture of prior service and accrued benefits for non-Vested Participants;
- ▶ A Participant may elect a refund of Employee Contributions plus interest if he/she is not Vested;
- ▶ Hours earned before a Break in Service will not be eligible for any potential future active benefit rate increases (if the Board of Directors adopts such an increase and it is in the same form as past increases); or
- ▶ It may prevent a Participant from becoming otherwise eligible for Disability Retirement Pension Benefits.

Forfeiture Due to Break in Service

A Participant who incurs a Break in Service will forfeit previously accrued benefits, including all accumulated Qualified Years, Vested Years, Credited Hours,

► **Forfeiture Example:**

YEAR	HOURS WORKED	TOTAL QUALIFIED YEARS	TOTAL BREAK YEARS	EVENT
1996	400.0	1	0	
1997	400.0	2	0	
1998	400.0	3	0	
1999	199.0	3	1	
2000	199.0	3	2	BREAK IN SERVICE
2001	200.0	3	3	
2002	200.0	3	4	
2003	200.0	3	5	Forfeiture
2004	400.0	1	0	Participant recommences participation with one Qualified Year

and Vested Hours under the circumstances described below. Thus, if a Participant later works in the Industry, he/she will be treated as a new Participant without any prior service.

Forfeitures Due to Service Prior to 1976

A Participant incurred a Forfeiture due to a Break in Service as a result of a period of two consecutive Computation Years with less than 200 Vested Hours in each year. However, a Participant who incurred a Forfeiture did not forfeit his/her un-withdrawn Employee Contributions plus interest or the Employee-derived Accrued Benefit.

Forfeitures Due to Service from 1976 to 1985

A Participant who incurred a Break in Service and who at such time was not Vested incurred a Forfeiture if the number of consecutive Computation Years (including the two which created the Break in Service) during which the Participant failed to accumulate 400 Vested Hours equaled or exceeded the number of the Participant's

Vested Years completed prior to the Break in Service.

Forfeitures Due to Service Beginning in 1986

The pre-1986 rules apply if the Participant did not Vest and had five or more years of Vested service prior to the Break in Service. However, if he/she has fewer than five years of Vested service prior to the Break in Service, he/she will not forfeit his/her previously accrued benefit and prior service until the end of the fifth Computation Year in which the Participant failed to accumulate 400 Vested Hours.

If prior service was less than five years, a Participant forfeits his/her Pension Plan benefits if he/she is not Vested, incurs a Break in Service and has at least five consecutive years without a Qualified Year. Otherwise, the pre-1986 rule applies.

BRIDGING A BREAK IN SERVICE

Certain rules exist that allow a Participant to bridge a Break in

Service, thereby making him/her eligible for any benefits that would have been applicable had the Break in Service not occurred. Additional rules apply regarding eligibility for bridging a Break in Service in each of the following circumstances:

Disability

If a Participant incurs a Break in Service due to a disability that prevents the Participant from engaging in his/her regular occupation for a period of at least six months, he/she may bridge that Break in Service and earn Vested Hours at the rate of 40 hours per week during the period of disability. Although the Participant is earning Vested Hours, he/she will not receive additional credit for Qualified Years or Credited Hours.

Pregnancy / Child Care

A Participant may receive Vested Hours, up to eight hours per day, due to absence from work because of pregnancy, the birth or adoption of the Participant's child or due to providing child care for a period immediately following such birth

or adoption in the Computation Year in which such absence commences if necessary to obtain 400 Vested Hours or otherwise in the immediately following Computation Year, if necessary, to obtain 400 Vested Hours in that year.

Family and Medical Leave Act

If a Participant who is employed by an Employer covered by the federal Family and Medical Leave Act ("FMLA") takes a leave covered by FMLA and then returns to employment with the same Employer at the end of the leave, the Employee may receive Vested Hours equal to the average of the hours worked during the four weeks preceding the covered leave.

Military Service

A Participant may receive Vested Hours at the rate of 40 hours per week for time spent in the Armed Services of the United States if such Participant makes himself/herself available for work within the Industry for an Employer within the time specified under the laws of the United States relating to re-employment rights.

Contiguous Employment

A Participant may receive Vested Hours for hours worked for an Employer for which Contributions were not required to be paid to the Plans. The hours must be immediately preceded or followed by employment with the same Employer, wherein Contributions were paid to the Plans.

Erroneous Payments

If a payment is made in error to a Participant, Retired Participant, spouse, Beneficiary or any other person due to the Participant's re-employment, failure to retire, an

error in computing benefits, or any other reason, the Plans will recover the inappropriately paid amount through prompt repayment by the recipient or through a reduction in the amount of future payments.

Garnishment or Assignment of Participant Benefits

Except as permitted by applicable laws, Participant benefits may not be attached in any way, garnished by any creditors, or subject to the jurisdiction of any bankruptcy court or any insolvency proceedings by operation of law. Conversely, a Participant may not anticipate, pledge or assign any future benefits due.

An exception to this rule is when benefits are subject to a federal tax levy or are assigned to a spouse, former spouse, child or other dependent for child support, alimony, or any other settlement of marital or community property rights as a result of a Qualified Domestic Relations Order ("QDRO") issued under state domestic relations law. A copy of the Plans' QDRO procedures and a sample QDRO document may be obtained without charge by contacting the Plans.

Incapacity of Retired Participant

A Durable Power of Attorney, Guardianship or Conservatorship is required for someone other than the Participant to legally handle any retirement transactions, including changes of address. If a Durable Power of Attorney is used, the Plans also require a physician's certification of incapacity. An original or a certified copy of these documents must be provided to the Plans. Benefits are payable to the Participant only and may not be paid to another party (e.g., spouse, attorney-in-fact).

Missing Participant or Beneficiary

In the event that the Plans are unable to locate a Participant, spouse or Beneficiary for a period of three years after a retirement or a death benefit becomes payable, the monies associated with this benefit will remain in the Plans. However, if the missing Participant, spouse or Beneficiary subsequently claims the benefit, it will be reinstated and paid according to the Plans' rules.

Private Retirement Plans

Special rules may apply to those Participants who have been eligible to participate in certain private retirement plans. For any Participant who has participated in any of the private plans sponsored by the Employers listed below, the period of time of participation in any of those plans may not be credited for benefits under the Pension Plan and IAP.

- ▶ Bing Crosby Productions, Inc.
- ▶ Metro-Goldwyn-Mayer, Inc.
- ▶ R.C.A.
- ▶ RKO-Radio Pictures, Inc.
- ▶ Technicolor, Inc.
- ▶ Twentieth Century-Fox Film Corporation

PROVISIONS OF THE PLANS GOVERN

The SPD is intended to summarize provisions of the Plans' Trust Agreements. In the event there is an inconsistency between this document and the provisions of the Trust Agreements, the provisions of the Trust Agreements govern. The benefits and conditions included in this summary are also subject to change by action of the Board of Directors of the Plans.

**MOTION PICTURE
INDUSTRY**
PENSION
PLAN

Pension Plan



The Motion Picture Industry Pension Plan ("Pension Plan") is a Defined Benefit Plan that provides a fixed monthly benefit payable for the Participant's lifetime after retirement. It may also be payable to a Beneficiary following the Participant's death. All Contributions to the Pension Plan are currently made by Employers. Retirement benefits are based on a formula that indicates the exact benefit a Participant can expect upon retirement. The payouts made to retiring Employees participating in the Pension Plan are determined by a complex calculation based on Collective Bargaining Agreements, salary history, number of Qualified Years and Vesting.

RETIREMENT BENEFIT CATEGORIES

There are four categories of benefits under the Pension Plan:

- 1 **Normal Retirement Pension Benefit**
- 2 **Early Retirement Pension Benefit**
- 3 **Disability Retirement Pension Benefit**
- 4 **Late Retirement Pension Benefit**

QUICK TIP

WANT TO LEARN MORE ABOUT VESTING?

See the Glossary of Terms starting on page 39.

VESTING

Once a Participant is Vested, Pension Plan benefits cannot be forfeited.

Effective December 26, 1999, any Participant who is credited with one or more Vested Hours after December 25, 1999, shall have a Vested interest in his/her accrued retirement benefit when he/she has been credited with five Vested Years.

A Participant who incurs a Break in Service prior to completion of a Vested Hour after December 25, 1999, shall not Vest until he/she earns one Vested Year after December 25, 1999 and he/she is credited with five Vested Years.

Note:

Vesting requirements may differ for Participants who have not worked in the Industry since December 26, 1999. If this applies to you, please call the Plans for more information.

Normal Retirement Pension Benefit

A Participant is eligible to receive a Normal Retirement Pension Benefit if he/she has reached Normal Retirement Age and has Vested. The monthly benefit will be based on the Credited Hours accrued and will be reduced if the type of pension payment is not a Life Annuity.

UP TO 10 QUALIFIED YEARS:

The monthly benefit rate for the first 10 Qualified Years is currently \$.03729 per Credited Hour provided the Participant works at least 400 Credited Hours in a Qualified Year.

CALCULATION ILLUSTRATION

A Participant has seven Qualified Years with a total of 2,000 Credited Hours in the seventh year. He/she has earned accrued benefits for that year at the rate of \$.03729 X 2,000 Credited Hours to earn a benefit of \$74.58 per month payable at Normal Retirement Age. The seventh year amount will be added to the preceding years' and succeeding years' earned benefits, which makes up the final accrued monthly Pension benefit.

				
7 QUALIFIED YEARS	2K CREDITED HOURS IN THE 7TH YEAR	ACCRUED BENEFIT RATE	CREDITED HOURS	PER MONTH
$$.03729 \times 2,000 = \74.58				

11TH TO 20TH QUALIFIED YEARS:

The monthly benefit rate after the tenth Qualified Year is \$.04972 per Credited Hour provided the Participant works at least 400 Credited Hours in a Qualified Year.

CALCULATION ILLUSTRATION

A Participant has 11 Qualified Years with a total of 2,000 Credited Hours in the eleventh year. He/she has earned an accrued benefit for that year at the rate of \$.04972 X 2,000 Credited Hours to earn a benefit of \$99.44 per month payable at Normal Retirement Age. The eleventh year amount will be added to the preceding years' and succeeding years' earned benefits, which makes up the final accrued monthly Pension benefit.

				
11 QUALIFIED YEARS	2K CREDITED HOURS IN THE 11TH YEAR	ACCRUED BENEFIT RATE	CREDITED HOURS	PER MONTH
$$.04972 \times 2,000 = \99.44				

AFTER THE 20TH QUALIFIED YEAR:

The 400 Credited Hours requirement will no longer apply. Participants will earn benefits for these years even if they accumulate fewer than 400 Credited Hours in a Computation Year. They earn at the current rate of \$.04972 per Credited Hour.

CALCULATION ILLUSTRATION

A Participant has 20 Qualified Years and a total of 300 Credited Hours in the twenty-first year. He/she has earned an accrued benefit for that year at the rate of \$.04972 X 300 Credited Hours to earn a benefit of \$14.92 per month payable at Normal Retirement Age. The twenty-first year amount will be added to the preceding years' and succeeding years' earned benefits, which makes up the final accrued monthly Pension benefit.

				
20 QUALIFIED YEARS	300 CREDITED HOURS IN THE 21ST YEAR	ACCRUED BENEFIT RATE	CREDITED HOURS	PER MONTH
$$.04972 \times 300 = \14.92				

BENEFIT RATE SCHEDULE

To calculate the monthly accrued benefit amount for any year, the applicable rate from the Benefit Rate Schedule below is multiplied by the number of Credited Hours earned during a year. The monthly benefit amounts calculated for each year are then combined to equal the total monthly pension benefit payable at your Normal Retirement Age.

Note:

During the first 20 Qualified Years, Participants must work 400 Credited Hours in a Computation Year to accrue a benefit for that year. After the twentieth Qualified Year, the Participant is exempt from the 400 Credited Hour minimum.

EFFECTIVE DATE	FIRST 10 QUALIFIED YEARS	11TH TO 20TH QUALIFIED YEARS	AFTER THE 20TH QUALIFIED YEARS
1/01/1954	0.0078000	0.0104000	0.0066000
1/01/1983	0.0085800	0.0114400	0.0072600
8/01/1985	0.0107250	0.0143000	0.0090750
1/01/1988	0.0107250	0.0143000	0.0143000
8/01/1988	0.0134063	0.0178750	0.0178750
1/01/1990	0.0154172	0.0205563	0.0205563
1/01/1991	0.0161881	0.0215841	0.0215841
1/01/1992	0.0166737	0.0222316	0.0222316
1/01/1993	0.0203000	0.0270000	0.0270000
1/01/1996	0.0240000	0.0320000	0.0320000
8/01/2000	0.0295000	0.0393000	0.0393000
8/01/2003	0.0339000	0.0452000	0.0452000
8/01/2006	0.0372900	0.0497200	0.0497200

RETIREMENT BENEFIT RATES

The rates listed in the Benefit Rate Schedule above assume a Participant has never had a Break in Service. Different rates apply if a Participant has had a Break in Service. In addition, the Break in Service rules may be applied differently to Participants who participate in the Pension Plan as a result of a merger because in some cases the merged plans had different Break in Service rules prior to the merger. Please see the appendix to the SPD for specific details and rules for the plans that merged into the Pension Plan.

RATE INCREASES

The Board of Directors has previously adopted a number of amendments to the Plans that increased the accrual rate applicable to active Participants and Retirees for a given year. While the Directors may increase the rate(s) in the future, they are under no obligation to do so. In general, benefit increases that are applicable to active Participants do not apply to Credited Hours earned before a Break in Service. In effect, benefits earned before a Break in Service are frozen and are not increased by future active benefit rate increases.

BENEFIT CALCULATION

The chart below shows an example of the monthly benefit earned if 2,000 Credited Hours are accumulated each Computation Year for 20 years without a Break in Service. The Accumulated Benefit will be reduced if the type of pension payment is not a Life Annuity.

PLAN YEAR	QUALIFIED YEARS	CREDITED HOURS		APPLICABLE BENEFIT RATE		ACCRUED BENEFIT	ACCUMULATED MONTHLY BENEFIT
1991	1	2,000	x	\$0.03729	=	\$74.58	\$74.58
1992	2	2,000	x	\$0.03729	=	\$74.58	\$149.16
1993	3	2,000	x	\$0.03729	=	\$74.58	\$223.74
1994	4	2,000	x	\$0.03729	=	\$74.58	\$298.32
1995	5	2,000	x	\$0.03729	=	\$74.58	\$372.90
1996	6	2,000	x	\$0.03729	=	\$74.58	\$447.48
1997	7	2,000	x	\$0.03729	=	\$74.58	\$522.06
1998	8	2,000	x	\$0.03729	=	\$74.58	\$596.64
1999	9	2,000	x	\$0.03729	=	\$74.58	\$671.22
2000	10	2,000	x	\$0.03729	=	\$74.58	\$745.80
2001	11	2,000	x	\$0.04972	=	\$99.44	\$845.24
2002	12	2,000	x	\$0.04972	=	\$99.44	\$944.68
2003	13	2,000	x	\$0.04972	=	\$99.44	\$1,044.12
2004	14	2,000	x	\$0.04972	=	\$99.44	\$1,143.56
2005	15	2,000	x	\$0.04972	=	\$99.44	\$1,243.00
2006	16	2,000	x	\$0.04972	=	\$99.44	\$1,342.44
2007	17	2,000	x	\$0.04972	=	\$99.44	\$1,441.88
2008	18	2,000	x	\$0.04972	=	\$99.44	\$1,541.32
2009	19	2,000	x	\$0.04972	=	\$99.44	\$1,640.76
2010	20	2,000	x	\$0.04972	=	\$99.44	\$1,740.20
2011	20*	300	x	\$0.04972	=	\$14.92	\$1,755.12

SPECIAL CIRCUMSTANCES FOR BENEFIT ACCRUAL RATES

Higher benefit accrual rates before 1990 apply to certain Participants who were at least 55 years old on or before August 1, 1979 and who:

- ▶ were Participants in the Pension Plan on August 1, 1979;
- ▶ were not Break in Service Participants on December 22, 1979; and
- ▶ worked a Credited Hour after April 30, 1979.

These special circumstances apply for those Participants who were not eligible to participate in the IAP. Starting on December 24, 1989, these Participants began accruing at the same rate as described above and became eligible to participate in the IAP.

Early Retirement Pension Benefit



EARLY RETIREMENT PENSION BENEFIT CATEGORIES

For those Participants who choose to retire prior to attaining the requirements for the Normal Retirement Pension Benefit, three Early Retirement Pension Benefit options are available to them:

- A Unreduced Early Retirement Pension Benefit**
- B Reduced Early Retirement Pension Benefit**
- C Special Reduced Early Retirement Pension Benefit**

UNREDUCED EARLY RETIREMENT PENSION BENEFIT

If a Participant has at least 30 Qualified Years and wants to retire before age 65, he/she may receive an Unreduced Early Retirement Pension Benefit (100% of the Normal Retirement Pension Benefit) if one of the following requirements is met:

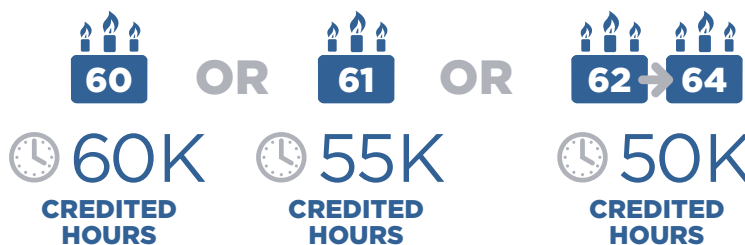
- ▶ **Age 60 with at least 60,000 Credited Hours;**
- ▶ **Age 61 with at least 55,000 Credited Hours; or**
- ▶ **Age 62 to 64 with at least 50,000 Credited Hours.**

For purposes of determining eligibility for Unreduced Early Retirement, forfeited Credited Hours and forfeited Qualified Years will be counted. However, hours prior to a withdrawal of any Employee Contributions will not be counted if such withdrawal is not repaid with interest to the Pension Plan in accordance with the Pension Plan's rules.

QUICK TIP

WANT TO LEARN MORE ABOUT QUALIFIED YEARS OR CREDITED HOURS?

See the Glossary of Terms starting on page 39.



REDUCED EARLY RETIREMENT PENSION BENEFIT

Participants may retire with a Reduced Early Retirement Pension Benefit as early as age 55. However, monthly early retirement benefits will be lower than a Normal Retirement Pension Benefit, depending on the Participant's age at retirement.

Eligibility for a Reduced Early Retirement Pension Benefit includes the following requirements:

- **Participants age 55 to 64 must have earned 20 or more Qualified Years; or**
- **Participants age 62 to 64 must have earned 10 or more Qualified Years.**

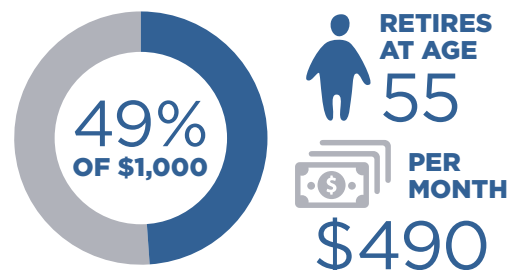
The Reduced Early Retirement Pension Benefit will be computed by applying the benefit factors in the following chart to the Normal Retirement Pension Benefit under the Life Annuity Benefit that would have been payable at Normal Retirement Age.

AGE	64	63	62	61	60	59	58	57	56	55
% FACTOR	92.5	86.0	80.0	74.5	69.0	64.0	59.5	55.5	52.0	49.0



If a Participant's pension benefit at the Normal Retirement Age of 65 is \$1,000 per month under a Life Annuity Benefit, and he/she retires at age 55, the monthly pension benefit is calculated at 49% of \$1,000, which equals a \$490 per month benefit.

NORMAL RETIREMENT AGE BENEFIT IS \$1,000 PER MONTH



SPECIAL REDUCED EARLY RETIREMENT PENSION BENEFIT

Effective August 1, 1997, Participants who are ages 55 through 59 and who have earned at least 30 Qualified Years and at least 60,000 Credited Hours may be eligible for a Special Reduced Early Retirement Pension Benefit. The monthly benefit will be less than what would be received at Normal Retirement Age, but higher than what would be received from a Reduced Early Retirement Pension Benefit.

For purposes of determining eligibility for a Special Reduced Early Retirement Pension Benefit, forfeited Credited Hours and forfeited Qualified Years will be counted. However, hours and years prior to a withdrawal of any Employee Contributions will not be counted if the withdrawal is not repaid with interest to the Pension Plan in accordance with Pension Plan rules.

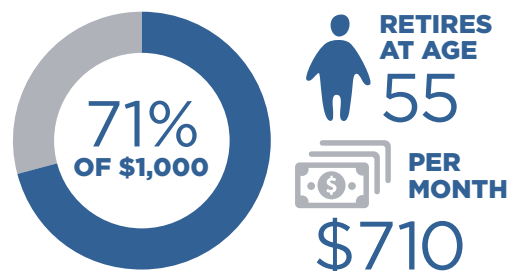
A Participant's Special Reduced Early Retirement Pension Benefit will be calculated by applying the benefit factors listed in the following chart to the Participant's Normal Retirement Pension Benefit under the Life Annuity Benefit that would have been payable at Normal Retirement Age.

AGE	59	58	57	56	55
% FACTOR	92.8	86.2	80.4	75.4	71.0



If a Participant's pension benefit at the Normal Retirement Age of 65 is \$1,000 per month under a Life Annuity Benefit, and he/she retires at age 55, the monthly pension benefit is calculated at 71% of \$1,000, which equals a \$710 per month benefit.

NORMAL RETIREMENT AGE BENEFIT IS \$1,000 PER MONTH



Disability Retirement Pension Benefit



A Disability Retirement Pension Benefit is available to a Participant of any age who is disabled, as defined under the Pension Plan's guidelines, and has met the required Qualified Hours and Qualified Years of the Pension Plan. Special rules may be applicable to a Participant who is terminally ill.

ELIGIBILITY

A Participant may be eligible to receive a Disability Retirement Pension Benefit if all of the following required conditions are met:

- ▶ The Participant has become disabled, which prevents him/her from engaging in any gainful employment.
 - ▶ The Participant is not a Break in Service Participant.
 - ▶ The Participant has accumulated at least 10 Qualified Years, including service prior to a withdrawal of Employee Contributions, unless the service is forfeited under the Break in Service rules.
 - ▶ The Participant has worked at least 10,000 Credited Hours, including service prior to a withdrawal of Employee Contributions, unless the service is forfeited under the Break in Service rules.
- Effective January 1, 2004, a Participant who does not have 10 Qualified Years and 10,000 Credited Hours may continue to work until the tenth Qualified Year and 10,000 Credited Hours are achieved, if possible, while continuing to satisfy the Social Security Administration's requirements for disability. The disability Retirement Date will be the first of the month following the month the tenth Qualified Year and 10,000 Credited Hours are reached. However, there will not be any retroactive payments made prior to the disability Retirement Date. Any hours worked after the disability Retirement Date will be subject to the Re-employment Rules.
- ▶ A Participant's total and permanent disability has been at least six months in duration.
 - ▶ A Participant may not have retired under any other provision of the Pension Plan. However, a Participant may convert an Early Retirement Pension Benefit to a Disability Retirement Pension Benefit, if the Participant applies for Social Security disability benefits within two years of his/her Early Retirement Date, and the Social Security Administration determines that his/her disability began prior to his/her Early Retirement Date. The Participant must submit proof of his/her Social Security disability benefit application and award to the Plans.
 - ▶ The Participant has a Social Security disability award. However, in lieu of a Social

Security disability award, the Plans' Benefits/Appeals Committee may rely on a physician's certification in certain circumstances. The certification may also be for the purpose of waiving the required six-month period of disability. The Benefits/Appeals Committee may require an examination by a physician of its choice. The certification and/or examination must show that:

- The Participant is terminally ill with a life expectancy of less than two years; and
- Because of this illness, the Participant cannot engage in any gainful employment.

BENEFIT AMOUNT

The amount of the Disability Retirement Pension Benefit is the same amount as the Normal

Retirement Pension Benefit under the Life Annuity Benefit payment type. The benefit payable during the Participant's lifetime will be reduced if the Participant elects an option with a survivor benefit.

Credited Hours and Qualified Years prior to a withdrawal of Employee Contributions are only included in determining the benefit amount if:

- ▶ The withdrawal is repaid with interest to the Pension Plan in accordance with its rules within the allowable time period; and
- ▶ The Participant had at least two Qualified Years after the year of repayment.

SOCIAL SECURITY DISABILITY BENEFIT COORDINATION

The Participant must provide proof of continuing Social Security disability benefits. If a

Participant receives a Disability Retirement Pension Benefit under the Pension Plan and his/her Social Security disability benefit stops, the Disability Retirement Pension Benefit will stop as well. In the event the Social Security disability benefit ceases or the Participant returns to work in the Industry, he/she must notify the Plans immediately of the change of status. Participants must provide notice from the Social Security Administration that his/her benefits have ceased. If a Participant fails to notify the Plans of a change of disability status, an overpayment to the Participant may result. Re-application for Pension Plan benefits can be made when the Participant becomes eligible for Early, Normal or Late Retirement.

DISABILITY OVERPAYMENT

If the Social Security Administration indicates that the Participant's benefits lapsed for any period of time, the Pension Plan has a fiduciary obligation to recover from the Participant any overpayments plus interest, for the period in which the benefits lapsed.

The overpayment balance will be recovered at the rate of 100% of the Participant's monthly benefit. In order to receive a Disability Retirement Pension Benefit after such a lapse, a Participant must provide a new Social Security benefit award, and he/she will have to reapply for a new Disability Retirement Pension Benefit based on the new Social Security benefit award. If a Participant is not awarded Social Security disability benefits again, he/she must immediately reimburse any outstanding overpayment balance.



Late Retirement Pension Benefit

Some Participants may choose to work beyond the Normal Retirement Age. Postponement of retirement beyond the Normal Retirement Age will increase the Participant's benefit amount available at retirement. Increases are determined on each subsequent January 1 following the Participant's Normal Retirement Date. If the Participant has not retired by April 1 following the year in which he/she reaches age 70½, minimum distribution rules apply.

LATE RETIREMENT PENSION BENEFIT

The Late Retirement Pension Benefit of a Participant who has not yet commenced minimum distributions by age 70½ will be the greater of:

- ▶ The Normal Retirement Pension Benefit, including all accrued benefits through Late Retirement; or
- ▶ The Normal Retirement Pension Benefit, including yearly actuarial increases calculated throughout Late Retirement. Yearly actuarial increases of 1.2% per month apply to all Employee-Derived Benefits as well as Employer-Derived Benefits (for any month in which the Participant did not work or was not guaranteed 40 or more hours in the Industry). The actuarial increase of 1.2% per month is compounded annually.

CASE STUDY

A Participant has more than 10 Qualified Years and is eligible for a \$1,000 per month Pension Plan benefit at Normal Retirement Age, but chooses not to retire. Of the \$1,000 per month Pension Plan benefit, \$100 is an Employee-Derived Benefit and \$900 is an Employer-Derived Benefit. The following year, the Participant worked 1,000 hours and earned an additional \$49.72 per month benefit. However, for seven of these months, the Participant worked less than 40 hours in the Industry. At age 66, the Participant makes an appointment with a retirement counselor and selects the following January 1 as his/her official Retirement Date. At age 66, the Participant's monthly benefit is \$1,090.00 per month, which equals the greater of:

			HOURS	X	RATE		TOTAL
Accrued Benefit Through Normal Retirement Age							= \$1,000.00
Additional Accrued Benefit			1,000.0	X	.04972	=	\$49.72
							\$1,049.72
OR							
			ACTUARIAL INCREASE	X	MONTHS ELIGIBLE FOR ACTUARIAL INCREASE		TOTAL
Normal Retirement Pension		\$1,000.00					\$1,000.00
Employee-Derived Benefit	\$100.00	X	1.2%	X	12	=	\$14.40
Employer-Derived Benefit	\$900.00	X	1.2%	X	7	=	\$75.60
							\$1,090.00 (GREATER THAN \$1,049.72)

REQUIRED MINIMUM DISTRIBUTION PAYMENTS

All Participants are required to receive a Late Retirement Pension Benefit no later than the April 1 following the year they reach age 70½. Although this payout is legally required, a Participant may continue to earn benefits on additional Credited Hours worked beyond the age of 70½. A Participant with fewer than 20 Qualified Years must work a full Qualified Year (400 Credited Hours) in order to earn additional benefits. Any monthly benefit adjustments will be determined on an annual basis. On each subsequent April 1, retroactive to January 1, the amount of the benefit may be increased. This is the case if the Participant's additional total accrual since the benefit commencement date is

greater than the actuarial equivalent of the Employer-Derived Benefit paid to the Participant in the months since the benefit commencement date in which he/she worked or was guaranteed 40 or more hours.

However, if the Participant's additional total accrual since the benefit commencement date is less than the actuarial equivalent of the Employer-Derived Benefit paid to the Participant in the months since the benefit commencement date in which the Participant worked or was guaranteed 40 or more hours, then there will be no increase to the Participant's benefit.

REQUIRED MINIMUM DISTRIBUTION ACCRUAL

Example 1:

Shows additional accrual because each year's Cumulative Accruals are greater than the Actuarial Equivalent Value of the benefit payments made.

EFFECTIVE DATE	A EMPLOYEE DERIVED BENEFIT	B EMPLOYER DERIVED BENEFIT	C TOTAL BENEFIT (A+B)	D ADDITIONAL YTD ACCRUALS (HRS. x RATE)	E CUMULATIVE ACCRUALS	F MONTHS OF SUSPENDIBLE SERVICE	G ACTUARIAL EQUIVALENT VALUE (BxF/GAM*)	H ANNUAL ADJUSTMENTS (E+G)	I NEW PAYMENT ON EFFECTIVE DATE (C+H)
4/01/07	\$4.56	\$206.02	\$210.58	\$0.00	\$0.00	0	\$0.00	\$0.00	\$210.58
1/01/08	\$4.56	\$206.02	\$210.58	\$27.47	\$27.47	2	(\$4.89)	\$22.58	\$233.16
1/01/09	\$4.56	\$228.60	\$233.16	\$31.06	\$58.53	5	(\$19.05)	\$39.48	\$272.64
1/01/10	\$4.56	\$268.08	\$272.64	\$28.41	\$86.94	6	(\$40.05)	\$46.89	\$319.53
1/01/11	\$4.56	\$314.97	\$319.53	\$30.00	\$116.94	8	(\$50.00)	\$66.94	\$386.47

Example 2:

Shows no accrual because each year the value of the benefit payments made is greater than the Cumulative Accruals.

EFFECTIVE DATE	A EMPLOYEE DERIVED BENEFIT	B EMPLOYER DERIVED BENEFIT	C TOTAL BENEFIT (A+B)	D ADDITIONAL YTD ACCRUALS (HRS. x RATE)	E CUMULATIVE ACCRUALS	F MONTHS OF SUSPENDIBLE SERVICE	G ACTUARIAL EQUIVALENT VALUE (BxF/GAM*)	H ANNUAL ADJUSTMENTS (E+G)	I NEW PAYMENT ON EFFECTIVE DATE (C+H)
4/01/07	\$487.67	\$2,723.05	\$3,210.72	\$0.00	\$0.00	0	\$0.00	\$0.00	\$3,210.72
1/01/08	\$475.96	\$2,734.76	\$3,210.72	\$83.77	\$83.77	2	(\$283.65)	\$0.00	\$3,210.72
1/01/09	\$470.76	\$2,739.96	\$3,210.72	\$82.85	\$166.62	5	(\$580.73)	\$0.00	\$3,210.72
1/01/10	\$465.56	\$2,745.16	\$3,210.72	\$81.94	\$248.56	6	(\$891.70)	\$0.00	\$3,210.72
1/01/11	\$460.50	\$2,750.22	\$3,210.72	\$80.00	\$328.56	8	(\$912.68)	\$0.00	\$3,210.72

* GAM: Group Annuity Mortality Table

REQUIRED MINIMUM DISTRIBUTION STATUS

Participants who receive a Required Minimum Distribution are not considered retired until they apply for retirement and refrain from working in the Industry during the first two months after their selected Retirement Date.

In addition, upon retirement, a Participant must work 870 hours to earn additional benefits and will not be eligible for retiree benefit increases (if the Board of Directors adopts such an increase and it is in the same form as past increases). A Participant will be eligible for benefit increases for active Participants (if the Board of Directors adopts such an increase and it is in the same form as past increases) unless there is a Break in Service.

Pension Plan Benefit Payment Options

Upon retirement, a Participant is required to select a Pension Plan benefit option. When a Participant applies to receive his/her Pension Plan benefit, he/she will be advised of the anticipated monthly payment amount associated with each type of Pension Plan benefit option available to him/her. At that point, a selection is required. The options available to Participants are as follows:



Married Participants

- ▶ Life Annuity Benefit
- ▶ Qualified Joint & 50% Survivor Annuity Benefit
- ▶ Joint & 100% Survivor Annuity Benefit
- ▶ Joint & 75% Survivor Annuity Benefit
- ▶ Joint & 50% Pop-up Annuity Benefit
- ▶ Joint & 100% Pop-up Annuity Benefit
- ▶ Ten-Years-Certain and Life Annuity Benefit



Unmarried Participants

- ▶ Life Annuity Benefit



Unmarried Participants With Children

- ▶ Life Annuity Benefit
- ▶ Ten-Years-Certain and Life Annuity Benefit

BASIC PENSION PLAN BENEFIT PAYMENT TYPES

Life Annuity Benefit

This selection provides a monthly lifetime benefit payment to the Participant, except as stipulated in the re-employment rules. No benefit will be paid to any survivor.

Qualified Joint & 50% Survivor Annuity Benefit

The Employee Retirement Income Security Act of 1974 ("ERISA") requires a married Participant to retire with a Qualified Joint & 50% Survivor Annuity Benefit, unless the Participant elects another available option with his/her spouse's written consent.

Under this option, the Participant will receive a reduced benefit based on his/her age and the age of his/her spouse. A monthly benefit will be paid for the duration of the Participant's life, except as provided by the re-employment rules. In the event of the Participant's death, a lifetime monthly benefit will continue to be paid to his/her surviving spouse

equal to half of the monthly benefit received by the Participant while living.

Regardless of whether or not the Participant divorced or remarried during his/her retirement, the Joint & 50% Survivor Annuity Benefit must be paid to the surviving spouse who was married to the Participant on the Participant's Retirement Date.

In the event the Participant's spouse died first, but after the Participant's Retirement Date, the Joint & 50% Survivor Annuity will continue for the Participant's lifetime at the same lower monthly amount. No benefit will be paid to any survivor, including a new spouse if the Participant remarries after retirement.

OPTIONAL PENSION PLAN BENEFIT PAYMENT TYPES

Joint & 100% Survivor Annuity Benefit

This option is similar to the Qualified Joint & 50% Survivor Annuity Benefit except that there

is no reduction in the benefit to the Participant's surviving spouse in the event of the Participant's death. For this reason, the benefit payment during the Participant's lifetime is lower than that received through the Qualified Joint & 50% Survivor Benefit.

If a Participant who has been married for at least one year elects the Joint & 100% Survivor Annuity Benefit during the 90-day period prior to the benefit commencement date and dies before the actual Retirement Date, his/her surviving spouse will be entitled to the Joint & 100% Survivor Annuity Benefit.

Joint & 75% Survivor Annuity Benefit

This option is similar to the Qualified Joint & 50% Survivor Annuity Benefit except that there is less of a reduction in benefit to the Participant's surviving spouse in the event of the Participant's death. For this reason, the benefit payment during the Participant's lifetime is lower than that received through

the Qualified Joint & 50% Survivor Annuity Benefit. In the event of the Participant's death, a lifetime monthly benefit will continue to be paid to the surviving spouse equal to 75% of the monthly benefit received by the Participant while living.

If a Participant who has been married for at least one year elects the Joint & 75% Survivor Annuity Benefit during the 90-day period prior to the benefit commencement date and dies before the actual Retirement Date, his/her surviving spouse will be entitled to the Joint & 75% Survivor Benefit.

Joint & 50% Pop-up Annuity Benefit

This option pays the Participant a monthly lifetime benefit, except as provided by the re-employment rules. In the event of the Participant's death, a monthly benefit continues to the spouse the Participant was married to at the time of retirement. The benefit is equal to 50% of the monthly amount received by the Participant before death. However, if the spouse pre-deceases the Participant after the Retirement Date, the monthly benefit payable to the Participant will "pop-up" to the amount the Participant would have received had he/she elected a Life Annuity Benefit. The monthly benefit paid to the Participant at retirement is lower than the Life Annuity and the Qualified Joint & 50% Survivor Annuity Benefit.

Joint & 100% Pop-up Annuity Benefit

The Joint & 100% Pop-up Annuity Benefit is similar to the Joint & 50% Pop-up Annuity Benefit except that the monthly benefit payable to the surviving spouse will be

the same as the amount paid to the Participant. If the spouse pre-deceases the Participant after the Retirement Date, the monthly benefit payable to the Participant will also "pop-up" to the higher Life Annuity Benefit. The monthly benefit payable to the Participant at retirement is lower than the Joint & 100% Survivor Annuity Benefit.

If a Participant who has been married for at least one year elects the Joint & 100% Pop-up Annuity Benefit during the 90-day period prior to the benefit commencement date and dies before the actual Retirement Date, his/her surviving spouse will be entitled to the 100% Pop-up Annuity Benefit.

Ten-Years-Certain and Life Annuity Benefit

If a Participant selects this option, he/she will receive a monthly lifetime benefit, except as provided by the re-employment rules. The annuity benefit under this option is reduced so that it is actuarially equivalent to the amount of the Life Annuity Benefit based on the age of the Participant at the time of retirement or commencement of Minimum Distributions. A Reduced Early Retirement Pension Benefit under the Ten-Years-Certain and Life Option will be computed by applying the applicable benefit factor to the Participant's Normal Retirement Pension Benefit under the Life Annuity Benefit payable at age 65. Additional factors apply if the Participant is older than age 65. Other factors apply to Unreduced Early Pension Benefits and Special Reduced Early Retirement Pensions Benefits under the Ten-Years-Certain and Life Option.

TEN YEARS CERTAIN AND LIFE FACTORS

► Reduced Early Retirement Pension

AGE	% FACTOR
65	94.9
64	88.4
63	82.5
62	77.1
61	69.0
60	64.4
59	60.2
58	56.4
57	52.5
56	49.8
55	47.1

► Unreduced Early Retirement Pension

AGE	% FACTOR
65	94.9
64	95.6
63	95.9
62	96.4
61	92.6
60	93.3

► Special Reduced Early Retirement Pension

AGE	% FACTOR
59	87.3
58	81.7
57	76.1
56	72.2
55	68.2

In the event of the Participant's death within 10 years of his/her Retirement Date (or receipt of Minimum Distributions), the Beneficiary will receive the same monthly amount for the remainder of the 10-year period. Following this 10-year period, the benefit payments to the Beneficiary will permanently cease.

If the Participant dies after the 10-year period following the Retirement Date, no benefit payments will be provided to the Beneficiary.

If, after electing the Ten-Years-Certain and Life Annuity Benefit option, the Participant dies within 30 days of his/her selected Retirement Date, his/her designated Beneficiary will be entitled to the benefit for 10 years commencing on the selected Retirement Date. This rule does not apply if the Participant designated his/her spouse as Beneficiary unless the Participant had not been married to his/her spouse for at least 365 days. However, if the Participant has been married at least one year, this Ten-Years-Certain and Life Annuity Benefit will not be paid to his/her spouse unless the spouse elects to waive the Death Benefit after the Participant's death.

In the event the Participant dies after retirement (or commencement of Minimum Distributions) and before the expiration of the 10-year period, and his/her designated Beneficiaries also die within the 10-year period, the Board of Directors may designate a Beneficiary or Beneficiaries, limited to the Participant's spouse and/or child(ren).

If the Participant retires under this option and is re-employed, the 10-year period shall not be increased by the re-employment period.

The Participant can only designate his/her spouse and/or child(ren) as the Beneficiaries for this payment type.

Lump Sum Payments

Pension Plan benefits of Vested Participants are usually paid as a monthly payment at retirement. However, if the present value of the Pension Plan benefit (including the monthly benefit derived from Unclaimed Vacation & Holiday Pay) is \$5,000 or less, the benefit will be automatically paid in a single lump sum. If the amount is at least \$5,000 but not more than \$10,000, the Participant may elect, with spousal consent, to take the entire value of the benefit in a single lump sum.

All lump sum distributions made to Participants are subject to 20% IRS income tax withholding. Also, if the lump sum is paid before the Participant reaches age 59½, there may be an additional 10% penalty tax. To avoid tax withholding and penalties, you may elect to have the lump sum paid as a direct

rollover to an Individual Retirement Account ("IRA"), a Roth IRA or to another qualified plan.

If the Participant does not elect either to receive or to rollover the distribution and a lump sum distribution (over \$1,000, but not more than \$5,000) can be paid to the Participant without the Participant's consent, then the Participant's distribution must be rolled over to an IRA. The IRA provider will invest the rollover funds in a type of investment designed to preserve principal and provide a reasonable rate of return and liquidity (e.g., an interest-bearing account, a certificate of deposit or a money market fund).

The IRA provider will charge the Participant's account for any expenses associated with the establishment and maintenance of the IRA and with the IRA investments. The Participant may transfer the IRA funds, at any time and without cost, to any other IRA the Participant chooses. Participants may contact the Plans for further information regarding the automatic rollover provisions, the IRA provider and the fees and expenses associated with the IRA.

LUMP SUM PAYMENTS

AT-A-
GLANCE



\$5-10K
PENSION PLAN
BENEFIT
CAN BE PAID IN A
SINGLE LUMP SUM



\$5,000
OR LESS
AUTOMATICALLY
PAID IN A
SINGLE LUMP SUM



SUBJECT TO
20%
IRS INCOME
TAX
WITHHOLDING



To avoid tax withholding and penalties, you may elect to have the lump sum paid as a direct rollover to an IRA, a Roth IRA or to another qualified plan.

Re-Employment of a Retired Participant

It is not uncommon for a Participant to retire and later take on new work in the Industry. Special rules apply to a Participant's re-employment with respect to earning additional Qualified Years, retirement benefits and eligibility for benefits. Failure to follow these rules could result in the Participant having to return all or part of his/her pension payment.



RETIRED FROM THE INDUSTRY

A Participant is considered retired from the Industry when he/she:

- ▶ Files for retirement on the form provided by the Plans; and
- ▶ Does not work in the Industry for any Employer or have a Month of Suspendible Service during the first two months commencing with his/her selected Retirement Date.

RE-EMPLOYMENT DURING THE FIRST TWO CALENDAR MONTHS OF RETIREMENT

Participants who retire from the Industry and then return to work in it during the first two months of their retirement will have their monthly Pension Plan payments suspended until the Participant completes two consecutive calendar months with no Industry work performed.

The Pension Plan payment amount

will be adjusted as follows:

- ▶ The same monthly amount paid to the Participant, when he/she originally retired, plus
- ▶ Any increases in benefits earned after the Retirement Date as a re-employed Retired Participant, plus
- ▶ Any benefits not paid in months the Participant was guaranteed or worked in the Industry less than 40 hours, minus
- ▶ Any overpayments of Employer-Derived Benefits previously paid for the months in which the Participant worked or was guaranteed 40 or more hours.

EMPLOYMENT VERIFICATION

The Plans may require verification from the Participant's Industry Employer that the Participant has not worked in the Industry for a period of two months. The Participant may also be required

to complete an affidavit affirming that he/she has not worked in the Industry for a period of two months.

TEACHING OR TRAINING HOURS

Teaching or training hours worked do not constitute re-employment of a retired Participant and do not affect suspension of benefits.

RE-EMPLOYMENT POST-RETIREMENT ON OR AFTER AUGUST 1, 1986

If a Participant retired on or after August 1, 1986, and worked a Month of Suspendible Service in the two months following his/her Retirement Date, he/she will only be entitled to the monthly Employee-Derived Benefit for that month. The Participant will permanently forfeit the Employer-Derived Benefit portion of his/her Pension Plan benefit for that month.

Monthly Pension Plan benefit payments will resume within 90 days of the Plans verifying that there has not been a Month of Suspendible Service for two consecutive months. Monthly Pension Plan benefit payments will be re-evaluated for any adjustment necessary as well as any overpayment or underpayment during the period of re-employment. Any Participant who has a Month of Suspendible Service on or after April 1 following the year he/she reaches age 70 ½ must comply with special rules (see

Required Minimum Distribution Payments for Re-employed Retired Participants).

UNREDUCED EARLY RETIREMENT PENSION BENEFIT

For those Participants who have selected an Unreduced Early Retirement Pension Benefit, the following holds true for Re-employment:

- ▶ If a Participant retires having selected an Unreduced Early Retirement Pension Benefit and works a month of Suspendible Service, the Employer-Derived portion of the monthly benefit will be forfeited.
- ▶ If the Participant works 400 or more Credited Hours in a Computation Year prior to reaching age 65, all future monthly Pension benefits will be forfeited until the month following the Participant's 65th birthday.

DISABILITY RETIREMENT PENSION BENEFIT

Special rules apply to Participants who are receiving a disability benefit and return to work. In general, if a Participant is entitled to Social Security disability benefits during re-employment, the Participant will also be entitled to a Disability Retirement Pension Benefit under the Pension Plan. If a Participant works a Month of Suspendible Service while receiving a Disability Pension, he/she will only be entitled to the monthly Employee-Derived portion of the benefit for that month. The Participant will permanently forfeit the Employer-Derived portion of his/her benefit for that month.

For those Participants younger than age 70½ who are receiving a Disability Retirement Pension Benefit, the monthly benefit will be forfeited if the Participant ceases to be eligible for Social Security disability benefits due to re-employment (in or out of the Industry) or for any other reason.

REQUIRED MINIMUM DISTRIBUTION PAYMENTS FOR RE-EMPLOYED RETIRED PARTICIPANTS

If a Participant who has retired returns to work in the Industry, he/she may work unlimited hours and still receive a monthly Pension Plan benefit beginning on the April 1 following the year the Participant reaches age 70½.

Note:

Any benefits earned while re-employed will be offset by the actuarial value of the monthly payments made for Months of Suspendible Service.

Example:

Assume a Participant who has retired receives a monthly Pension Plan benefit of \$1,000, of which \$100 is Employee-Derived and \$900 is Employer-Derived. The Participant works one thousand (1,000) hours in a Computation Year and earns an additional benefit of \$49.72 ($\$.04972 \times 1,000$). For each month the Participant works 40 or more hours, the Employer-Derived Benefit paid during the month will be totaled for the year.

The total has an actuarial value, which will be used to offset the additional \$49.72 benefit earned. If the actuarial value (based on the Participant's current age, spouse's age if applicable, and

benefit option chosen) is \$20, the \$20 is subtracted from \$49.72, and the Participant's additional pension benefit earned for that Computation Year would be \$29.72. The Participant's Pension benefit for the next year would be \$1,029.72 per month.

Additional benefits accrued are recalculated annually. If the actuarial value is greater than the accrued benefits, the previous benefit will remain unchanged.

BENEFITS EARNED DURING RE-EMPLOYMENT

A Participant who has retired can receive additional benefits if he/she earns 870 or more Credited Hours in a Computation Year after retirement. If the Participant's retirement occurred before age 65, these benefit adjustments are accrued and will not be made until the month after the Participant reaches age 65.

If a Participant retired prior to August 1, 1986 and then earned new benefits after age 65, the adjustment would be made, if applicable, at the beginning of each Computation Year. However, these additional benefits, based on Credited Hours earned, will be reduced by the actuarial value of the Employer-Derived Benefits paid to the Participant previously in Months of Suspendible Service.

For Participants who retired on or after August 1, 1986, with new benefits earned after age 65, the adjustment will be made, if applicable, after the annual benefit reevaluations are completed, retroactive to the beginning of each Plan Year.

Pension Plan Contributions

There are various sources of contributions to the Pension Plan. These include Employer Contributions and Unclaimed Vacation ("UV") and Holiday Pay ("HP").

EMPLOYER CONTRIBUTIONS

There are two sources of Employer Contributions for the Pension Plan:

- ▶ A specifically-defined dollar amount for each hour worked or guaranteed by the Collective Bargaining Agreement in effect. Special rules apply for on-call and Non-Affiliate Employees, and for Unions that have merged into the Pension Plan.
- ▶ A portion of Supplemental Markets receipts (only if the Active Employees' Health Plan is sufficiently funded). In general, the Contribution is the amount determined by the Plans' actuaries as necessary to pay for any required Contributions that are not otherwise funded. (The additional 13th and 14th benefit increase payments made to Retired Participants at the discretion of the Board of Directors is not included in this calculation.)



However, no interest is earned after the date a Participant's Pension Plan or death benefits start.

Beginning on October 28, 1990, except for UV and HP, no Participant Contributions were required or permitted under the Pension Plan.

EMPLOYEE CONTRIBUTIONS

Prior to October 28, 1990, Participants in the Pension Plan were required to make Employee Contributions to it that were credited directly to the Participant who made the contribution. Currently, compound interest is credited on all of the Employee Contributions that have not been withdrawn by Participants. The current rate of interest for each year will be equal to 120% of the federal mid-term rate in effect for the year as determined in accordance with IRS rulings.

UNCLAIMED VACATION & HOLIDAY PAY

Employers may transfer UV and HP to the Pension Plan based on the terms of the applicable Collective Bargaining Agreement. If a Participant is not Vested, his/her UV and HP, if any, will be paid in the same manner as his/her Employee Contributions as described in the section that immediately follows.

A Participant Vested at the time of retirement may elect to receive UV and HP, including interest, in either:

- ▶ A lump sum; or

- ▶ An equivalent monthly annuity, if the present value of the retirement benefit and UV and HP is more than \$5,000.

Participants may apply for the UV and HP benefit when they:

- ▶ Are on a Break in Service;
- ▶ File an application for withdrawal of Employee Contributions upon leaving employment in the Industry;
- ▶ Become covered by certain private retirement plans; or
- ▶ Retire.

REFUND OF EMPLOYEE CONTRIBUTIONS, INCLUDING UNCLAIMED VACATION AND HOLIDAY PAY

A Participant who is not Vested and has either left the Industry or incurred a Break in Service may be entitled to a refund of Employee Contributions, including UV and HP, plus any interest accrued.

This withdrawal could seriously affect future benefits upon returning to work in the Industry. A Participant may choose not to withdraw Employee Contributions (including UV and HP) and thus continue earning interest on those Contributions until he/she retires.

A Participant who has not yet Vested, but chooses to leave the Industry should follow these steps to withdraw his/her Employee Contributions from the Pension Plan:

- ▶ Submit a completed Withdrawal Form to the Plans;
- ▶ Refrain from working in the

Industry for three months after submitting the Withdrawal form (the Plans will verify this after the Withdrawal form has been submitted); and

- ▶ The refund will be made within 60 days of the completion of the aforementioned three-month period.

If a Participant incurs a Break in Service and wants to receive a refund, he/she must submit a completed Withdrawal form to the Plans. The refund will be made within 60 days of the Plans' receiving the completed form.

Vested Participants cannot withdraw Employee Contributions; they can only withdraw UV and HP. If the amount, including UV and HP, and any accrued interest, totals \$5,000 or less, the refund will be paid in a lump sum. If the amount, including any accrued interest, is more than \$5,000, the Participant may elect one of the following payment options:

- ▶ If married, a monthly single Life Annuity Benefit or a Qualified Joint & 50% Survivor Annuity Benefit, immediately payable based on the total amount; or
- ▶ If single or if married with his/her spouse's consent, a lump sum immediately payable for the total amount.

If a Participant chooses the Life Annuity Benefit or a Qualified Joint & 50% Survivor Annuity Benefit, payments will not be:

- ▶ Affected by benefit increases; or
- ▶ Suspended or forfeited if re-employed in the Industry

EFFECT OF WITHDRAWAL

A Participant who is not Vested and

who withdraws his/her Employee Contributions will lose credit for all Credited Hours and Qualified Years earned before the date of the withdrawal.

If the Participant never returns to work in the Industry, this will not affect Pension Plan benefits that were not Vested at the time of the withdrawal. However, if the Participant later returns to work in the Industry, this could have a significant impact on future benefits since all earlier Credited Hours will be lost.

Under certain circumstances, a Participant may buy back earlier service upon return to work in the Industry. Special rules apply to Forfeiture of Qualified Years and Credited Hours if the Participant is receiving an annuity from his/her Employee Contributions.

Note:

Those Participants born on or after July 1, 1917 who have not withdrawn their Employee Contributions and are not Vested must receive any outstanding Employee Contributions on the April 1 following the year they reach age 70½.

RETURN (BUY BACK) OF WITHDRAWN CONTRIBUTIONS

Subject to the rules below, a Participant who is not Vested and receives a refund of Employee Contributions with interest may repay the refund (with interest, at rates set forth by the Pension Plan) to the Pension Plan to buy back the benefits earned before the refund. To buy back, the Participant must return to work for an Employer in the Industry.

A buy back will only be allowed if:

- ▶ The refund (with interest) is repaid to the Pension Plan;
- ▶ The benefits earned have not already been forfeited; and
- ▶ The repayment is within five years of the Participant's return-to-work for an Employer in the Industry and before the Participant has five Computation Years without a Vested Year.

Example:

A Participant accumulated nine Qualified Years from 1986 through 1994. In October 1994, he/she received a refund of Employee Contributions, plus accrued interest. As a result of the withdrawal, the Participant's Pension Plan benefits are immediately forfeited. However, on February 1, 1998, the Participant returned to work for an Employer in the Industry on a full-time basis. In accordance with the rules on buy backs, the Participant may repay the refund (with interest to the month the money is repaid) before February 2003 to buy back benefits accrued from 1986 through 1994.

Note:

- ▶ Even if Contributions are repaid, earlier Credited Hours will be ignored for purposes of calculating a Disability Benefit Pension, unless two Qualified Years are earned after repayment of Employee Contributions and onset of the disability.
- ▶ No repayment of the amount received from UV and HP, plus accrued interest, is allowed.
- ▶ Special buy back rules apply to periods before December 25, 1988.

Pension Plan Death Benefits

The death benefits available to a Participant's Beneficiaries depend on whether or not the Participant was Vested, and if the Participant had retired at the time of his/her death.

DEATH BENEFIT BEFORE RETIREMENT

If a Participant, who has been married to his/her current spouse for at least 365 days dies prior to retirement, his/her spouse may elect from one of the following Pension Plan benefit options:

- ▶ A Qualified Spouse of a Vested Participant may elect:
 - A monthly benefit in the form of an annuity for the life of the spouse.
 - The amount of this annuity is 50% of the monthly benefit that would have been payable if the Participant had retired and had elected a Qualified Joint & 50% Survivor Annuity Benefit.
 - If the Participant was eligible to retire, the annuity will start on the first of the month after the Participant's death.
 - If the Participant had not reached his earliest Retirement Date, the monthly annuity will be deferred until the Participant's earliest Retirement Date.
 - A lump sum based on the greater of the present value of the annuity described above or the Employee Contributions (plus any accrued interest).
 - To receive the UV and HP in the form of an annuity or a lump sum.
- ▶ A Qualified Spouse of a Participant who is not Vested and who has not withdrawn any Employee Contributions, including UV and HP plus any accrued interest, will automatically be paid in a lump sum if the present value of the benefits payable is \$5,000 or less. If the present value of the benefit is more than \$5,000, the Qualified Spouse may elect one of the following:
 - A monthly annuity over the life of the spouse, which is actuarially equivalent to 50% of the Employee Contributions and interest; or
 - A return of Employee Contributions plus any accrued interest.
- ▶ The Beneficiary of an unmarried Participant (or one who does not have a Qualified Spouse) will receive a lump sum refund of the Employee Contributions, including UV and HP plus any accrued interest, that have not been withdrawn.

DEATH BENEFIT AFTER RETIREMENT

If a Participant elected a benefit payment type with a survivor benefit, the survivor benefits will be paid in accordance with the option elected. In addition, if a Retired Participant dies before receiving total benefits, and there are no survivor benefits, the spouse (at the time of retirement) will receive those remaining Employee Contributions, including UV and HP plus any accrued interest, at retirement, less the benefits previously paid to the Participant. If there is no spouse, the named Beneficiary will receive the remaining benefit.

Any benefits that should have been paid to a Participant prior to his/her death (UV and HP, Stale Dated Checks, etc.) are payable to the Participant's estate.

DEATH BENEFIT WHILE PERFORMING MILITARY SERVICE

If a Participant dies while performing Qualified Military Service in accordance with IRS Code §414(u), the Beneficiaries of the Participant are entitled to any benefits, including Vesting and survivor benefits, that would have been provided had the Participant resumed employment in the Industry and then terminated employment on account of death. This does not provide for benefit accruals during the period of Qualified Military Service.

PLEASE NOTE

For calculation and benefit payment purposes, the Participant's and spouse's ages, at the date of death and at the date of payment, will be considered.

PLEASE SEE THE DEATH BENEFITS CHECKLIST ON THE FOLLOWING PAGE.



Pension Plan Death Benefits Checklist



All of the following documents will be required before death benefits can be paid:

- ☐ Death certificate
- ☐ Proof of date of birth for the Participant (i.e., birth certificate or passport)
- ☐ Proof of date of birth for the Qualified Spouse, if applicable
- ☐ Marriage certificate, if applicable
- ☐ Birth document for all Beneficiaries (e.g., birth certificate, passport, DD-214 military discharge form, baptismal records, residency card or Certificate of U.S. Naturalization issued by U.S. Citizenship and Immigration Services)
- ☐ Verification of Social Security Numbers for Qualified Spouse and/or all Beneficiaries
- ☐ Copies of complete and final divorce decrees along with marital settlement agreements for any previous spouse(s) during the Participant's participation under the Pension Plan, if applicable
- ☐ Death certificates for all previous spouse(s) during the Participant's participation in the Pension Plan, if applicable

If a Participant dies without a Qualified Spouse or a designated Beneficiary, the following documents will be required in addition to those listed on the left:

- ☐ Letters Testamentary if a proceeding has been conducted for administration of the Participant's estate
- ☐ A copy of the Participant's trust, if applicable
- ☐ Contact information for any of the Participant's surviving children, parents or siblings
- ☐ Death certificates for any of the Participant's children, parents or siblings, if applicable

**MOTION PICTURE
INDUSTRY**
**INDIVIDUAL
ACCOUNT
PLAN**

Individual Account Plan



The Motion Picture Industry Individual Account Plan ("IAP") is a Defined Contribution Plan available to qualified Participants that provides a lump sum or annuity benefit payable to the Participant at retirement or to the Participant's Beneficiaries as a death benefit. This Plan is completely Employer-funded, and in general, all Pension Plan Participants will automatically participate in the IAP. Contributions are made by Employers based on the terms of Collective Bargaining Agreements.

RETIREMENT BENEFIT CATEGORIES

There are four categories of retirement benefits under the IAP Plan:

- 1 **Normal Retirement Benefit**
- 2 **Early Retirement Benefit**
- 3 **Disability Retirement Benefit**
- 4 **Late Retirement Benefit**

QUICK TIP

WANT TO LEARN MORE ABOUT BENEFIT CATEGORIES?

See the Glossary of Terms starting on page 39.

VESTING

Effective August 1, 2000, any Participant of the IAP who is credited with one or more Credited Hours on or after August 1, 2000 will have a Vested interest in his/her accrued retirement benefit if he/she earned 400 Credited Hours in a single Computation Year.

A Participant who incurs a Break in Service prior to completion of such a Credited Hour on or after August 1, 2000 will not become Vested until he/she earns 400 Credited Hours in a single Computation Year that begins after December 25, 1999.

Note:

Please note that as of August 1, 1979, the IAP's inception date, those Participants Vested under the Pension Plan were automatically Vested under the IAP.

Individual Account Plan Contributions

Employer Contributions fund the IAP; these are Contributions paid to the IAP by Employers on behalf of Affiliated and Non-Affiliated Employees.



EMPLOYER CONTRIBUTIONS

Contributions made by Employers for a Computation Year are allocated annually to those Participants who earned a Qualified Year for that particular Computation Year. Employers may make Contributions to the IAP based on the following:

- 1 Contributions for each Participant are made for every Credited Hour worked or guaranteed, with special rules that apply for on-call Employees.
- 2 Contributions made by Employers to the IAP also generally include a percentage of the covered Participant's compensation, as described in the Compensation-Related Allocation Chart on page 35. The term "compensation" generally means the scale

regular basic hourly rate of pay (or the on-call rate, if applicable) for Affiliate Employees. Certain special definitions apply for Non-Affiliate Employees; these are described in the Compensation-Related Allocation chart.

ANNUAL ALLOCATIONS FOR AFFILIATES

Contributions, net of administrative expenses and forfeitures of Participants' accounts, are allocated to Participants who earned a Qualified Year for that Computation Year. Allocations to individual accounts are made annually. Re-employed Participants who have retired under the terms of the IAP must work at least 870 Credited Hours in a Computation Year after retirement, excluding Credited Hours earned before retirement, to receive an annual allocation.

Note that this exceeds the 400 Credited Hours required of active Participants in order to receive an annual allocation.

While allocations are generally based on Credited Hours, all future allocations are made by ignoring Credited Hours earned before the Retirement Date in the Computation Year in which a Participant retires. As described later in this section, however, if a Participant has at least 400 Credited Hours before his/her Retirement Date in the Computation Year in which he/she retired, the amount received will be equal to the \$.305 Employer contribution, if any, and percent of compensation-related Contributions made on the Participant's behalf during that Computation Year. The various allocations are described below.

COMPENSATION-RELATED ALLOCATION

This allocation is made only to covered Participants who have a Qualified Year (or 870 hours, if applicable for Re-employed Participants) for the year in question. Covered Participants are only those Participants listed in the Compensation-Related Allocation Chart. The allocation equals a percentage of compensation for Credited Hours earned as a covered Participant.

ALL REMAINING CONTRIBUTIONS

Amounts contributed to the IAP for the Computation Year are

allocated to Participants with a Qualified Year (or 870 hours, if applicable for Re-employed Participants) based on Credited Hours during the Computation Year, divided by the total Credited Hours of such Participants in that Computation Year.

Any gains or losses are allocated annually based on the Participants' account balance at the beginning of the Computation Year. In addition, the net gains or losses are allocated quarterly based on the Participant's account balance at the beginning of the quarter prior to his/her selected Retirement Date. The quarterly payment is based on the Retirement Date, not the date the actual payment is made.

Example:

If a Participant's Retirement Date is February 1, and his/her IAP is processed for payment in April, he/she will receive the allocation through the last quarter of the previous year, which ends December 31. This would be the last quarter prior to February 1. Even though the payment is made in April, the Participant is not entitled to the first quarterly allocation in the year in which he/she retires.

A different set of allocation rules applies to Computation Years beginning before December 23, 1990. Contact the Plans for additional information.

ANNUAL ALLOCATIONS FOR NON-AFFILIATES

Most Non-Affiliates are not covered Participants and thus are not eligible to receive compensation-related allocations.

The only Non-Affiliate covered

Participants are:

- ① Employees of the Motion Picture Industry Pension Plan, the Motion Picture Industry Individual Account Plan and the Motion Picture Industry Health Plan;
 - ② Employees employed by Union parties;
 - ③ Employees of the Alliance of Motion Picture and Television Producers, Contract Services Administration Trust Fund or The Entertainment Industry Foundation (formerly Permanent Charities); and
 - ④ Production office coordinators, production accountants, and effective September 20, 1998, art department coordinators.
- ④ Producers, post production supervisors and other non-affiliates if designated under a non-affiliate agreement, but not production office coordinators.

Non-Affiliates described in classes (1), (2) or (3) above are not covered Participants if their Employer was a party to the IAP on August 1, 1996 unless the Employer elects to make compensation-related Contributions for the Non-Affiliates described in clauses (1), (2) or (3) above. Compensation is defined as W-2 pay plus any 401(k) or cafeteria plan deferrals. The maximum amount of compensation that can be taken into account under Internal Revenue Code Section 401(a)(17) is \$270,000.00 in 2017 (as indexed). For Participants described in clause (4), compensation is the regular basic hourly rate that would be applicable if the individual was subject to the I.A.T.S.E. Local 717 Collective

Bargaining Agreement. No compensation-related allocations are made after the dates indicated in the Compensation-Related Allocation Chart, unless the applicable Collective Bargaining Agreements are amended to provide for compensation-related Contributions. No allocations are made for hours in which you are not a covered Participant.

COMPENSATION-RELATED ALLOCATION

Covered Participants are only those Participants who are listed in the Compensation-Related Allocation Chart. Compensation-related allocations are only made to covered Participants who have a Qualified Year (or 870 hours Credited Hours, if applicable) for the Computation Year. The allocation equals a percentage of compensation for Credited Hours (as a covered Participant), as indicated in the Compensation-Related Allocation Chart.

Effective August 1, 2009, the I.A.T.S.E. may reduce the allocation by up to 1% of Compensation and reallocate that amount to the Motion Picture Industry Health Plan if certain funding targets under the Health Plan are not met and the applicable Collective Bargaining Agreement provides for this reallocation.

QUICK TIP

WANT TO LEARN MORE ABOUT EMPLOYER-DERIVED BENEFITS?

See the Glossary of Terms starting on page 39.

COMPENSATION-RELATED ALLOCATION CHART

For more information about this chart or any other labor agreement that is not referenced on this chart, please contact the Plans.

PARTICIPANTS COVERED BY: Producer – I.A.T.S.E. and M.P.T.A.A.C. Basic Agreement & Eligible Non-Affiliate Participants	1.0%:	08/04/96	-	03/28/98
	2.0%:	03/29/98	-	05/29/99
	3.0%:	05/30/99	-	08/04/01
	3.5%:	08/05/01	-	08/03/02
	4.0%:	08/04/02	-	07/31/04
	4.5%:	08/01/04	-	07/30/05
	5.0%:	07/31/05	-	07/28/07
	5.5%:	07/29/07	-	08/02/08
Producer – I.A.T.S.E. and M.P.T.A.A.C. Videotape Electronics Supplemental Basic Agreement	6.0%:	08/03/08	-	07/28/18
	1.0%:	09/29/96	-	05/30/98
	2.0%:	05/31/98	-	07/31/99
	3.0%:	08/01/99	-	09/29/01
	3.5%:	09/30/01	-	09/28/02
	4.0%:	09/29/02	-	11/27/04
	4.5%:	11/28/04	-	12/03/05
	5.0%:	12/04/05	-	09/29/07
Basic Crafts Agreement*	5.5%:	09/30/07	-	09/27/08
	6.0%:	09/28/08	-	09/29/18
	1.0%:	08/03/97	-	03/27/99
	2.0%:	03/28/99	-	06/02/00
	3.0%:	06/03/00	-	08/03/02
	3.5%:	08/04/02	-	08/02/03
	4.0%:	08/03/03	-	07/31/04
	4.5%:	08/01/04	-	07/30/05
Producer – Local 399 Location Managers Agreement	5.0%:	07/31/05	-	07/28/07
	5.5%:	07/29/07	-	08/01/09
	6.0%:	08/02/09	-	07/30/16
	6.5%:	07/31/16	-	07/29/17
	7.0%:	07/30/17	-	07/28/18
	2.0%:	04/02/00	-	06/03/01
	3.0%:	06/04/01	-	08/03/02
	3.5%:	08/04/02	-	08/02/03
Local 399, 871 and A.M.P.T.P. Casting Directors Agreement**	4.0%:	8/03/03	-	10/30/04
	4.5%:	10/31/04	-	07/30/05
	5.0%:	07/31/05	-	07/28/07
	5.5%:	07/29/07	-	08/02/08
	6.0%:	08/03/08	-	07/30/16
	6.5%:	07/31/16	-	07/29/17
	7.0%:	07/30/17	-	07/28/18
	1.0%:	01/28/07	-	01/26/08
Studio Transportation, Local 399 – A.I.C.P. TV Commercial Agreements	2.0%:	01/27/08	-	09/27/08
	3.0%:	09/28/08	-	10/02/10
	4.0%:	10/03/10	-	10/01/16
	4.5%:	10/02/16	-	09/30/17
	5.0%:	10/01/17	-	09/30/18
	1.0%:	08/03/97	-	03/27/99
	2.0%:	03/28/99	-	06/02/00
	3.0%:	06/03/00	-	08/03/02
Local 161, I.A.T.S.E. and M.P.T.A.A.C. Theatrical and TV Series Production Agreement	3.5%:	08/04/02	-	08/02/03
	4.0%:	08/03/03	-	07/31/04
	4.5%:	08/01/04	-	07/30/05
	5.0%:	07/31/05	-	07/28/07
	5.5%:	07/29/07	-	08/02/08
	6.0%:	08/03/08	-	02/05/22
	4.5%:	07/31/05	-	07/29/06
	5.0%:	07/30/06	-	03/01/08
Local 52, I.A.T.S.E. and M.P.T.A.A.C. Feature and TV Production Agreement	5.5%:	03/02/08	-	02/28/09
	6.0%:	03/01/09	-	03/02/19
	4.0%:	01/01/04	-	07/31/04
	4.5%:	08/01/04	-	07/30/05
	5.0%:	07/31/05	-	05/12/07
	5.5%:	05/13/07	-	05/17/08
	6.0%:	05/18/08	-	05/15/18
	4.0%:	01/01/04	-	07/31/04
Local 52 – A.I.C.P. Commercial Agreement	4.5%:	08/01/04	-	07/30/05
	5.0%:	07/31/05	-	07/28/07
	5.5%:	07/29/07	-	07/31/08
	6.0%:	08/01/08	-	11/30/16
	6.0%:	06/01/11	-	01/01/18
	1.0%:	11/01/96	-	05/30/98
	2.0%:	05/31/98	-	07/31/99
	3.0%:	08/01/99	-	08/04/01
Local 817 – A.I.C.P. Commercial Agreement	3.5%:	08/05/01	-	08/03/02
	4.0%:	08/04/02	-	07/31/04
	4.5%:	08/01/04	-	07/30/05
	5.0%:	07/31/05	-	07/28/07
	5.5%:	07/29/07	-	08/02/08
	6.0%:	08/03/08	-	09/30/19
	1.0%:	11/01/96	-	05/30/98
	2.0%:	05/31/98	-	07/31/99
I.A.T.S.E. – A.I.C.P. Commercial Production Agreement	3.0%:	08/01/99	-	08/04/01
	3.5%:	08/05/01	-	08/03/02
	4.0%:	08/04/02	-	07/31/04
	4.5%:	08/01/04	-	07/30/05
	5.0%:	07/31/05	-	07/28/07
	5.5%:	07/29/07	-	08/02/08
	6.0%:	08/03/08	-	09/30/19
	1.0%:	11/01/96	-	05/30/98

*Basic Crafts consists of the Operative Plasterers and Cement Finishers' Local #755; the Studio Utility Employees, Local #724; the International Brotherhood of Electrical Workers, Local #40; the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry, Local #78; and Studio Transportation Drivers, Teamsters Local 399.

**The 2016 and 2017 increases noted only apply to Casting Directors. Associate Casting Directors remain at 4.0% for the period of 10/01/15 through 9/30/18.

Individual Account Plan Benefits



BENEFIT ELIGIBILITY

Participants are required to retire from the IAP when they retire under the Pension Plan. However, if the Participant is Vested in the IAP when he/she retires, but not in the Pension Plan, he/she will be entitled to benefits from the IAP when a Break in Service occurs.

RETIREMENT BENEFITS

The amount of a Participant's benefit will be based on his/her IAP account balance as of the beginning of the quarter in which he/she retires. If the Participant worked at least 400 Credited Hours prior to retirement in the Computation Year in which he/she retired, an additional amount equal to the \$.305 Employer contribution, if any, and percent of compensation-related Contributions will be made, if applicable.

If a Participant's IAP balance is \$5,000 or less, it will be paid in a lump sum. If the IAP balance is more than \$5,000, the Participant may elect to receive the balance in a lump sum or by purchase of an annuity contract issued by an insurance company that provides for the same type of monthly pension payment elected under

the Pension Plan (unless you are not eligible to retire concurrently under the Pension Plan). The annuity may include retroactive payments. If the balance is greater than \$5,000 and the Participant chooses to receive his/her lump sum payment in the form of a check rather than rolling it over to an IRA or other qualified plan, the payment is subject to a mandatory 20% federal tax withholding.

If the Participant does not elect either to receive or to rollover the distribution and a lump sum distribution (over \$1,000, but not more than \$5,000) can be paid to the Participant without the Participant's consent, then the Participant's distribution must be rolled over to an IRA. The IRA provider will invest the rollover funds in a type of investment designed to preserve principal and provide a reasonable rate of return and liquidity (e.g., an interest-bearing account, a certificate of deposit or a money market fund). The IRA provider will charge the Participant's account for any expenses associated with the establishment and maintenance of the IRA and with the IRA investments. The Participant may transfer the IRA funds, at any time and without

cost, to any other standard or Roth IRA the Participant chooses. Participants may contact the Plans for further information regarding the automatic rollover provisions, the IRA provider and the fees and expenses associated with the IRA.

In general, unless a lump sum benefit is selected, the type of benefit payment under the IAP will automatically be the same as the type elected under the Pension Plan (unless the Participant is not eligible to retire concurrently under the Pension Plan). However, if a Pop-up option is elected under the Pension Plan, the corresponding non-Pop-up benefit is paid under the IAP.

DISTRIBUTION REQUIREMENTS FOR BENEFITS

If a Participant does not work in the Industry during the first two months commencing on the elected Retirement Date, then he/she may certify in writing to the Plans that this requirement has been met.

However, if the Participant provides such a certification and has in fact worked in the Industry for any Employer, or has a Month of Suspendible Service during the first two months commencing on the selected Retirement Date, he/she will not be entitled to any allocation under the IAP for any Computation Year ending after the date selected for retirement.

DISABILITY PARTICIPANTS

If a Participant does not meet the requirements to qualify for a Disability Pension, he/she may

still be eligible to receive the IAP balance if all of the following conditions are met:

- ▶ Disability prevents the Participant from engaging in any gainful employment.
- ▶ Total and permanent disability has been at least six months in duration.
- ▶ A Social Security disability award has been issued on or after June 26, 2002, or instead, the Benefits/ Appeals Committee may rely on a physician's certification in certain circumstances. The certification may also be for the purpose of waiving the required six-month period of disability. The certification must state that the Participant is:
 - Terminally ill with a life expectancy of less than two years; and
 - Because of this illness, cannot engage in any gainful employment.

OPTIONS FOR BENEFIT PAYMENTS

Participants, Beneficiaries and alternate payees (those receiving a payment under a Qualified Domestic Relations Order) have two options available to receive their IAP benefits.

OPTION 1

Two-Step Payment Process:

- 1 The first payment will be the current IAP balance as of the last allocation made to the IAP on the Participant's behalf. However, a certain percentage may be withheld if the IAP is experiencing a negative allocation for the prior year. The percentage will be determined

by the IAP, based on the expected investment return for the prior year, and will be uniform for every Participant for that Plan Year.

- 2 After allocations for the prior year are complete, the remainder of the balance, if any, will be paid.

OPTION 2

One-time Payment:

The Participant will receive his/ her payment or annuity purchase as soon as practicable following completion of the allocations for the prior quarter.

REQUIRED MINIMUM DISTRIBUTION PAYMENTS

A Vested Participant who has not yet retired may choose to receive benefits from the IAP once he/ she begins receiving Required Minimum Distribution Payments from the Pension Plan (generally April 1 following the year the Participant reaches age 70 ½) or upon retirement, whichever is later. The Participant will be considered an active Participant until retirement and will receive allocations for every Qualified Year thereafter. Additional allocations will be paid as soon as practicable after completion of the annual allocation.

WITHDRAWAL OF ACCOUNT BALANCE

Withdrawal of a Participant's account balance at any time prior to retirement is not possible for those who are Vested in the Pension Plan. Effective January 1, 2002, Participants who are on a Break in Service and are not Vested for any benefits under the Pension

Plan may apply to withdraw their Vested IAP balance.

FORFEITURE RULES

For Motion Picture Industry Individual Account Plan Only - Effective August 1, 2000

Once Vested, a Participant's IAP balance cannot be forfeited. Effective August 1, 2000, a Participant is required to have one Qualified Year in order to have a Vested interest in his/her IAP balance.

Prior to August 1, 2000, a Participant who forfeited his/ her Qualified Years, Vested Years, Credited Hours and Vested Hours under the Pension Plan also forfeited his/her IAP balance.

RE-EMPLOYMENT OF A RETIRED PARTICIPANT

If a Participant retires and subsequently accepts re-employment in the Industry, he/ she will be eligible to receive allocations of Contributions only with completion of 870 or more Credited Hours in a Computation Year, excluding Credited Hours before the Retirement Date. Also, any Credited Hours earned before retirement in the Computation Year in which the Participant retires are disregarded for all purposes.

If a Participant retired early, these additional amounts will be paid in a lump sum after the end of the Computation Year in which he/ she reaches age 65. No allocation of investment income for the year of that distribution will be made. Additional allocations of Contributions earned after age 65 will be paid each year, as soon as practicable after completion of the annual allocation.

Individual Account Plan Death Benefits

A Participant's IAP balance that has not been forfeited will be Vested upon death, and the death benefits will be based on the account balance at the time of death.

IN THE EVENT A PARTICIPANT DIES BEFORE RETIREMENT:

- ▶ A Qualified Spouse of a Participant will be entitled to the IAP balance.
- If the IAP balance payable to the Qualified Spouse is \$5,000 or less, the benefits will automatically be paid in a lump sum. If the benefits are greater than \$5,000, the following options are available to the Participant:
 - Payment as a lump sum.
 - Payment as a monthly annuity. The amount of the annuity will be the amount that can be purchased from the insurance company with the amount of the Participant's account balance. The annuity will be paid for the lifetime of the surviving spouse, beginning on the date the annuity starts under the Pension Plan.
- ▶ The Beneficiary of a Participant who is not married (or who does not have a Qualified Spouse) will receive the Individual Account Plan balance in a lump sum.

**QUICK
TIP**

**WANT TO
LEARN MORE
ABOUT A
QUALIFIED
SPOUSE?**

See page 44.



DEATH BENEFITS CHECKLIST

All of the following documents will be required before death benefits can be paid:

- ☐ Death certificate
- ☐ Proof of date of birth for Participant (i.e., birth certificate or passport)
- ☐ Proof of date of birth for Qualified Spouse, if applicable
- ☐ Marriage certificate, if applicable
- ☐ Birth document for all Beneficiaries (e.g., birth certificate, passport, DD-214 military discharge form, baptismal records, residency card or Certificate of U.S. Naturalization issued by U.S. Citizenship and Immigration Services)
- ☐ Verification of Social Security Numbers for Qualified Spouse and/or all Beneficiaries
- ☐ Copies of complete and final divorce decrees along with marital settlement agreements for all previous spouse(s) during the Participant's participation under the Pension Plan, if applicable
- ☐ Death certificate for all previous spouse(s) during the Participant's participation in the Pension Plan, if applicable

If a Participant dies without a **Qualified Spouse** or a designated Beneficiary, the following documents will be required in addition to those listed above:

- ☐ Letters Testamentary if a proceeding has been conducted for administration of the Participant's estate
- ☐ A copy of the Participant's Trust, if applicable
- ☐ Contact information for any of the Participant's surviving children, parents or siblings
- ☐ Death certificates for any of the Participant's children, parents or siblings, if applicable

In the event of a Participant's death after retirement, the estate will be entitled to the IAP balance.

Glossary of Terms

ACTUARIALLY EQUIVALENT VALUE

Two benefits provide an Actuarially Equivalent Value, even if they start or end at different times, if they have the same overall value taking into account the interest rate and mortality factors prescribed under the Plans. A form of benefit may be actuarially reduced or actuarially increased in certain circumstances described in this summary so that it is actuarially equivalent to another form of benefit payable under the Plans.

AFFILIATED EMPLOYEES

An Employee affiliated with any Union or Guild and covered by a Collective Bargaining Agreement.

BENEFICIARY

An individual or individuals that a Participant has officially designated on a Pension Plan/Individual Account Plan Beneficiary form to receive benefits in the event of his/her death.

For purposes of pre-retirement death benefits, if a Participant has been legally married for at least one year on the date of his/her death, his/her current Qualified Spouse will automatically be his/her Beneficiary. If there is no surviving designated Beneficiary and the Participant is not married, the death benefits will generally be paid to the Participant's estate.

Participants are encouraged to complete a new Beneficiary Designation form if they marry, become divorced or if their designated Beneficiary dies. Without a current designation, unless he/she has a court order

stating otherwise, his/her current Qualified Spouse at the time of the Participant's death (if legally married for at least one full year) will automatically be named his/her Beneficiary. Beneficiary Designation forms are available from the Plans' website at www.mpiphp.org.

BREAK IN SERVICE

A period of two consecutive Computation Years with less than 200 Vested Hours in each year.

BREAK IN SERVICE PARTICIPANT

If a Participant incurs a Break in Service (i.e., two consecutive Computation Years with less than 200 Vested Hours each year) and has not since earned at least one Qualified Year (400 hours in a Computation Year), he/she will be considered a Break in Service Participant.

COLLECTIVE BARGAINING AGREEMENT

Collective Bargaining Agreement refers to the agreement(s) in force and in effect between the respective Unions and Employers, as amended from time to time, which provides for Employer Contributions to the Plans. The Collective Bargaining Agreement defines employment and services of an individual related to Employer Contributions into the Pension Plan and the IAP. Copies of the Collective Bargaining Agreements may be obtained by Participants upon written request to the Plans' Chief Executive Officer and are available for examination by Participants at the Plans'

Administrative Office.

COMPUTATION YEAR

A Computation Year for benefits determination begins on the Sunday before the last Thursday of a calendar year and ends on the Saturday before the last Thursday of the subsequent calendar year. Benefits will be calculated and allocated to Participants each Computation Year.

CONTRIBUTIONS, EMPLOYER AND EMPLOYEE

Employer Contributions are a dollar amount or dollar amount calculation determined by the Unions and Employers and defined in a Collective Bargaining Agreement. The money is remitted to the Plans by Employers to fund the Pension Plan and IAP.

Employee Contributions are Contributions made to the Pension Plan by Employees prior to 1990. Commencing on October 28, 1990, no Participant contributions are required or permitted under the Pension Plan. There has never been any Employee Contribution permitted under the IAP.

CREDITED HOUR

An hour worked or a work hour guaranteed for which an Employer is required to make Contributions to the Plans. Special rules apply to on call Employees.

DEFINED BENEFIT PLAN

The Pension Plan is a Defined Benefit Plan that provides a fixed monthly benefit payable for the Participant's lifetime after retirement. It may also be payable to a Beneficiary following the

Glossary of Terms

Participant's death. The Pension Plan is currently an Employer-sponsored and 100% Employer-funded retirement plan for which retirement benefits are based on a formula that indicates the exact benefit a Participant can expect upon retirement. The payouts made to retiring Employees participating in this plan are determined by a complex calculation based on Collective Bargaining Agreements, number of Qualified Years, Credited Hours and Vesting.

DEFINED CONTRIBUTION PLAN

The IAP is a Defined Contribution Plan under which Contributions are made by Employers based on the terms of a Collective Bargaining Agreement. It operates much like a savings account or IRA where Contributions made on the Participant's behalf result in allocations to an individual account that shares in the investment performance of the IAP's assets. The benefit amount is based on the account balance at the time of retirement.

DIRECTOR

An individual appointed as a Fiduciary (legally bound to act on the Participants' behalf to ensure the Plans' fair and honest operation) with respect to the control and management of the Plans by the Employers or Unions. The Plans' Directors (or Board of Directors) also have certain non-Fiduciary powers, such as the power to amend the Plans.

DISABILITY PARTICIPANT

A Participant who has been deemed permanently disabled by the Social Security Administration

and/or has met the Plans' requirements to be classified as permanently disabled.

DISABILITY RETIREMENT PENSION BENEFIT

One type of benefit under the Pension Plan. A Disability Retirement Pension Benefit is available to a Participant of any age who is disabled, as defined under the Pension Plan's guidelines, and has met the required Qualified Hours and Qualified Years of the Pension Plan.

EARLY RETIREMENT PENSION BENEFIT

One type of benefit under the Pension Plan. Participants who choose to retire prior to attaining the requirements for the Normal Retirement Pension Benefit have three Early Retirement Pension Benefit options available to them.

EARLY RETIREMENT DATE

The first day of any month prior to a Participant's Normal Retirement Date on which the Participant elects to begin receiving reduced rate retirement benefits, provided that the Participant has met the requirements for early retirement. Participants must notify the Plans of their selection of an Early Retirement Date by filing a written application on or before the time specified in the Plans.

EMPLOYEE

An individual must meet three general requirements to be considered an Employee for purposes of participation in the Plans.

1 They must either:

- Work for an Employer and be covered by a Collective

Bargaining Agreement that requires Employer Contributions to the Plans; or

- For Non-Affiliated Employees, they must be part of a group designated as eligible to participate by their Employer, with a sufficient written agreement as approved by the Board of Directors. If he/she is a Non-Affiliated Employee, his/her rights to participate in the Plans, as well as his/her ability to earn any benefits under the Plans, for any Computation Year, is subject to his/her Employer meeting certain nondiscrimination requirements under the tax laws for that Computation Year. If his/her employer does not meet these rules, he/she may not be able to participate in the Plans.

2 They must be in the labor pool in the Los Angeles area;

3 They must be hired by an Employer in the Los Angeles area to perform:

- Services in the Los Angeles area in the Industry; or
- Temporary services outside the Los Angeles area in connection with motion picture or commercial productions.

In addition, Employee includes the following individuals outside of the Los Angeles area:

- ▶ A cameraperson employed by an Employer under a Collective Bargaining Agreement with I.A.T.S.E. or its Local 600 working in the United States or Puerto Rico or performing temporary services outside the United States and Puerto Rico.
- ▶ An editorial or post-production sound Employee employed by

- an Employer under a Collective Bargaining Agreement with I.A.T.S.E. or its Local 700 working in the United States or Puerto Rico or performing temporary services outside the United States and Puerto Rico.
- ▶ An employee of the Motion Picture Industry Pension Plan, Individual Account Plan, Health Plan, the Motion Picture Association of America or I.A.T.S.E. Local 600 or Local 700 working in the United States.
 - ▶ An employee of I.A.T.S.E. Local 52 working in New York or New Jersey.
 - ▶ An employee of I.A.T.S.E. Local 161 working in New York, New Jersey or Connecticut.
 - ▶ A studio mechanic: (i) employed by an Employer under a Collective Bargaining Agreement with I.A.T.S.E. Local 52 working in New York or New Jersey or performing temporary services outside of those areas, but within the states of Connecticut, Delaware or Pennsylvania, excluding the City of Pittsburgh; or (ii) in the labor pool in New York and New Jersey, hired by an Employer in New York or New Jersey to perform services in the Industry, employed prior to May 14, 2006, under an I.A.T.S.E., Local 52 Feature and Television Collective Bargaining Agreement which required Contributions to the Plans, and hired by an Employer, on or after May 14, 2006, under an I.A.T.S.E. Collective Bargaining Agreement to perform services outside of the geographic jurisdiction of I.A.T.S.E., Local 52, as set forth in the May 16, 2006 Motion Picture Studio Mechanics, Local 52,
- I.A.T.S.E. Feature and Television Production Contract with Major Producers.
- ▶ A script supervisor, production office coordinator, assistant production office coordinator, production accountant, payroll accountant or assistant production accountant: (i) employed by an Employer under a Collective Bargaining Agreement with I.A.T.S.E. Local 161 working in New York, New Jersey or Connecticut or performing temporary services in Delaware, Maine, Massachusetts, New Hampshire, Pennsylvania, Rhode Island, Vermont, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, or West Virginia; or (ii) employed, prior to March 3, 2007, under an I.A.T.S.E. Local 161 Feature and Television Collective Bargaining Agreement which required Contributions to the Plan, hired by an Employer on or after March 3, 2007 to perform services outside of the geographic jurisdiction of the 2003 Motion Picture Script Supervisors and Production Office Coordinators, Local #161, I.A.T.S.E. and M.P.T.A.A.C. Motion Picture Theatrical and TV Series Production Contract, or its successor agreements, and employed under a Collective Bargaining Agreement permitting redirection of Contributions to the Plans on behalf of the Employee.
 - ▶ An art director employed by an Employer under a Collective Bargaining Agreement with I.A.T.S.E. or its Local 800 working in the United States, United States territories, Puerto Rico
- or Canada, but excluding employment on New York-based productions or productions made in the vicinity of New York, when such productions are made with on-production crews obtained exclusively from New York.
- ▶ A Non-Affiliated production accountant employed by an Employer under a Production Accountants Group Designation working in New York or New Jersey or hired in New York or New Jersey to work anywhere in the United States, its territories or Canada.
 - ▶ A freelance casting director or freelance associate casting director who is working under a Collective Bargaining Agreement with Teamsters Local 399 or Teamsters Local 817 hired to perform services in New York City and/or in Los Angeles County, or hired by an Employer in New York City or in Los Angeles County to perform work outside of such areas in connection with the production of either live action theatrical motion pictures, live action prime time television motion pictures, or a motion picture of a different type which the Employer, at its sole discretion, has determined will be covered by one (1) of such Collective Bargaining Agreements.
 - ▶ A freelance operator employed as a technical production crew member (1) through the Employer's southern California office or crewing service, to perform service in connection with the live broadcast or recording of events held in Los Angeles, Ventura, Orange

or San Diego counties or the greater Palm Springs area, or (2) through the Employer's southern California office or crewing service, to temporarily perform services in connection with the live broadcast or recording of events held outside such counties and area if a Collective Bargaining Agreement with I.A.T.S.E. requires Contributions to the Plans on behalf of such Employee, the Employee is not hired from San Diego Local 795, I.A.T.S.E., and the Employee is not a participant in the I.A.T.S.E. National Health and Welfare, Annuity or Pension Funds, by virtue of customarily being employed under an I.A.T.S.E. Collective Bargaining Agreement covering geographic regions other than those described above.

- ▶ A location scout/manager under a collective bargaining agreement between an Employer and Teamsters Local 817 hired by the Employer in connection with the production of commercials or promos to perform services in New York, New Jersey, Connecticut or Rhode Island or hired by the Employer in New York, New Jersey, Connecticut or Rhode Island to perform work outside of such areas.

EMPLOYEE-DERIVED BENEFIT

Refers to the portion of a Participant's benefit under the Pension Plan, with the exception of UV and HP, which is based on Contributions the Participant paid to the Pension Plan prior to October 28, 1990. There is no Employee-Derived Benefit under the IAP.

EMPLOYER

Any organization that produces motion pictures or commercials in the Los Angeles area or whose business is primarily the furnishing of goods or services for motion picture or commercial production in the Los Angeles area and which has executed a Collective Bargaining Agreement with any Union. That Agreement must require Contributions to the Plans by the identified Employer, as approved by the Board of Directors. The term also means the Motion Picture Industry Pension, Individual Account, and Health Plans and various local Unions participating in the Plans and a few other named Employers such as the AMPTP. The term also includes any member of the AMPTP or any other Employer that produces motion pictures or commercials outside of the Los Angeles area that becomes a party to this Plan and has signed a Collective Bargaining Agreement with I.A.T.S.E. or I.A.T.S.E. Local 600, 700, 52, 161 or 800 or Teamsters, Locals 399 and 817 that requires Contributions by such Employer to the Plans, but only with respect to Employees who satisfy the definition of "Employee" set forth above. A "loan-out" company that is controlled by the only Employee performing work covered by an applicable Collective Bargaining Agreement is not an Employer for purposes of the Plans.

EMPLOYER-DERIVED BENEFIT

This term refers to the portion of a Participant's benefit which is based on Employer Contributions. After October 27, 1990, except for UV and HP, all additional benefits earned are Employer-Derived Benefits. Employer Contributions are not subject to withdrawal by a Participant.

ERISA

Employee Retirement Income Security Act of 1974, as amended from time to time.

FIDUCIARY

An individual and entity that has discretion over the administration of the Plans and investment of the assets of the Plans. Fiduciaries include:

- ▶ The Board of Directors of the Plans; and
- ▶ Trustee of the assets of the Plans, currently The Northern Trust Company; and
- ▶ The investment managers.

FORFEITURE (DUE TO BREAK IN SERVICE)

A non-Vested Participant who incurs a Break in Service will permanently lose his/her previously accrued benefits, including all accumulated Qualified Years, Vested Years, Credited Hours, and Vested Hours after the end of the fifth Computation Year in which he/she fails to accumulate 400 Vested Hours.

HOLIDAY PAY ("HP")

Employers may transfer any holiday pay left unclaimed by an Employee into the Pension Plan based on the terms of the applicable Collective Bargaining Agreement. Non-Vested Participant HP, if any, is refunded in the same manner as Employee Contributions as described in Refund of Employee Contributions.

INDIVIDUAL ACCOUNT PLAN ("IAP")

The Motion Picture Industry Individual Account Plan ("IAP") is a Defined Contribution Plan available to qualified Participants since 1979. This Plan is currently completely

Employer-funded, and in general, all Pension Plan Participants will automatically participate in the IAP. The Contributions are made by Employers based on the terms of the Collective Bargaining Agreement. It operates much like a savings account or Individual Retirement Account under which Contributions made on the Participant's behalf result in allocations to an individual account which shares in the investment performance of Plan assets.

INDUSTRY

The Industry includes any work in Los Angeles County, or with a Los Angeles-based company, for any Employer in any job classification currently covered by the Plans, whether Union-affiliated or unaffiliated. It also includes work outside of Los Angeles County if the work is described in the definition of "Employer" within a geographical location described in that definition with respect to that category of employment.

A job classification is considered covered by the Plans if:

- ▶ It is connected with motion picture production (motion picture or commercial productions or furnishing of materials or services for motion picture or commercial productions);
- ▶ No Contributions for services rendered in that job classification are made to another multiemployer plan covering employment in the motion picture industry;
- ▶ At least one Employee is performing similar services in connection with motion picture production; and

- ▶ A Participant receives consideration from his/her Employer for services, except if the Participant or his/her spouse is an officer or owns at least 10% of the voting shares of the corporation for which he/she is performing services.

LATE RETIREMENT PENSION BENEFIT

One type of benefit option under the Pension Plan. Participants who choose to work beyond the Normal Retirement Age will increase their benefit amount available at retirement. Increases are determined on each subsequent January 1 following the Participant's Normal Retirement Date. If the Participant has not retired by April 1 following the year in which he/she reaches age 70½, minimum distribution rules apply.

MINIMUM DISTRIBUTION RECIPIENT

Some individuals work beyond the Normal Retirement Age. After a Participant reaches age 70½, a Required Minimum Distribution of Pension Plan benefits must be taken. A Required Minimum Distribution of his/her IAP benefits may be delayed until he/she retires from the Industry (unless the Participant is a 5% owner as defined by the Internal Revenue Code). A Minimum Distribution Recipient is not considered a retired Participant until he/she applies for retirement and refrain from working in the Industry during the first two months of his/her selected Retirement Date.

MONTH OF SUSPENDIBLE SERVICE

In general, if a Participant has a Month of Suspendible Service, his/

her Employer-derived Pension Plan benefits will be suspended. That terminology is defined as:

- ▶ Any month in which the Participant works or is guaranteed 40 or more Credited Hours after retirement; or
- ▶ Any month in which the Participant works or is guaranteed 40 hours or more in the Industry unless such hours are performed in a trade or craft in which his/her current or former Employers had never been obligated to contribute to the Plans.

Effective January 1, 2004, a Month of Suspendible Service is no longer a calendar month. The Month is now a payroll month which commences on the Sunday before the last Thursday of a calendar month and ends the Saturday before the last Thursday of the subsequent month.

NON-AFFILIATED (OR NON-AFFILIATE) EMPLOYEE

An Employee not affiliated with any Union or Guild and not covered by a Collective Bargaining Agreement. Non-Affiliated Employees participate in the Plans only if their Employer has signed and becomes a party to a Non-Affiliate agreement, as approved by the Board of Directors.

NORMAL RETIREMENT AGE

Normal Retirement Age varies based on a Participant's individual Vesting circumstance. However, if upon reaching age 65 the Participant is Vested, Normal Retirement Age means a Participant's 65th birthday. If the Participant is not Vested prior to reaching age 65, Normal Retirement Age would be the point

at which he/she becomes Vested after age 65.

Vesting in the Plans varies based upon the dates a Participant's individual Qualified Years were completed. The rules are different for the Pension Plan and the IAP. Also, any Breaks in Service must be taken into account in the calculation.

NORMAL RETIREMENT DATE

The first day of the month coinciding with (if a Participant's birthday happens to be on the first of the month) or the next following a Participant's attainment of Normal Retirement Age.

NORMAL RETIREMENT PENSION BENEFIT

One type of benefit under the Pension Plan. A Participant is eligible to receive a Normal Retirement Pension Benefit if he/she has reached Normal Retirement Age and has Vested. The monthly benefit will be based on the Credited Hours accrued and will be reduced if the type of pension payment is not a Life Annuity.

PARTICIPANT

An individual who is eligible to participate in the Plans.

PAYROLL MONTH

A Payroll Month for benefits determination begins on the Sunday before the last Thursday of a calendar month and ends the Saturday before the last Thursday of the subsequent month.

PENSION BENEFIT GUARANTY CORPORATION ("PBGC")

The Pension Benefit Guaranty Corporation is a government agency that provides limited

insurance for Pension Plan benefits.

PENSION PLAN OR MPIPP

The Motion Picture Industry Pension Plan is one of two retirement plans available to Participants. It is a Defined Benefit Plan which provides a fixed monthly benefit payable for the Participant's lifetime after retirement. It may also be payable to a Beneficiary following the Participant's death. Today, all Contributions to the Pension Plan are made by Employers. Retirement benefits are based on a formula that indicates the exact benefit a Participant can expect upon retirement. The payouts made to retiring Employees participating in this plan are determined by a complex calculation based on Collective Bargaining Agreements, salary history, number of Qualified Years and Vesting.

PLAN YEAR

Each calendar year beginning on or after January 1, 2001. A Plan Year is used for accounting purposes only. The Computation Year, which differs from the Plan Year, is used for benefit accrual purposes. See Computation Year.

PLANS

The Motion Picture Industry Pension Plan and the Motion Picture Industry Individual Account Plan.

POWER OF ATTORNEY

A Durable Power of Attorney, Guardianship or Conservatorship permits a Participant to designate someone else to legally make financial decisions and retirement related transactions on his/her behalf. If a Durable Power of Attorney is used, the Plans also

require a doctor's certification of incapacity. These documents must be either the original or a certified copy. Benefits are payable to the Participant only and may not be paid to another party (i.e. spouse, adult child, attorney, etc.).

REDUCED EARLY RETIREMENT PENSION BENEFIT

Participants may retire with a Reduced Early Retirement Pension Benefit as early as age 55. The monthly retirement benefits available under this option are lower than a Normal Retirement Pension Benefit and depend on the Participant's age at retirement.

QUALIFIED DOMESTIC RELATIONS ORDER ("QDRO")

A court order issued under state domestic relations law which is required by ERISA in order for the Plans to distribute any portion of a Participant's benefits to a spouse, former spouse, child or other dependent for child support, alimony, or any other settlement of marital community property rights. A copy of the Plans' QDRO procedures and a sample QDRO may be obtained without charge by contacting Plans.

QUALIFIED HOURS

For active Participants, Qualified Hours refers to those Credited Hours worked or guaranteed during a Computation Year.

QUALIFIED SPOUSE

The term means a spouse who has been legally married to a Participant for at least 365 days. Anyone claiming to be a Qualified Spouse must submit satisfactory proof, in the sole discretion of the Directors, that he/she is or was married to a Participant and certify

that no legal divorce or separation from the Participant has occurred.

QUALIFIED YEAR

For non-retired Participants, a Qualified Year is a Computation Year during which a Participant accumulates at least 400 Credited Hours.

SPECIAL REDUCED EARLY RETIREMENT PENSION BENEFIT

Participants who are ages 55 through 59, and who have earned at least 30 Qualified Years and at least 60,000 Credited Hours may be eligible for a Special Reduced Early Retirement Pension Benefit. The monthly benefit will be less than what would be received at Normal Retirement Age, but higher than what would be received from a Reduced Early Retirement Pension Benefit.

STALE DATED CHECK

An expired check, usually more than 90 days past its issue date.

SUMMARY PLAN DESCRIPTION ("SPD")

The summary of the provisions of the Plans included in this document.

UNCLAIMED VACATION ("UV")

Employers may transfer any vacation pay left unclaimed by an Employee into the Pension Plan based on the terms of the applicable Collective Bargaining Agreement. Non-vested Participant UV and HP, if any, is refunded in the same manner as Employee Contributions as described in Refund of Employee Contributions.

UNION

An organization intended to represent the collective interests

of workers in negotiations with employers over wages, hours, benefits and working conditions.

UNREDUCED EARLY RETIREMENT PENSION BENEFIT

If a Participant has at least 30 Qualified Years and wants to retire before age 65, he/she may receive an Unreduced Early Retirement Pension Benefit if certain requirements are met.

VESTED HOUR

The term refers to each Credited Hour. It also includes:

- ▶ Hours worked for an Employer for which Contributions were required to be paid to the Plans. The hours must be immediately preceded or followed by employment worked for the same Employer, for which Contributions were paid to the Plans;
- ▶ Hours worked in the Armed Services of the United States if the individual returns to work in the Industry within the period specified by law; or
- ▶ Hours during a leave of absence from an Employer, if the leave is covered by the Family and Medical Leave Act of 1993, as long as the Participant returns to work for the same Employer at the end of the leave.

For purposes of bridging a Break in Service, a Vested Hour also includes:

- ▶ An hour, up to eight hours per day, that a Participant is not employed because of pregnancy, birth or adoption of a Participant's child or child care immediately following such birth or adoption; or



- ▶ An hour, up to 40 hours per week, during a period of disability that prevents a Participant from engaging in his/her regular occupation for at least six months.

VESTED YEAR

A Computation Year in which a Participant accumulates at least 400 Vested Hours.

VESTED

Under the Pension Plan and IAP, Vested refers to a Participant's right to receive Pension Plan benefits. Once a Participant becomes Vested in the Plans, the benefits cannot be forfeited. A Participant must still satisfy all other requirements that exist for a retirement or death benefit.

If a Participant never becomes Vested, he/she will not be entitled to any benefits under the Pension Plan and IAP, except his/her Employee Contributions under the Pension Plan. Participants are always Vested in their Employee Contributions.

Answers to Frequently Asked Questions

GENERAL QUESTIONS ABOUT THE PLANS

Q: Who administers the Plans?

A: The Pension Plan and IAP are administered by a 32-member Board of Directors made up of an equal number of Union and Employer appointees.

The Board of Directors have the full and complete power and authority to administer the Plans, to construe their provisions and terms, and to establish rules and regulations for their operation. They settle all questions related to the eligibility of Employees to participate in the Plans and develop procedures for establishing eligibility for retirement benefits and the amount of those benefits. Directors do not receive compensation in the performance of their duties. A Chief Executive Officer is employed by the Board of Directors to assist in the administration of the Plans.

Q: Do I have to retire when I reach a certain age?

A: No. You may continue working as long as you would like. Retirement under these Plans is voluntary. There is not a mandatory retirement age. However, if you were born on or after July 1, 1917, or are a 5% owner of the stock (or voting shares) of an Employer, your Pension Plan benefits will automatically begin by April 1 of the calendar year following the



year in which you turn 70 ½ years of age, even if you are still working. Even though you will be legally required to start receiving Pension Plan benefits, you will not be considered retired until you submit a completed retirement application to the Plans.

Q: Why don't the Plans change my address when I send an address change to my Union or Employer?

A: The Plans are a separate entity from any Union or Employer. When you move, you must also provide the Plans with your change of address.

Q: What do I do if I'm getting a divorce?

A: You must notify the Plans. If your former spouse is awarded a portion of your benefits as part of your divorce judgment, please contact the Plans immediately to obtain a copy of the Plans' Qualified Domestic Relations Order ("QDRO") procedures and a sample QDRO, which may be obtained without charge.

Q: What should one do when an active Participant dies?

A: A family member or other person responsible for the active Participant's affairs should promptly notify the Plans.

Q: How can I find out what my health benefits will be after retirement?

A: Contact the Plans for a copy of the *Motion Picture Industry Health Plan's Summary Plan Description for Retired Participants*. Retirement Counselors can help you run different retirement scenarios to help you make informed decisions.

Q: What should one do when a Retiree or Beneficiary dies?

A: A family member or other person responsible for the Retiree or Beneficiary's affairs should do the following:

- ▶ Promptly notify the Plans
- ▶ If monthly benefits were being paid via direct deposit, the Plans will recover any overpayment (i.e., payments made for any month after the Retiree or Beneficiary died)

- If the benefits were being paid by check, you must return any checks received for any month after the Retiree or Beneficiary died, to the Plans as soon as possible. Please do not send cash.

Q: I am nearing retirement but I don't know how much I can expect to receive under the Pension Plan and IAP. Will the Plans send me a periodic statement showing how much I can expect to receive when I retire?

- A: Each year the Plans will send you a statement showing your estimated monthly accrued benefit, and a review of the Credited Hours received on your behalf.

If you are Vested, you may call the Plans, and request a Benefit Estimate statement, which will show your potential monthly benefit from the Pension Plan under the options available at retirement. Please keep in mind that these are estimates of your benefits, which will change based on your actual Retirement Date.

Q: Do any special rules apply to me because my plans merged with the Plans?

- A: If you participated in pension funds prior to their merger into the Plans, certain additional special rules apply to you. Please see the appendix to the SPD for these rules. Please call the Plans if you have any questions regarding these special rules or if you would like to request a copy of the appropriate appendix to the SPD.

Q: Are statements for tax purposes furnished?

- A: Yes. Each person who receives benefits is sent a 1099R before the February 1 following the year of payment.

PENSION PLAN QUESTIONS

Q: How do I apply for Pension Plan benefits?

- A: Retirement applications must be submitted at least two full calendar months before your desired Retirement Date. The month that you actually sign the form does not count as a calendar month for this purpose. The two-month period starts the month immediately following the month you sign the form.

When you have decided on a Retirement Date, call the Plans to request a retirement application.

Q: How much do I contribute to the Pension Plan?

- A: Effective October 28, 1990, Employees no longer make Contributions to either the Pension Plan or IAP. All Contributions are made by Employers.

Q: Can I withdraw Pension Plan Contributions?

- A: You may not withdraw Pension Plan Contributions if you are Vested. However, if you are not Vested and have Employee Contributions (including Unclaimed Vacation ("UV") and Holiday Pay ("HP"), you may withdraw these Contributions plus interest if you leave the

Industry for a minimum of three months or if you have a Break in Service. The withdrawal requires submission of a completed Withdrawal form to the Plans. Under certain circumstances you may withdraw UV and HP even if you are Vested. In any case, it is important to keep in mind that you will forfeit your Pension Plan benefits if you withdraw your Employee Contributions.

Q: Will proof of age be required in order to retire?

- A: Yes. You must furnish proof of your date of birth when you retire. If you are married, proof of your spouse's date of birth and marriage certificate must also be furnished. In addition, you must provide all divorce and/or death certificates for all previous spouses, if applicable.

Q: May I work until I receive my first pension check?

- A: You may work until the day before the date of your retirement.

Q: What happens if I get a job offer and work after I retire?

- A: For the first two months commencing on the date you retire, you may not work in the Industry at all for an Industry Employer under a job classification which requires Contributions to be made to the Plans on your behalf. Thereafter, you may work in the Industry under certain circumstances, although this may result in a Forfeiture of your Pension Plan benefits. See Re-employment of Retired Participants.

Q: If I return to work after retiring, do I gain additional credit?

A: It is possible to gain additional credit under certain circumstances.

Q: What happens if I have two consecutive Computation Years with less than 200 Vested Hours in each year and incur a Break in Service?

A: The Plans will notify you at your current address on record following a Break in Service.

Q: Are there any benefits payable after the death of a Retiree?

A: There may be, depending on the type of benefit chosen and the amount of benefits already paid.

Q: Are pension or death benefits taxable?

A: Yes. Please consult your tax advisor.

Q: Are Pension Plan benefits available in a lump sum payment?

A: Pension Plan benefits must normally be taken in the form of an annuity. However, if the present value of your monthly benefit is more than \$5,000, but not more than \$10,000, the entire value may be taken as a single lump sum (with spousal consent, if you are married). If the present value of your monthly benefits is \$5,000 or less, the entire value will automatically be paid to you in a single lump sum.

Q: Do Participants and Beneficiaries receive benefit increases?

A: Although there have been a number of Pension Plan increases for Retirees in the past, the Board of Directors are under no legal obligation to increase the retirement benefit of Participants and Beneficiaries.

Q: Do Participants who retire before age 65 have their early retirement factor increased as they get older?

A: No. The calculations are based on your age at the selected Retirement Date. Your monthly Pension Plan benefit will not change because you get older.

Q: When are Pension Plan benefits paid?

A: Your pension check will be mailed to you on the first day of the month. If you have direct deposit, your pension payment will be electronically transferred to your bank account by the first of each month.

Q: Are Pension Plan benefits paid retroactively?

A: Generally, Pension Plan benefits are not paid retroactively. The only exception may be for a Disability Retirement Pension Benefit and when appropriate, monthly benefits in the IAP.

Q: Can my pension checks be deposited directly to my bank account?

A: Yes. You may have your monthly pension payments directly deposited to your bank account from the Plans. The Plans use

a method called an Electronic Fund Transfer. Call the Plans for a Direct Deposit Authorization form. Submit your completed form with a voided check of the checking account desired. If you directly deposit to a savings account, you will need a routing number from your bank and your account number. Processing your direct deposit takes approximately one month. You will enjoy your direct deposit starting the following month.

INDIVIDUAL ACCOUNT PLAN QUESTIONS

Q: I am nearing retirement but I don't know how much I can expect to receive under the Individual Account Plan. Will the Plans send me a periodic statement showing how much I can expect to receive when I retire?

A: Each year the Plans will send you a statement showing your IAP balance as of the end of the prior year.

Q: Are Individual Account Plan benefits available in a lump sum payment?

A: IAP benefits may be selected in a lump sum or as an annuity. If your account balance is \$5,000 or less, it will automatically be paid in a lump sum.

Employee Retirement Income Security Act of 1974

Included in this section are certain disclosure information required under Section 102(b) of the Employee Retirement Income Security Act of 1974 ("ERISA").

NAME & TYPE OF ADMINISTRATION OF THE PLANS

The Motion Picture Industry Pension Plan is a defined benefit pension plan, and the Motion Picture Industry Individual Account Plan is a defined contribution, profit sharing plan. These collectively bargained, jointly trusted labor-management trusts are for Employees of the motion picture industry. Participants and Beneficiaries may receive from the Plans' Administrative Office, upon written request, information about whether or not a particular Employer or Union is a sponsor of the Plans and, if so, the sponsor's address.

INTERNAL REVENUE SERVICE PLAN IDENTIFICATION NUMBER AND PLAN NUMBER

Pension Plan:

- Identification Number: 95-1810805
- Plan Number: 001

Individual Account Plan:

- Employer Identification Number: 95-0030749
- Plan Number: 002

NAME & ADDRESS OF THE PERSONS DESIGNATED AS AGENTS FOR SERVICE OF LEGAL PROCESS

Legal processes may be served on: Chief Executive Officer of the Plans, located at:
11365 Ventura Boulevard
Studio City, California 91604-3148

Mailing Address:
P.O. Box 1999
Studio City, California 91614-3148

Service of legal process may also be made upon a member of the Board of Directors of the Plans at the address set forth in the following pages. If a post office box is set forth as the address for a member of the Board of Directors, service of legal process may be made on a Director at the Plans' address listed above.

NAME & ADDRESS OF THE ADMINISTRATOR

Board of Directors
Motion Picture Industry Pension Plan &
Motion Picture Industry Individual Account Plan
11365 Ventura Boulevard
Studio City, California 91604-3148
(818) 769-0007

Mailing Address:
P.O. Box 1999
Studio City, California 91614-0999

NAMES & ADDRESSES OF THE DIRECTORS

See page 55.

COLLECTIVE BARGAINING AGREEMENTS

The Plans are maintained pursuant to one or more Collective Bargaining Agreement, a copy of which may be obtained by Participants and Beneficiaries upon written request to the Plans' Chief Executive Officer and is available for examination by Participants and Beneficiaries.

THE NORMAL RETIREMENT AGE

The Normal Retirement Age under

the Plans is generally age 65.

If a Participant does not have five Qualified Years or he/she has not been a Participant in the Pension Plan for five years (excluding service before December 25, 1988), his/her Normal Retirement Age will be delayed until he/she meets one of these requirements. If he/she has had a Break in Service, special rules apply to determine whether or not he/she has five Qualified Years or has participated in the Pension Plan for five years.

If a Participant has 400 Credited Hours in a Computation Year and has worked in the Industry at least one hour on or after August 1, 2000, the IAP only requires one year to Vest (if a Participant incurs a Break in Service before working the one hour on or after August 1, 2000, he/she must have 400 Credited Hours in a Computation Year after December 26, 1999 to Vest with less than five years.) A more detailed explanation of the rules governing "Normal Retirement Age" may be found in the Glossary of the SPD. Participants may call the Plans if they have any questions regarding these rules.

PROVISIONS OF THE QUALIFIED JOINT & 50% SURVIVOR ANNUITY

The provisions of the Qualified Joint and 50% Survivor Annuity, which provides a lifetime benefit for a surviving spouse, are set forth in Article IV of the Pension Plan and Article VI of the IAP Trust Agreement.

DISQUALIFICATION, INELIGIBILITY, DENIAL OR LOSS OF BENEFITS

A Participant may lose eligibility for benefits if any of the following conditions apply:

- A** A Participant who incurs a Break in Service after 1986, but before earning a Vested benefit, will forfeit any accrued benefits under the Pension Plan and any account balance under the IAP if the Participant incurs five consecutive Computation Years without earning 400 Vested Hours. Special rules apply to Participants who incur a Break in Service prior to 1986.
- B** A Participant who is receiving benefits under the Pension Plan, who returns to work in the Industry, must inform the Plans in writing within one week of his/her re-employment. If the Participant returns to work in the Industry, his/her Pension Plan benefits may be forfeited. Article IV, Section 7 of the Pension Plan and Article II, Section 5 of the IAP Trust Agreement.
- C** A Participant is not eligible to receive a Pension Plan or IAP benefit until he/she has filed written application to the Board of Directors at least two calendar months prior to the selected Retirement Date. Article IV, Section 1 of the Pension Plan and Article V, Section 1 of the IAP Trust Agreement.
- D** If a Participant has not yet reached age 65, but has received a Disability Retirement Pension Benefit and lost his/her entitlement to Social Security disability benefits, he/she must

inform the Plans, in writing, within one week of the date he/she received notice from the Social Security Administration.

- E** If a Participant stops receiving Social Security disability benefits before reaching age 65, his/her Disability Retirement Pension Benefit under the Pension Plan will stop.
- F** If a Participant receiving benefits under the Pension Plan returns to work in the Industry, his/her Pension Plan benefits may also be forfeited.
- G** If a non-Vested Participant withdraws his/her Employee Contributions, plus interest, in a lump sum, all of the Participant's prior Credited Hours and Qualified Years will be forfeited. If the Participant earns Credited Hours thereafter, the previously forfeited Credited Hours and Qualified Years may be restored if the Participant repays the amount withdrawn, plus interest, at the rate set forth in the Pension Plan, prior to the earlier of either: 1) the fifth anniversary of the Participant's employment after the withdrawal; or 2) the end of five consecutive Computation Years during each of which the Participant failed to earn 400 Vested Hours.
- H** The Board of Directors has the power, under the Plans, to amend or terminate the Plans. Amendment or termination of the Plans could cause Participants to lose the right to continue to accrue benefits in the future, although the Board of Directors has no present intention to make any such change to the Plans. In the

event of termination of the Pension Plan, the IAP, or both, all benefits would become Vested to the extent the benefits are funded. Plan assets under the Pension Plan would be allocated in accordance with federal law.

As noted earlier, this document only provides certain highlights contained in the Trust Agreements for both the Pension Plan and IAP. Other provisions of the Trust Agreements may result in a loss of a Participants' benefits.

PLAN TERMINATION INSURANCE

The parties to the Collective Bargaining Agreements that establish the Plans intend that they continue indefinitely. However, the parties reserve the right, subject to the provisions of the Trust Agreements, to terminate either of the Plans. To terminate the Pension Plan (but not the IAP), they must notify and seek approval from a governmental agency called the Pension Benefit Guaranty Corporation ("PBGC").

If either the Pension Plan or the IAP is terminated, Participants will be notified as soon as possible. Participants will be told the amount, if any, to which they will become entitled, with an explanation of any election that they may have to make.

Participants' benefits are protected as follows: The assets in the IAP, after provision for administrative expenses, will be used to provide for all benefits accrued to the date of termination, whether or not those benefits are Vested. The assets in the Pension Plan, after provision for administrative expenses, will be used to provide benefits in accordance with PBGC

regulations. Upon termination of the Pension Plan, the Board of Directors shall take such steps as it deems necessary or desirable to comply with Sections 4041A and 4281 of ERISA.

Participants' Pension Plan benefits under this multiemployer Pension Plan are insured by the PBGC, a federal insurance agency.

A multiemployer pension plan is a collectively bargained arrangement involving two or more unrelated employers, usually in a common industry.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a Participant's years of service multiplied by:

- 1 100% of the first \$11 of the monthly benefit accrual rate; and
- 2 75% of the next \$33. The PBGC's maximum guarantee limit is \$35.75 per month multiplied by a Participant's years of service. For example, the maximum annual guarantee for a retiree of 30 years of service would be \$12,870.

The PBGC guarantee generally covers:

- 1 normal and early retirement benefits;
- 2 disability benefits if someone

becomes disabled before the Pension Plan becomes insolvent; and

- 3 certain benefits for survivors.

The PBGC guarantee generally does not cover:

- 1 benefits greater than the maximum guaranteed amount set by law;
- 2 benefit increases and new benefits based on pension plan provisions that have been in place for fewer than five years at the earlier of (i) the date the pension plan terminates; or (ii) the time the pension plan becomes insolvent;
- 3 benefits that are not Vested because someone has not worked long enough;
- 4 benefits for someone who has not met all of the requirements at the time the pension plan becomes insolvent;
- 5 non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

For more information about the PBGC and the benefits it guarantees, contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call (202) 326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at (800) 877-8339 and ask to be connected to (202) 326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the internet at www.pbgc.gov.

The PBGC does not insure any benefits provided by the IAP

SOURCE OF FINANCING OF THE PLANS AND IDENTITY OF ANY ORGANIZATION THROUGH WHICH BENEFITS ARE PROVIDED

On and after October 28, 1990, all Contributions to the Plans (other than UV and HP) are made by Employer parties in accordance with their Collective Bargaining Agreements or Non-Affiliate Agreements.

The Plans will provide Participants, upon request, information as to whether a particular Employer is an Employer participating in the Plans and as such, is remitting Contributions to the Plans on a Participant's behalf.

Benefits are provided from the Plans' assets which are accumulated and invested under the provisions of the Collective Bargaining Agreements and the Trust Agreements of the Pension Plan and IAP and held by the Corporate Co-Trustee for the purpose of providing benefits to Active and Retired Participants and defraying reasonable administrative expenses. The Northern Trust Company has been designated as the Corporate Co-Trustee to the Plans.

The Northern Trust Company is located at:

50 S. LaSalle Street
 Chicago, IL 60675

RECORD-KEEPING PERIOD/PLAN YEAR/COMPUTATION YEAR

Beginning January 1, 2001, the Plan Year is a calendar year for the Plans' accounting purposes. Benefit accruals will be calculated and allocated to Participants each Computation Year which begins on the Sunday before the last

Thursday of a calendar year and ends on the Saturday before the last Thursday of the subsequent calendar year.

REMEDIES AVAILABLE UNDER THE PLANS FOR THE REDRESS OF CLAIMS WHICH ARE DENIED

Participants in the Pension Plan and the IAP are entitled to certain rights and protections under ERISA.

ERISA provides that a Participant is entitled to examine, without charge at the Plans' Administrative Office and at certain Employer and Union offices, all of the Plans' documents, including insurance contracts, Collective Bargaining Agreements and copies of the latest annual reports (Form 5500 Series) filed by the Plans with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Participants are entitled to obtain, upon written request to the Plans' Chief Executive Officer, copies of documents governing the operation of the Plans, including insurance contracts and Collective Bargaining Agreements, and copies of the latest annual reports (Form 5500 Series) and an updated summary plan description. The Plans' Chief Executive Officer may make a reasonable charge for the copies.

A summary of the Plans' annual financial reports, as well as an annual statement of a Participant's total Pension Plan benefits and his/her total Qualified Years, will automatically be sent to him/her each year.

Participants are also entitled to

obtain a statement telling them whether or not they have a right to receive a Pension Plan benefit at Normal Retirement Age (generally, age 65) and, if so, what that benefit would be at Normal Retirement Age if they immediately stop working under the Plans. If they do not have a right to a Pension Plan benefit, the statement will tell them how many more years they have to work to receive a Pension Plan benefit. This statement must be requested in writing or in person and is not required to be given more than once a year. The Plans must provide the statement free of charge. The Plans will provide this information to the extent they are able to, based on available records.

In addition to creating rights for Participants, ERISA imposes obligations upon the persons who are responsible for the operation of the Plans. The people who operate the Plans, called "fiduciaries" of the Plans, have a duty to do so prudently and in the interest of all of the Plans' Participants and Beneficiaries.

No one, including a Participant's Employer, his/her Union, or any other person, may fire a Participant or otherwise discriminate against him/her in any way to prevent him/her from obtaining a Pension Plan or IAP benefit or exercising his/her rights under ERISA.

If a Participant's claim for a Pension Plan or IAP benefit is denied or ignored, in whole or in part, he/she has a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps a Participant can take to enforce the above rights. For instance, if a Participant requests a copy of the Plans' documents or the latest annual reports from the Plans and do not receive them within 30 days, he/she may file suit in a federal court. In such a case, the court may require the Plans' Chief Executive Officer to provide the materials and pay up to \$110 a day until a Participant receives the materials, unless the materials were not sent because of reasons beyond the control of the Chief Executive Officer. If a Participant has a claim for benefits, which is denied or ignored, in whole or in part, he/she may seek arbitration after completing the claims and review procedures. In addition, if a Participant disagrees with the Plans' decision or lack thereof concerning the qualified status of a domestic relations order, he/she may seek arbitration. If it should happen that the Plans' fiduciaries misuse the Plans' money, or if a Participant is discriminated against for asserting his/her rights, he/she may seek assistance from the U.S. Department of Labor, or he/she may seek arbitration. The arbitrator will decide who should pay court costs and legal fees. If a Participant is successful, the arbitrator may order the person who has been sued to pay these costs and fees. If the Participant loses, the arbitrator may order him/her to pay costs and fees, if for example, the claim is found to be frivolous.

If a Participant has questions about the Plans, he/she should contact the Plans' Chief Executive Officer. If he/she has any questions about this statement or about his/her rights under ERISA, or if he/she needs

assistance in obtaining documents from the Plans' Chief Executive Officer, he/she should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in his/her telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. He/she may also obtain certain publications about his/her rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

CLAIMS PROCEDURE

Upon application for retirement, the Plans will provide Participants with confirmation of the amount of monthly income he/she will receive at retirement based on the form of benefit he/she has selected. In addition, he/she may file any other claim with respect to the Plans' operations by writing to the Plans (to the attention of the Plans' Chief Executive Officer). In general, the Plans will review all applications and claims, although may refer certain matters to the Benefits/ Appeals Committee of the Board of Directors ("Committee").

If a Participant's application for benefits or claim under the Plans has been denied in whole or in part, he/she will be notified of such a decision in writing. The notification will describe the specific reason(s) for denial, contain specific references to pertinent provisions of the Plans provisions upon which the denial is based, describe any additional material information necessary for the Participant to perfect

the claim, and explain the Plans' review procedure. This notice will be provided within 90 days of a Participant making a claim, although an additional 90 days may be required under special circumstances.

If a Participant desires further consideration of the decision denying his/her claim, he/she may request within 60 days of the determination, a review of his/her benefit by writing to the Plans (to the attention of the Plans' Chief Executive Officer, who shall forward such information to the Committee). In connection with this review, a Participant shall be entitled to review pertinent documents of the Plans and then submit issues and comments in writing to be considered by the Committee. Failure to file a request for review within this 60 day period shall constitute a waiver of the right to review of the decision and such decision will be final and binding upon all parties thereto.

Once a written request has been received, the Participant will be notified in writing of the results of the review of the situation with the specific reason for any denial. They will ordinarily be notified within 60 days of the determination, although an additional 60 days may be required under special circumstances. The written notice will include specific reasons for the decision and references to pertinent provisions of the Plans upon which the decision is based.

The decision of the Committee shall be final and binding on all parties, including the Participant and any person claiming on behalf of the Participant. The foregoing provisions of the *SPD* will apply to

and include any and every claim to benefits under the Plans and any claim asserted against the Plans, regardless of the basis asserted for the claim and regardless of when the act or omission upon which the claim is based occurred.

Notwithstanding any other provisions of the Plans, no legal action, including arbitration, may be commenced with respect to or arising out of any claim for benefits against the Plans (or the Board of Directors or any of its or their agents) more than 180 days after the Participant, Pensioner, Beneficiary, or other individual is first given a written notice of the denial of their appeal by the Committee. Unless the Committee specifically determines otherwise, this period shall not be extended even if the Committee again considers the matter after the initial denial. This limitation period shall apply to all legal actions, including arbitration, arising out of or relating to a claim for benefits including, but not limited to, any legal action under ERISA to the extent the claim relates to the provision of benefits or rights under the Plans.

ARBITRATION OF PARTICIPANT CLAIMS

If a Participant is still dissatisfied with the resolution of a claim for benefits after having completed both the initial claim and review procedures outlined above and the claim arises on or after November 1, 2004, the Participant may seek further review of the claim only through arbitration administered by the American Arbitration Association ("AAA") under its Employee Benefit Plan Claims Arbitration Rules. The decision of the arbitrator shall be

final and binding and judgment on the award may be entered in any appropriate court.

The arbitrator shall be selected from a list of nine potential arbitrators chosen from the National Panel of Employee Benefit Plan Claims Arbitrators. The Participant and the Plans shall have alternating rights to strike the name of a potential arbitrator from the list until the name of only one arbitrator remains. The party that strikes first shall be determined by coin toss and each party shall then alternately strike until only one name is left and he or she shall be the arbitrator selected. The Participant and the Plans shall each have the opportunity to reject one entire list of arbitrators and request a new list. The arbitration shall be commenced by filing a demand for arbitration with the AAA within the time period set forth above. The arbitration shall be conducted in Los Angeles, California, and shall follow the procedures of the AAA.

In general, each of the parties to the arbitration shall bear that party's own attorneys' fees and costs, although the arbitrator has the ability to award attorney's fees and costs in accordance with ERISA. The arbitrator's fee and any administrative expenses charged by AAA shall be paid by the Plans.

SPECIAL RULES APPLICABLE TO CERTAIN CLAIMS FOR DISABILITY BENEFITS

The following special rules apply in the case of a claim for disability benefits if the determination with respect to disability is not based on a determination by the Social Security Administration.

If there is a claim for disability

benefits under the Plans, the Plans' Chief Executive Officer shall notify the Participant of the Plans' adverse benefit determination within 45 days after receipt of the claim by the Plans. This period may be extended by the Plans for up to 30 days, if an extension is necessary due to matters beyond the control of the Plans and the Participant is so notified prior to the expiration of the initial 45 day period. If, prior to the end of the first 30 day extension period, the Plans' Chief Executive Officer determines that, due to matters beyond the control of the Plans, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional 30 days if the Plans' Chief Executive Officer notifies the Participant prior to the expiration of the first 30 day extension period. In the case of any extension under this paragraph, the notice of extension shall specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevents a decision on the claim, and the additional information needed to resolve those issues. The Participant shall have at least 45 days to provide the specified information.

If an internal rule, guideline, protocol, or other similar criterion of the Plans was relied upon in making an adverse benefit determination with respect to disability benefits, the Plans' Chief Executive Officer's written notice shall include either the specific rule, guideline, protocol, or other similar criterion or a statement that such a rule, guideline, protocol, or other similar criterion was relied upon in making the adverse

determination and that a copy will be provided free of charge to the Participant upon request.

If a Participant wants further consideration of the decision denying his/her claim for disability benefits, he/she may request within 180 days of the decision, a review of his/her benefit by writing to the Plans (to the attention of the Plans' Chief Executive Officer, who shall forward such information to the Committee).

With respect to appeals made to the Committee, the Committee shall make a determination no later than the date of the meeting of the Committee that immediately follows the Plans' receipt of a request for review, unless the request for review is filed during the 30 days prior to the date of the meeting. In such a case, a benefit determination may be made at the second meeting following the Plans' receipt of the request for review. If special circumstances require a further extension of time for processing, a benefit determination shall be made by the third meeting of the Committee following the Plans' receipt of the request for review. The Plans' Chief Executive Officer shall notify the Participant of any extension in writing, describing the special circumstances and the date by which the benefit determination will be made, prior to the commencement of the extension. The Plans' Chief Executive Officer shall notify the Participant of the benefit determination as soon as possible, but not later than five days after the benefit determination is made.

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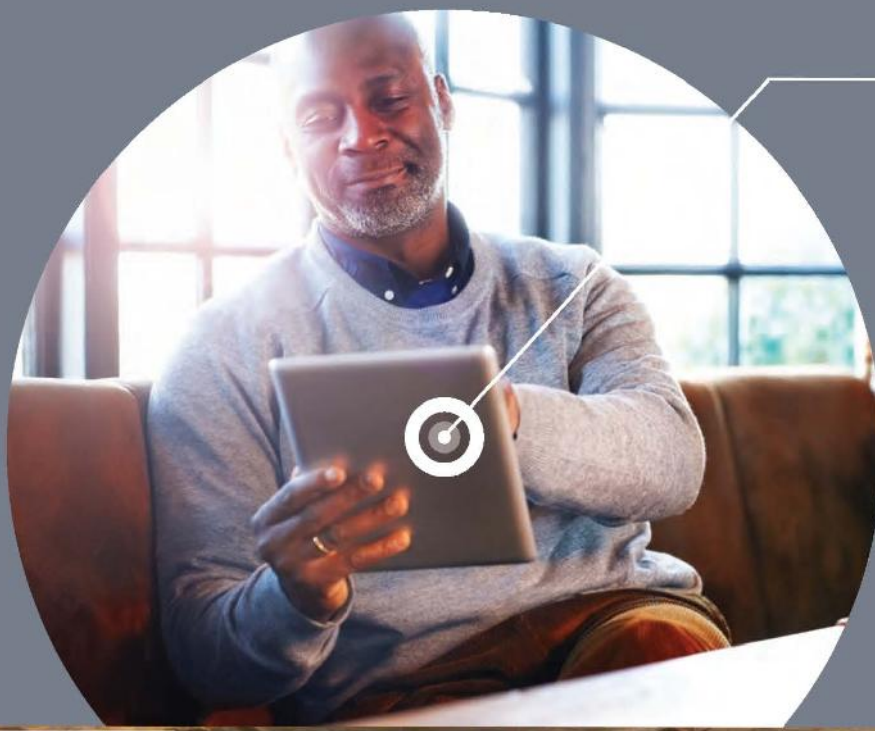
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MPI PARTICIPANT PORTAL

- ▶ View Pension/IAP statements
- ▶ Review payment history
- ▶ Review hours and contributions received each year
- ▶ Download and print Pension Plan forms, such as direct deposit and tax withholding forms
- ▶ Review benefit estimates



**PARTICIPANT
SERVICES CENTER**

Email

service@mpiphp.org

Call Toll-Free

(855) ASK-4MPI or
(855) 275-4674

Fax

(818) 766-1229 – California
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Website

www.mpiphp.org

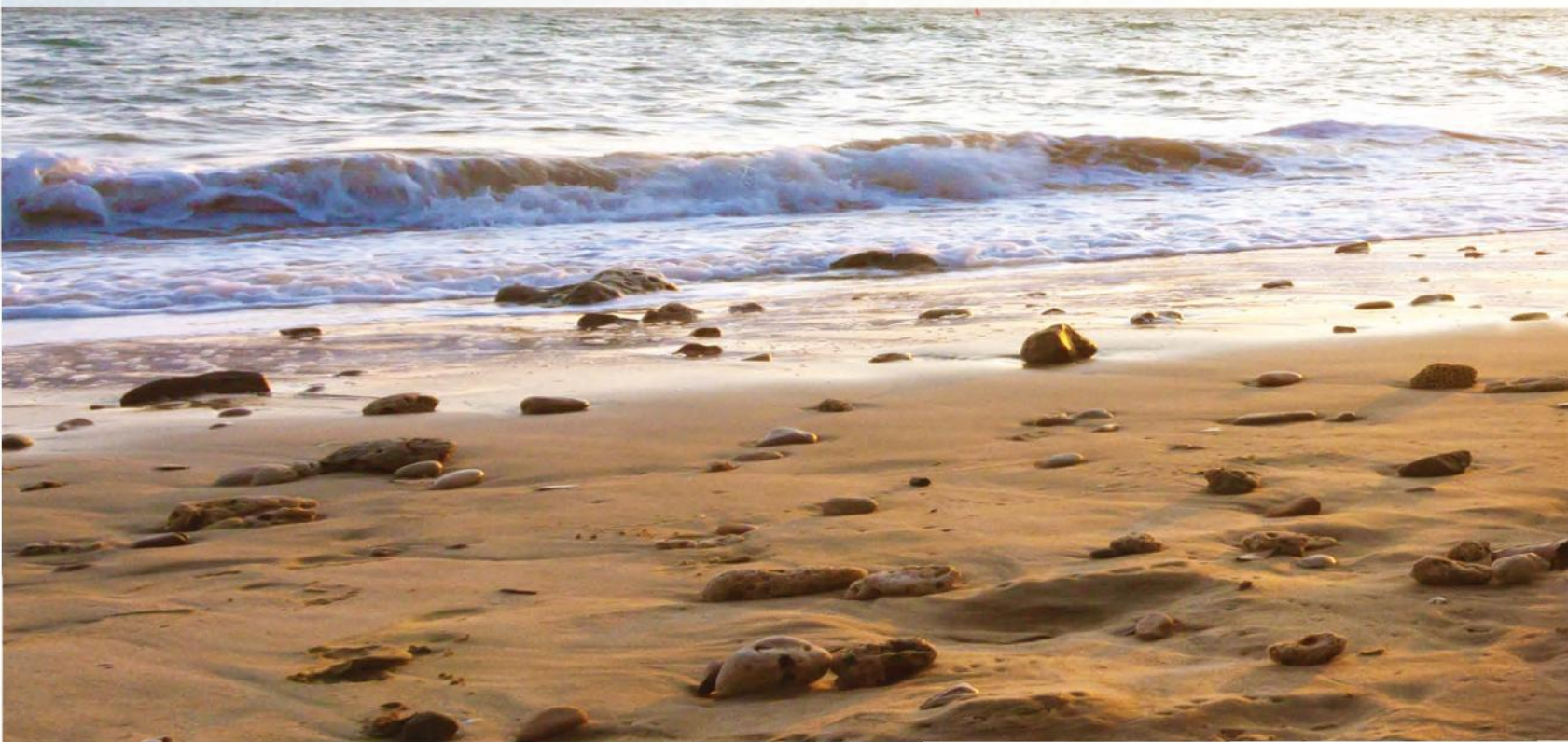
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(888) 758-5200 – Toll Free
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PENSION PLAN

B E N E F I T S A P P E N D I X

- ▶ Local 52
- ▶ Local 161
- ▶ Local 600 (644)
- ▶ Local 666
- ▶ Local 700



Contact

THE MOTION PICTURE INDUSTRY PENSION & HEALTH PLANS

It is important to keep your contact information up to date with the Motion Picture Industry Pension & Health Plans ("MPIPHP") throughout your career.

PLEASE CONTACT MPIPHP WHEN YOU:

- ▶ Change your address, phone number or email;
- ▶ Become married or divorced;
- ▶ Welcome a new child into your family; or
- ▶ Have questions about your Pension Plan, Individual Account Plan or Health Plan benefits.

Change of Address and Beneficiary forms can be found on the MPIPHP website.

PLEASE SUBMIT ALL FORMS AND CORRESPONDENCE TO:

Motion Picture Industry Pension & Health Plans
P.O. Box 1999, Studio City, CA 91614-0999

PARTICIPANT SERVICES CENTER

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PENSION PLAN BENEFITS APPENDIX**Former East Coast
Local 52 Pension Fund Participants**

This Appendix is part of your March 2017 Summary Plan Description for the Motion Picture Industry Pension Plan ("Pension Plan") and Motion Picture Industry Individual Account Plan ("IAP"), (collectively, the "Plans").

The nature and extent of benefits provided by the Pension Plan and the rules governing eligibility are determined solely and exclusively by the Directors of the Plans, consistent with applicable law. The Directors shall also have full discretion and authority to interpret the benefits and to decide any factual questions related to eligibility for and the extent of benefits provided by the Pension Plan, consistent with applicable law.

Employees of the Plans have no authority to alter benefits or eligibility rules. Any interpretations or opinions given by employees of the Plans are not binding upon the Directors and cannot increase or change such benefits or eligibility rules. In accordance with the terms of the Trust Agreement, the Directors reserve the right to change the nature and extent of benefits provided by the Pension Plan and to amend the rules governing eligibility at any time, consistent with applicable law.

DEAR PENSION PLAN PARTICIPANT:

This Appendix is for those eligible Participants in the Local 52 Pension Fund (the "52 Pension Plan") who became Participants in the Motion Picture Industry Pension Plan on January 1, 2004 ("Merger Date"), the effective date of the merger between the two plans. This Appendix explains your 52 Pension Plan benefits where they differ from the Pension Plan, and is part of your Pension Plan *SPD*. You should also retain your 52 Pension Plan Summary Plan Description, as some of those rules may be relevant. If you have any questions about your benefits, please call the Plans' toll-free Participant Services Center at (855) ASK-4MPI (275-4674).

Sincerely,

BOARD OF DIRECTORS

Motion Picture Industry Pension Plan
Motion Picture Industry Individual Account Plan

NOTE FOR RETIREES

If you were a retiree of the 52 Pension Plan prior to the Merger Date, you will continue to receive your monthly pension check except that after the merger it is issued by the Pension Plan. Except as provided in this notice, unless you return to work, nothing in the merger affected you.

NOTE FOR VESTED PARTICIPANTS

If you are Vested (meaning your benefits are not forfeitable under the 52 Pension Plan), you remain Vested in the Pension Plan after the merger. All 52 Reserve Plan benefits will remain Vested, and any future IAP benefits you earn are fully Vested.

YOUR PENSION PLAN BENEFITS**1 Amendment to Benefit Formula**

Effective January 1, 2004, you no longer earned benefits under the 52 Pension Plan rules. Your 52 Pension Plan benefit is limited to your pension credits and benefit earned as of December 31, 2003. The 52 Pension Plan normal retirement benefit earned as of December 31, 2003 is referred to as the "52 Pension Plan Accrual" and is described below. Your Vested 52 Pension Plan Accrual will not be taken away from you; you will be entitled to it when you ultimately retire under the terms of the Pension Plan. Except for any applicable benefit increases that have been or may in the future be adopted for actives or retirees under Pension Plan rules, your 52 Pension Plan Accrual will be frozen as of December 31,

2003. These rules are described in the Pension Plan *SPD*.

Effective January 1, 2004, if you worked in employment requiring contributions to the Pension Plan, you started earning benefits under the Pension Plan formula. This benefit you may earn under the Pension Plan rules on or after January 1, 2004 is referred to as the "Future Benefit." When you finally retire, your Pension Plan benefit will be the sum of the 52 Pension Plan Accrual (earned as of December 31, 2003) plus the Future Benefit you earn after that date.

The 52 Pension Plan Accrual will be available under the normal and early retirement rules of the 52 Pension Plan – you may retire early if you are age 55 or older and have at least 15 Special Years. Your Special Years are generally a total of your 52 Pension Plan credits and any Qualified Years you earn after the merger. Future Benefits will not be available until age 65, unless you satisfy the Pension Plan early retirement rules, in which case the Pension Plan early retirement factors apply. In addition, if (1) as of January 1, 2004, you were both 48 or older and had 10 pension credits or more; and (2) you subsequently retire on or after age 55 with 15 or more Retirement credits, then you may elect to receive both your 52 Pension Plan Accrual and your Future Benefit accrual under the early retirement rules of the Local 52 Pension Plan.

2 The 52 Pension Plan Benefit Formula

The 52 Pension Plan benefit was generally equal to the number

of your pension credits after February 18, 1957 multiplied by the monthly benefit accrual rate in effect at the time you retire. The rate as of December 31, 2003 was \$77. This rate does not apply if you previously had a Break in Service, unless you repaired the break. Instead, the rate in effect at the time you left employment applies to service earned before that time. For active Participants without a Break in Service, the 52 Pension Plan accrued benefit was increased by 15% effective August 1, 2003 and an additional 10% effective August 1, 2006. Participants were credited with pension credit for a calendar year if they had 120 days of service in covered employment for that year under the 52 Pension Plan. If the Participant worked less than 120 days, partial credit was granted, in accordance with the following schedule (referred to as partial credit rules):

As long as you have 15 pension credits, you can retire at age 62 without an early retirement reduction. Otherwise, you can retire at age 65 if you are Vested.

DAYS IN COVERED EMPLOYMENT FOR A CALENDAR YEAR	PENSION CREDITS
90 - 119	.75
60 - 89	.50
30 - 59	.25
Less than 30	None

3 The Pension Plan Benefit Formula

The benefit formula under the Pension Plan is different

from the formula under the 52 Pension Plan. The benefit under the Pension Plan is not based on pension credits. Instead, it is based on Credited Hours — these are generally hours for which contributions are required by the Pension Plan and the applicable collective bargaining agreements. Contributions are normally owed for all hours worked or guaranteed. In general, to earn benefits, you must earn a Qualified Year, which is 400 Credited Hours during a Computation Year. In addition, normal retirement under the Pension Plan is generally at age 65. The benefit formula in effect after January 1, 2011 is as follows:

- The monthly benefit rate for the first 10 Qualified Years is \$.03729 per Credited Hour. For example, 1,000 Credited Hours in your seventh Qualified Year will earn a benefit of \$37.29 per month payable at Normal Retirement Age.
- The monthly benefit rate for the 11th to 20th Qualified Year is \$.04972 per Credited Hour. For example, 1,000 Credited Hours in your 11th Qualified Year will earn a benefit of \$49.72 per month payable at Normal Retirement Age.
- After the 20th Qualified Year, the 400 Credited Hours requirement will no longer apply. Participants will earn benefits even if they accumulate less than

400 Credited Hours in a Computation Year. They will earn at the rate of \$.04972 per Credited Hour. For example, 300 Credited Hours in your 23rd Year will earn a benefit of \$14.92 per month payable at Normal Retirement Age.

If you continued to work in covered employment, you started earning benefits under this formula on January 1, 2004 for hours earned on and after that date. These benefits will be in addition to your 52 Pension Plan Accrual. Your 52 Pension Plan credits will count for determining the rate of Future Benefits you earned (\$.03729 versus \$.04972 per Credited Hour).¹ As described above, the benefit rate under Pension Plan differs depending on whether you have 10 or more Qualified Years. Thus, if the sum of your Qualified Years after the merger is more than 10, you will start accruing Future Benefits at the higher benefit rate.

The rates described above do not apply to hours before a Break in Service as described in the Pension Plan *SPD*. Instead, the rate in effect at the time you had a Break in Service applies to hours before the break. Unlike the 52 Pension Plan, the Pension Plan does not allow you to repair a Break in Service.

4 Comparison of Formulas

To better understand the different

formulas, the table on the top of page 6 shows the benefits earned in a single year of work under the old 52 Pension Plan formula and the Pension Plan formula, depending upon the number of hours worked and your number of years. Different Pension Plan amounts are shown depending upon how many years you have since the benefit rate differs. The amounts shown are the monthly benefit payable to you at age 65 in the form of a single life annuity.

5 Early Retirement Rules

The early retirement rules under the 52 Pension Plan continue to apply to your 52 Pension Plan Accrual. Under these rules, you can retire at age 55 as long as you have 15 Special Years. The early retirement benefit is reduced by $6\frac{2}{3}\%$ for each year ($\frac{5}{9}$ of 1% per month) you are younger than age 62 at your retirement date. All your Local 52 Pension Plan pension credits count as Special Years. In addition, solely for purposes of determining whether you can retire early with respect to your 52 Pension Plan Accrual only (but not your Future Benefit), you will earn a Special Year after 2003 if you have 400 Credited Hours in a Computation Year. However, these credits will not increase the amount of your 52 Pension Plan Accrual. Thus, it is possible that you can retire early with regard to your 52 Pension Plan Accrual and not your Future Benefit.

1. While the credit or service you earned under the 52 Pension Plan before the merger counts for determining the rate of the Future Benefits you earn (and, as described in this notice, for a variety of other purposes), you will not be given any Future Benefits for this service. For example, assume you had 10 pension credits and 1,500 days of service under the 52 Pension Plan as of December 31, 2003. You will keep your 52 Pension Plan Accrual for the 10 years of pension credit, but you will not receive any Future Benefit with respect to these 10 years. However, your Future Benefit for work after the merger will be earned at the rate applicable for 11 or more Qualified Years, since the 52 Pension Plan Service is counted for this purpose.

Monthly Benefit Payable at Age 65 Based on One Year of Covered Employment

CREDITED HOURS IN A YEAR (assuming 12-Hour Days)	MONTHLY LOCAL 52 PENSION PLAN ACCRUAL	MONTHLY PENSION PLAN FUTURE BENEFIT (1st thru 10th Qualified Year)	MONTHLY PENSION PLAN FUTURE BENEFIT (11th thru 20th Qualified Year)
2,400	\$77.00	\$89.50	\$119.33
2,200	\$77.00	\$82.04	\$109.38
2,000	\$77.00	\$74.58	\$99.44
1,800	\$77.00	\$67.12	\$89.50
1,570	\$77.00	\$58.55	\$78.06
1,430	\$57.75	\$53.32	\$71.10
1,290	\$57.75	\$48.10	\$64.14
1,150	\$57.75	\$42.88	\$57.18
1,010	\$38.50	\$37.66	\$50.22
870	\$38.50	\$32.44	\$43.26
730	\$38.50	\$27.22	\$36.30
590	\$19.25	\$22.00	\$29.33
450	\$19.25	\$16.78	\$22.37
360	\$19.25	\$0	\$0 (11th-20th Year) \$17.90 (After 20 Years)
249	\$0	\$0	\$0 (11th-20th Year) \$12.38 (After 20 Years)

RETIREMENT AGE	LOCAL 52 PENSION PLAN ACCRUAL (15 or more Pension)	PENSION PLAN REDUCED EARLY RETIREMENT BENEFIT FACTORS	PENSION PLAN BENEFIT (20 or more Qualified Years if under age 62; 10 years if 62 or older)	PENSION PLAN BENEFIT (30 or more Qualified Years and 60,000 Credited Hours)
65	\$100.00	100%	\$100.00	\$100.00
64	\$100.00	92.50%	\$92.50	\$100.00
63	\$100.00	86%	\$86.00	\$100.00
62	\$100.00	80%	\$80.00	\$100.00
61	\$93.33	74.50%	\$74.50	\$100.00
60	\$86.67	69%	\$69.00	\$100.00
59	\$80.00	64%	\$64.00	\$92.80
58	\$73.33	59.50%	\$59.50	\$86.20
57	\$66.67	55.50%	\$55.50	\$80.40
56	\$60.00	52%	\$52.00	\$75.40
55	\$53.33	49%	\$49.00	\$71.00

In general, the early retirement provisions in the Pension Plan will apply only to your Future Benefit. Under these rules, you can retire at age 55 as long as you have 20 Qualified Years. You can retire at age 62 as long as you have 10 Qualified Years.

To better understand the factors, the table on the bottom of page 6 shows the reduction depending on your age at retirement, assuming you were otherwise entitled to \$100/month at age 65 and you have the appropriate number of years.

There are two exceptions to these rules. First, if you qualify for an Unreduced Early Retirement Pension Benefit under the Pension Plan, you will be entitled to both your 52 Pension Plan Accrual and Future Benefit unreduced for early retirement. This requires at least 30 Qualified Years and attainment of age 62 with 50,000 Credited Hours (or age 61 with 55,000 Credited Hours, or age 60 with 60,000 Credited Hours.)

Second, if on January 1, 2004, you had at least 10 years of pension credit under the 52 Pension Plan and had attained age 48, the early retirement rules under the 52 Pension Plan will apply to your entire benefit (that is both

your 52 Pension Plan Accrual and your Future Benefit). Thus, if on December 31, 2003, you were age 48 with 10 pension credits, you can receive your entire benefit under the early reduction rules in the 52 Pension Plan at such time as you have both attained age 55 and earned 15 retirement credits. For this purpose only (and for purposes of pre-retirement death benefits, you will receive a retirement credit for each pension credit you earned before 2004. For this purpose, you may earn an additional retirement credit for each Computation Year after 2003 in which you earn at least 1,440 credited hours, with partial credit per the table on page 7.

6 Other Rules

The Pension Plan has been amended to provide a number of additional rules to coordinate the 52 Pension Plan Accrual and Future Benefit.

FORMS OF BENEFITS

When you retire, you can elect to receive your 52 Pension Plan Accrual in one of the forms available under the 52 Pension Plan. These include the Joint and Survivor Pension Benefit (with either a 50% or 100% Survivor Annuity, and with a Pop-up if your spouse predeceases you) or a Lifetime Annuity (with a 10 year

guarantee if you have at least 15 pension credits). Each of these is described in the 52 Pension Plan Summary Plan Description. In addition, the requirement that you be married for one year in order to receive the Joint and Survivor Pension Benefit under the 52 Pension Plan does not apply to retirements after December 31, 2003.

The forms of benefit available under the Pension Plan will apply only with respect to your Future Benefit. The forms of benefit under the Pension Plan are a Life Annuity Benefit, a Qualified Joint & 50% Survivor Annuity Benefit, a Joint & 100% Survivor Annuity Benefit, a Joint & 50% Pop-up Annuity Benefit, a Joint & 100% Pop-up Annuity Benefit, and a 10-Years Certain and Life Annuity Benefit. In general, the only beneficiary allowed under any of these forms is your spouse, except that under the 10-Years-Certain and Life Annuity Benefit, you may elect to have either your spouse or children as beneficiary. For Participants retiring in 2009 and thereafter, the Qualified Joint & 75% Survivor Annuity Benefit is available with respect to both the 52 Pension Plan Accrual and the Future Benefit. These rules are described more completely in the Pension Plan SPD.

VESTING AND VESTING YEARS

In general, a five-year cliff Vesting schedule will apply for both your 52 Pension Plan Accrual and your Future Benefit. However, if you do not have any hours after 1996, the prior 10-year Vesting schedule will apply.

CREDITED HOURS DURING PLAN YEAR	RETIREMENT CREDIT FOR PLAN YEAR
0 - 359	0
360 - 719	1/4
720 - 1079	1/2
1080 - 1439	3/4
1440 and over	1

For Vesting purposes, you will receive credit for your prior Vesting service under the 52 Pension Plan (100 days in a calendar year). In general, your Vested Years as of January 1, 2004 are the greater of: (1) the actual nonforfeited Vested Years you earned under the 52 Pension Plan or (2) the number of Computation Years in which you had 400 or more hours in the 52 Pension Plan (excluding years forfeited if the Pension Plan forfeiture rules had applied). For this purpose, you are credited with 12 hours for each day of service. You also receive credit for your Vesting Years earned under the Pension Plan after 2003.

QUALIFIED YEARS

For most purposes, such as eligibility for early retirement under the Pension Plan and eligibility for disability under the Pension Plan, you will receive credit for your prior service under the 52 Pension Plan. However, you will not receive any Future Benefit with respect to the credit or service you earned under the 52 Pension Plan. In general, your Qualified Years as of January 1, 2003 are the greater of: (1) the actual pension credits you earned under the 52 Pension Plan as of that date (for this purpose, the partial credit rules will apply); or (2) the number of Computation Years in which you had 400 or more hours in the 52 Pension Plan (excluding years forfeited if the Pension Plan forfeiture rules had applied). For this purpose, you are credited with 12 hours for each day of service. You also receive credit for your Qualified Years earned under the Pension Plan after 2003.

While these rules apply for purposes of determining whether you can retire early under the Pension Plan rules, they do not apply for purposes of determining whether you can retire early under the 52 Pension Plan rules.

DISABILITY BENEFITS

If your date of entitlement is prior to December 31, 2003, then the 52 Pension Plan rules apply. The rules in the 52 Pension Plan regarding disability benefits no longer apply if your date of entitlement from the Social Security Administration is after December 31, 2003. If you qualify, both the Future Benefit and 52 Pension Plan Accrual will be paid to you in accordance with these rules. Of course, if you were receiving a disability benefit under the 52 Pension Plan as of December 31, 2003, that benefit will remain in effect as long as you remain eligible for that benefit.

PRE-RETIREMENT DEATH BENEFITS

Future Benefit

In all cases, the Pension Plan pre-retirement death benefit rules will apply to your Future Benefit. Under these rules, if you are Vested and have a legal spouse to whom you have been married for at least one year prior to your death (prior to retirement), your spouse is entitled to a Surviving Spouse Benefit. This benefit is an annuity equal to the survivor portion of your Future Benefit if paid in the form of a Qualified Joint & 50% Survivor Annuity Benefit (beginning when you would have reached retirement age, or death

if later). Your spouse may elect a lump sum benefit instead.

52 Pension Plan Accrual

If you had fewer than 12 pension credits under the 52 Pension Plan as of December 31, 2003, the Pension Plan pre-retirement death benefit rules will also apply to your 52 Pension Plan Accrual. If you had 12 or more pension credits under the 52 Pension Plan as of December 31, 2003, different rules apply as follows:

- ① If you die prior to the time you have earned 15 "retirement credits" and you do not have a legal spouse to whom you have been married for at least one year prior to your death (a "one-year spouse"), the Pension Plan rules also apply to your 52 Pension Plan Accrual.
- ② If you earn 15 "retirement credits" by the time of your death, and you do not have a one-year spouse, your beneficiary (as determined under the Pension Plan rules) is entitled to a 10 year installment benefit commencing as soon as practicable after your death. The amount of each payment will equal the 52 Pension Plan Accrual payment that would have been made to you had you retired on the date of your death. (For this purpose only, if you die prior to age 55, you will be treated as if you attained age 55 at such time – thus, your pre-retirement benefit will be 53.33% of the 52 Pension Plan Accrual.)
- ③ If you have a Qualified Spouse to whom you have been

married for at least 365 days at the time of your death, your spouse is entitled to a Surviving Spouse Benefit, which is an annuity for his or her lifetime beginning when you would have reached retirement age, or death if later. This benefit is an annuity equal to the survivor portion of your 52 Pension Plan Accrual if paid in the form of a Qualified Joint & 50% Survivor Benefit (beginning when you would have reached retirement age, or death if later). If you had 20 pension credits as of December 31, 2003, the benefit is larger – it is an annuity equal to the survivor portion of your 52 Pension Plan Accrual if paid in the form of a Qualified Joint & 100% Survivor Benefit. No lump sum is available. However, your spouse may elect a 10 year installment instead of the Surviving Spouse Benefit. This election must be made within 90 days after receiving an explanation of this benefit after your death.

BENEFIT SUSPENSION RULES

The 52 Pension Plan and the Pension Plan both suspend benefits if you retire and come back to work. On or after January 1, 2004, the Pension Plan rules apply to the Future Benefit. The Pension Plan rules apply to the 52 Pension Plan Accrual except to the extent the 52 Pension Plan suspension rules are more favorable, in which case those rules apply. These rules also apply to 52 Pension Plan members who previously retired.

BREAK IN SERVICE RULES

Both the 52 Pension Plan and Pension Plan also have Break in Service rules. These rules apply for at least two purposes: (1) generally, you are not entitled to any possible benefit increase for service prior to a break; and (2) determining whether your prior service is forfeited if you leave employment before you are Vested.

After the merger, the various break rules in the 52 Pension Plan no longer apply. Instead, the Pension Plan rules are in effect and apply to both your 52 Pension Plan Accrual and Future Benefit. However, prior breaks under the 52 Pension Plan are still considered. In general, you incur a Break in Service under the Pension Plan rules if you have a period of two consecutive years with less than 200 Vested Hours in each year. Your service under the 52 Pension Plan prior to the merger will be considered for this purpose to determine if you have a break.

Thus, if you are not Vested and have a forfeiture after the merger under the Pension Plan rules, you will forfeit both your 52 Pension Plan Accrual and the Future Benefit you earned up until the forfeiture. The Pension Plan's forfeiture rules are described in the Pension Plan *SPD*. If you had a forfeiture under the 52 Pension Plan before the merger, the 52 Pension Plan Accrual earned before the break remains forfeited.

In addition, if there are subsequent benefit increases that apply to the 52 Pension Plan Accrual, and you had a Break in

Service under the 52 Pension Plan rules (prior to the merger) or a Break in Service under the Pension Plan rules (after the merger), you will not be entitled to any increase with respect to the 52 Pension Plan Accrual or Future Benefit earned before the break.

Finally, the 52 Pension Plan had certain rules that allowed you to repair your earlier Break in Service so that you would be entitled to future benefit rate increases. There are no repair rules under the Pension Plan. On or after January 1, 2004, you are no longer able to repair any break.

OTHER RULES

In general, all other rules of the Pension Plan apply after December 31, 2003. For example, the Pension Plan requires you to give notice of retirement at least two complete calendar months in advance. The various election rules to elect a form of benefit under the Pension Plan also apply. The Pension Plan rules about earning benefits after Normal Retirement Age also apply, except that your 52 Pension Plan Accrual when you retire will not be less than the amount you would have received if you had retired on December 31, 2003.

STUDIO MECHANICS WHO PARTICIPATED IN THE 52 PENSION PLAN AND THE PENSION PLAN PRIOR TO MERGER

A number of special rules apply to you if you participated in both the Pension Plan and the 52 Pension Plan prior to January 1, 2004. You retain all benefits you have earned under both plans

as of January 1, 2004. Essentially, your benefits will be equal to the 52 Pension Plan Accrual you earned under the 52 Pension Plan prior to January 1, 2004 plus all of the benefits you earn under the Pension Plan both before and after the merger. You keep the benefit you earned under the Pension Plan prior to January 1, 2004; it is subject to all of the applicable Pension Plan rules.

In addition, certain special rules apply for purposes of calculating your service. In general, the rules in this Appendix apply; you are also entitled to credit for your service under the Pension Plan prior to the merger. However, you are not entitled to duplicate service. For example, if you earned a Qualified Year in 1995 under the Pension Plan, you are not entitled to earn another Qualified Year under the 52 Pension Plan for 1995. The same concept applies for Vesting and early retirement. In addition, your service under the Pension Plan and the 52 Pension Plan cannot be combined to determine if you have a Vesting Year, Qualified Year or pension credit. Other special rules apply.

7 Loan-Outs/Employee Shareholders

The Pension Plan and the IAP do not permit Loan-Out Companies. A "Loan-Out Company" is defined as a company controlled by the loaned out Employee, who is the only Employee of the company performing work in the Industry,

to contribute to the Pension Plan or the IAP. If such an Employee is loaned out to a borrowing Employer that participates in the plans, the borrowing Employer may be required to contribute. In addition, if an Employee is an officer, shareholder or member (or a spouse of such a person) of a company that is not a Loan-Out Company, then special rules apply regarding the amount of contributions that are required. If you fall into either of these categories, please contact the Pension Plan for further information.

YOUR INDIVIDUAL ACCOUNT PLAN BENEFITS

The Pension Plan *SPD* also contains information for the IAP. Beginning January 1, 2004, you became eligible to participate in the IAP. This is described below.

Prior Account Balance

Your December 31, 2003 account balance under the Local 52, I.A.T.S.E. Reserve (Annuity) Fund (the "52 Reserve Plan") is called your Special Account under the IAP. The Special Account is 100% Vested and cannot be taken away from you. Your Special Account will be credited with future gains and losses on that account balance in accordance with the IAP rules for allocating gains and losses. In general, you may withdraw your Special Account in accordance with the distribution rules applicable under the 52 Reserve Plan. Thus, you can

withdraw the funds when you attain age 59 ½. Prior to age 59 ½, you may withdraw the Special Account if you have no covered employment for at least three months (distributions will not be made until the IAP verifies this, and no distribution is made if IAP learns you are working during the period it is verifying this). However, because financial hardship withdrawals are not permitted under the IAP, they will not be permitted from Special Accounts.

You may elect to receive your Special Account in the form of a Life Annuity Benefit, Qualified Joint & Survivor Annuity Benefit, Joint and 75% Survivor Annuity Benefit or a lump sum. Installments for limited periods are no longer permitted. Of course, you may still elect to roll a lump sum over to another plan or IRA that will accept it.

Future Contributions and Allocations

Effective January 1, 2004, you started earning benefits under the rules of the IAP. Under these rules, if you earn 400 Credited Hours in a Computation Year², you will receive an allocation under the IAP of contributions made on your behalf.³ All such contributions will be credited to your IAP. Your IAP is separate from your Special Account, and different distribution rules apply.

In general, your employer is required to contribute 6.0% of your scale regular basic hourly

2. 870 hours are required if you have previously received an IAP distribution; distributions from the 52 Reserve Fund or from your Special Account will not trigger this 870 hour rule.

3. If you do not earn a Qualified Year, no allocation will be made.

rate of pay (subject to possible reallocation of 1% to the Health Plan).⁴ This amount is invested by a number of professional investment advisors and the earnings (or losses) on these amounts are also allocated to your IAP. As noted above, earnings (and losses) on your Special Account balance will also be allocated to your IAP.

You may take your IAP in a lump sum or annuity when you retire from the IAP, based on the IAP distribution rules as set forth in the enclosed Pension Plan *SPD*. For most purposes under the IAP, such as determining eligibility for early retirement and eligibility for disability, you will receive credit for your service under the 52 Pension Plan prior to January 1, 2004. However, to the extent the IAP provides any actual allocations of contributions based on prior service, your prior service under the 52 Pension Plan will not count.

Vesting

In general, you are always 100% Vested in your Special Account and IAP. There is one exception - if you participated in the IAP prior to the merger, and you were not Vested in the IAP, your IAP will not Vest automatically. You will only Vest if you meet the IAP Vesting rules (generally, one Qualified Year after 1999, or five Vesting Years, and at least one Credited Hour after August 1, 2000). For this purpose, your service under the 52 Reserve Plan will count toward IAP Vesting credit under the same rules as apply to the Pension Plan.

Other Rules

In general, all other rules of the IAP apply after December 31, 2003. For example, the Pension Plan requires you to give notice of retirement at least two complete calendar months in advance. The various election rules to elect a form of benefit under the Pension Plan will also apply.

4. If you work under a different collective bargaining agreement, a different percentage of compensation may apply.

PENSION PLAN BENEFITS APPENDIX**Former East Coast
Local 161 Pension Fund Participants**

This Appendix is part of your March 2017 Summary Plan Description for the Motion Picture Industry Pension Plan ("Pension Plan") and Motion Picture Industry Individual Account Plan ("IAP"), (collectively, the "Plans").

The nature and extent of benefits provided by the Pension Plan and the rules governing eligibility are determined solely and exclusively by the Directors of the Plans, consistent with applicable law. The Directors shall also have full discretion and authority to interpret the benefits and to decide any factual question related to eligibility for and the extent of benefits provided by the Pension Plan, consistent with applicable law.

Employees of the Plans have no authority to alter benefits or eligibility rules. Any interpretations or opinions given by employees of the Plans are not binding upon the Directors and cannot increase or change such benefits or eligibility rules. In accordance with the terms of the Trust Agreement, the Directors reserve the right to change the nature and extent of benefits provided by the Pension Plan and to amend the rules governing eligibility at any time, consistent with applicable law.

DEAR PENSION PLAN PARTICIPANT:

This Appendix is for those eligible participants in the Local 161 I.A.T.S.E. Pension Plan (the "161 Pension Plan") who became Participants of the Pension Plan on January 1, 2005 ("Merger Date"), the effective date of the merger between the two plans. This Appendix explains your 161 Pension Plan benefits where they differ from the Pension Plan and is an addition to the Pension Plan *SPD* you have been sent. You should also retain your 161 Pension Plan Summary Plan Description, as some of those rules may be relevant to your benefits. If you have any questions about your benefits, please call the Plans' toll-free Participant Services Center at (855) ASK-4MPI (275-4674).

Sincerely,

BOARD OF DIRECTORS

Motion Picture Industry Pension Plan
Motion Picture Industry Individual Account Plan

NOTE FOR RETIREES

If you were a retiree of the 161 Pension Plan, you are continuing to receive your monthly pension check except that after the merger it is issued by the Pension Plan. Except as provided in this notice, unless you return to work, nothing in the merger will affect you.

NOTE FOR VESTED PARTICIPANTS

If you are Vested (meaning your benefits are not forfeitable under the 161 Pension Plan), you will remain Vested in the Pension Plan after the merger. All 161 Annuity Plan benefits will remain Vested, and any future IAP benefits you earn are fully Vested.

YOUR PENSION PLAN BENEFITS**1 Amendment to Benefit Formula**

Effective December 31, 2004, you stopped earning benefits under the 161 Pension Plan rules. Your 161 Pension Plan benefit is limited to your pension credits and benefit earned as of December 31, 2004. The 161 Pension Plan normal retirement benefit earned on December 31, 2004 is called the "161 Pension Plan Accrual" and is described below. Your Vested 161 Pension Plan Accrual will not be taken away from you; you will be entitled to it when you ultimately retire under the terms of the Pension Plan. Except for any applicable benefit increases that have been or may in the future be adopted for actives or retirees

under the Pension Plan rules, your 161 Plan Accrual will be frozen as of December 31, 2004. Please see the Pension Plan SPD for more information.

Effective January 1, 2005, if you work in Covered Employment, you started earning benefits under the Pension Plan formula. Any benefit you earn under the Pension Plan rules on or after January 1, 2005 is called the "Future Benefit."

You will only earn a Future Benefit if you work in Covered Employment. Covered Employment generally means work under a Local 161 collective bargaining agreement in the motion picture industry in New York, New Jersey or Connecticut. In general, you also work in Covered Employment if you are hired in New York, New Jersey or Connecticut to work in certain other states covered by the Local 161 collective bargaining agreement. Otherwise, if you work under the Local 161 collective bargaining agreements outside of New York, New Jersey and Connecticut, you will generally not earn benefits under the Pension Plan or IAP. In that case, you may be eligible to earn benefits under the I.A.T.S.E. National Pension Fund, Plan C and I.A.T.S.E. Annuity Plan.¹

When you retire, your Pension Plan benefit will be the sum of the 161 Pension Plan Accrual (earned as of December 31, 2004) plus any Future Benefit you earn after that date.

The 161 Pension Plan Accrual will be available under the normal and early retirement rules of the 161 Pension Plan – if you are Vested, you may retire at age 60 or retire early at age 57. Future Benefits will not be available until age 65, unless you satisfy the Pension Plan early retirement rules, in which case the Pension Plan early retirement factors apply. In addition, if: (1) on January 1, 2005, you were both 55 or older and had 15 or more pension credits; and (2) you later retire on or after age 60, then you may receive both your 161 Pension Plan Accrual and your Future Benefit accrual on an unreduced basis.

2 The 161 Pension Plan Benefit Formula

The 161 Pension Plan benefit was generally equal to the number of your pension credits after January 1, 1959 multiplied by the applicable monthly benefit accrual rate. The accrual rate as of December 31, 2004 was \$80. The \$80 rate does not apply unless you retire on or after January 1, 2001 with at least two quarters of future service credit on or after January 1, 2000 and before December 31, 2004. Otherwise a lower rate will apply, depending on your retirement date and when you last had two quarters of future service. For active Participants without a Break in Service, the Local 161 Pension Plan accrued benefit was increased by 15% effective August 1, 2003 and an additional 10% effective August 1, 2006.

1. You may be eligible to participate in the Plans instead of the I.A.T.S.E. National Benefit Plans if you qualify under the Plans' "home plan" rules. You should contact your Local 161 representative for details.

Participants were credited with pension credit for a calendar year if they had 70 days of service for that year under the 161 Pension Plan. If the Participant worked less than 70 days, partial credit was granted, in accordance with the following schedule (referred to as Partial Credit rules):

DAYS IN COVERED EMPLOYMENT FOR A CALENDAR YEAR	PENSION CREDITS
53 - 69	.75
35 - 52	.50
19 - 34	.25
Less than 19	None

Vested Participants can retire at age 60 without an early retirement reduction.

3 The Pension Plan Benefit Formula

The benefit formula under the Pension Plan is different from the formula under the 161 Pension Plan. The benefit under the Pension Plan is not based on pension credits. Instead, it is based on Credited Hours — these are generally hours for which contributions are required by the Pension Plan and the applicable collective bargaining agreements, that is, generally Covered Employment. Contributions are normally owed for all hours worked or guaranteed in Covered Employment. In general, to earn

benefits, you must earn a Qualified Year, which is 400 Credited Hours during a Computation Year. In addition, normal retirement under the Pension Plan is generally at age 65.

The current benefit formula is:

- ▶ The monthly benefit rate for the first 10 Qualified Years is \$.03729 per Credited Hour. For example, 2,000 Credited Hours in your seventh Qualified Year will earn a benefit of \$74.58 per month payable at Normal Retirement Age.
- ▶ The monthly benefit rate after the tenth Qualified Year is \$.04972 per Credited Hour. For example, 2,000 Credited Hours in your eleventh Qualified Year will earn a benefit of \$99.44 per month payable at Normal Retirement Age.
- ▶ After the 20th Qualified Year, the 400 Credited Hours requirement will not apply. You will earn benefits even if you accumulate less than 400 Credited Hours in a Computation Year at a monthly benefit rate of \$.04972 per Credited Hour. For example, 100 Credited Hours in your 23rd year will earn a benefit of \$4.97 per month payable at Normal Retirement Age.

If you continue to work in Covered Employment, you will start earning benefits under this formula on January 1, 2005 for

hours earned on and after that date. This Future Benefit is in addition to your 161 Pension Plan Accrual. Your 161 Pension Plan credits will count for determining the rate of Future Benefits you earned (\$.03729 versus \$.04972 per Credited Hour).² As described above, the benefit rate under the Pension Plan differs depending on whether you have 11 or more Qualified Years. Thus, if the sum of your Qualified Years after the merger is more than 10, you will start accruing Future Benefits at the higher benefit rate.

The rates described above do not apply to hours before a Break in Service as described in the Pension Plan SPD. Instead, the rate in effect at the time you had a Break in Service applies to hours before the break. Unlike the 161 Pension Plan, the Pension Plan does not allow you to repair a Break in Service.

4 Comparison of Formulas

To better understand the different formulas, the table on page 15 shows the benefits earned in a single year of work under the old 161 Pension Plan formula and the Pension Plan formula, depending upon the number of hours worked and your number of years. These tables assume all of your work under the Local 161 agreements is Covered Employment. Different Pension Plan amounts are shown depending on how many years

2. While the credit or service you earned under the 161 Pension Plan before the merger will count for determining the rate of the Future Benefits you earn (and, as described in this Notice, for a variety of other purposes), you will not be given any Future Benefits for this service. For example, assume you had 10 Pension Credits and 1500 credited days of service under the 161 Pension Plan as of December 31, 2004. You will keep your 161 Pension Plan Accrual for the 10 years of pension credit, but you will not receive any Future Benefit with respect to these 10 years. However, your Future Benefit for work after the merger will be earned at the rate applicable for 11 or more Qualified Years, since the 161 Pension Plan Service is counted for this purpose.

you have, since the benefit rate differs. The amounts shown on page 15 are the monthly benefit payable to you at age 65 in the form of a single life annuity.

5 Early Retirement Rules

The early retirement rules under the 161 Pension Plan continue to apply to your 161 Pension Plan Accrual. Under these rules, you can retire at age 57 as long as you have five pension credits (service under the Pension Plan after the merger counts for this purpose). The early retirement benefit is reduced by 6% for each year ($\frac{1}{2}$ of 1% per month) you are younger than age 60 at your retirement date. It is possible to retire early with regard to your 161 Pension Plan Accrual and not your Future Benefit. In general, the early retirement provisions in the Pension Plan will apply only to your Future Benefit. Under these rules, you can retire at age 55 as

long as you have 20 Qualified Years. You can retire at age 62 as long as you have 10 Qualified Years.

To better understand the factors, the table on page 16 shows the reduction depending on your age at retirement, assuming you were otherwise entitled to \$100/month at age 65 and you have the appropriate number of years.

There are two exceptions to these rules. First, if you qualify for an Unreduced Early Retirement Pension Benefit under the Pension Plan, you will be entitled to both your 161 Pension Plan Accrual and Future Benefit unreduced for early retirement. This requires at least 30 Qualified Years and attainment of age 62 with 50,000 Credited Hours (or age 61 with 55,000 Credited Hours, or age 60 with 60,000 Credited Hours.)

Second, if on January 1, 2005, you had at least 15 years of pension credit under the 161 Pension Plan and had attained age 55, you can receive both your 161 Pension Plan Accrual and Future Benefit unreduced for early retirement at age 60.

6 Other Rules

There are a number of additional rules to coordinate the 161 Pension Plan Accrual and Future Benefit.

FORMS OF BENEFITS

When you retire, you can elect to receive your 161 Pension Plan Accrual in one of the forms available under the 161 Pension Plan. These forms are a Husband and Wife Pension Benefit (this provides a 50% survivor annuity to your spouse at the time of retirement) and a life annuity option (with a 60 month guaranty). These are

Monthly Benefit Payable at Age 65 Based on One Year of Covered Employment

CREDITED HOURS IN A YEAR (assuming 12-Hour Days)	MONTHLY LOCAL 161 PENSION PLAN ACCRUAL	MONTHLY PENSION PLAN FUTURE BENEFIT (1st thru 10th Qualified Year)	MONTHLY PENSION PLAN FUTURE BENEFIT (11th thru 20th Qualified Year)
2,400	\$80.00	\$89.50	\$119.33
2,200	\$80.00	\$82.04	\$109.38
2,000	\$80.00	\$74.58	\$99.44
1,800	\$80.00	\$67.12	\$89.50
1,290	\$80.00	\$48.10	\$64.14
870	\$80.00	\$32.44	\$43.26
730	\$60.00	\$27.22	\$36.30
590	\$40.00	\$22.00	\$29.33
450	\$40.00	\$16.78	\$22.37
360	\$20.00	\$0	\$0 (11th-20th Year) \$17.90 (After 20 Years)
228	\$20.00	\$0	\$0 (11th-20th Year) \$11.34 (After 20 Years)

described in more detail in the 161 Summary Plan Description. If the Husband and Wife Pension Benefit is payable, the benefit shall be reduced in accordance with the factors set forth in the 161 Pension Plan. In addition, the requirement that you be married for one year in order to receive the Husband and Wife Pension Benefit under the 161 Pension Plan does not apply to retirements after December 31, 2004.

The forms of benefit available under the Pension Plan will apply only with respect to your Future Benefit. The forms of benefit under the Pension Plan are a Life Annuity Benefit, a Qualified Joint & 50% Survivor Annuity Benefit, a Joint and 100% Survivor Annuity Benefit, a Joint & 50% Pop-up Annuity Benefit, a Joint & 100% Pop-up Annuity Benefit, and a Ten-Years-Certain and Life Annuity Benefit. In general, the only beneficiary allowed under any of these forms is your spouse,

except that under the Ten-Years-Certain and Life Annuity Benefit, you may elect to have either your spouse or children as beneficiary. For participants retiring in 2009 and thereafter, the Qualified Joint & 75% Survivor Annuity Benefit is available with respect to both the Local 161 Pension Plan Accrual and the Future Benefit. These rules are described more completely in the Pension Plan *SPD*.

VESTING AND VESTING YEARS

In general, a five-year cliff Vesting schedule will apply for both your 161 Pension Plan Accrual and your Future Benefit. However, if you do not have any hours after 1997, the prior 10-year Vesting schedule will continue to apply to your 161 Pension Plan benefits.

For Vesting purposes, you will receive credit for your prior Vesting service under the 161 Pension Plan (currently, 70 days in a calendar year). In general,

your Vested Years as of December 31, 2004 are the greater of: (1) the actual nonforfeited pension credits you earned under the 161 Pension Plan; or (2) the number of Computation Years in which you had 400 or more hours in the 161 Pension Plan (excluding years forfeited if the Pension Plan forfeiture rules had applied). For this purpose, you will be credited with 12 hours for each non-forfeited day of credited service under the 161 Pension Plan. You will also receive credit for your Vesting Years earned under the Pension Plan after 2004.

QUALIFIED YEARS

For most purposes, such as eligibility for early retirement under the Pension Plan and eligibility for disability under the Pension Plan, you receive credit for your prior service under the 161 Pension Plan. However, you will not receive any Future Benefit with respect to the credit or service you earned under the

RETIREMENT AGE	LOCAL 161 BENEFIT	PENSION PLAN REDUCED EARLY RETIREMENT BENEFIT FACTORS	PENSION PLAN BENEFIT (20 or more Qualified Years if under age 62; 10 years if 62 or older)	PENSION PLAN BENEFIT (30 or more Qualified Years and 60,000 Credited Hours)
65	\$100.00	100%	\$100.00	\$100.00
64	\$100.00	92.50%	\$92.50	\$100.00
63	\$100.00	86%	\$86.00	\$100.00
62	\$100.00	80%	\$80.00	\$100.00
61	\$100.00	74.50%	\$74.50	\$100.00
60	\$100.00	69%	\$69.00	\$100.00
59	\$94.00	64%	\$64.00	\$92.80
58	\$88.00	59.50%	\$59.50	\$86.20
57	\$82.00	55.50%	\$55.50	\$80.40
56	NOT PERMITTED	52%	\$52.00	\$75.40
55	NOT PERMITTED	49%	\$49.00	\$71.00

161 Pension Plan. In general, your Qualified Years as of December 31, 2004 are the greater of: (1) the actual pension credits you earned under the 161 Pension Plan as of that date (for this purpose, the Partial Credit rules will apply); or (2) the number of Computation Years in which you had 400 or more hours in the 161 Pension Plan (excluding years forfeited if the Pension Plan forfeiture rules had applied). For this purpose, you were credited with 12 hours for each nonforfeited day of credited service under the 161 Pension Plan. You will also receive credit for your Qualified Years earned under the Pension Plan after 2004.

While these rules apply for purposes of determining whether you can retire early under the Pension Plan rules, they do not apply for purposes of determining whether you can retire early under 161 Pension Plan rules.

DISABILITY BENEFITS

The 161 Pension Plan did not provide for a disability pension. However, the Pension Plan does provide a disability pension. In order to receive a disability benefit after December 31, 2004, you will need to qualify under the Pension Plan rules. If you qualify, both the Future Benefit and 161 Pension Plan Accrual will be paid to you in accordance with these rules. If the earliest possible disability pension date is before 2005, you will not be entitled to a disability pension.

PRE-RETIREMENT DEATH BENEFITS

In general, the Pension Plan

pre-retirement death benefit rules will apply to both your 161 Pension Plan Accrual and your Future Benefit. Under these rules, if you are Vested and have a legal spouse to whom you have been married for at least one year prior to your death (prior to retirement), your spouse is entitled to a Surviving Spouse Benefit. This benefit is an annuity equal to the survivor portion of your pension if paid in the form of a Joint & 50% Survivor Annuity Benefit (beginning when you would have reached retirement age, or death if later). Your spouse may elect a lump sum instead.

In all other cases, the Pension Plan does not provide a pre-retirement death benefit. However, in this case, your beneficiary is entitled to a death benefit based on the prior 161 Pension Plan rules and your service up until the merger. Specifically, as long as you had at least $\frac{1}{4}$ year of pension credits under the 161 Pension Plan as of December 31, 2004, your beneficiary is entitled to a lump sum equal to \$250 multiplied by your pension credits (ignoring past service credit) under the 161 Pension Plan as of December 31, 2004, but not less than \$1,000 or more than \$5,000. Service after the merger is not counted for this purpose.

BENEFIT SUSPENSION AND LATE RETIREMENT RULES

The 161 Pension Plan and the Pension Plan both suspend benefits if you retire and come back to work. On or after January 1, 2005, the Pension Plan rules apply Future Benefit. The Pension Plan rules apply to the 161 Pension Plan Accrual except

to the extent the 161 Pension Plan suspension rules are more favorable, in which case those rules apply. These rules will also apply to 161 Pension Plan members who previously retired.

The late retirement rules of the 161 Pension Plan will continue to apply to the 161 Pension Plan Accrual, but not the Future Benefit. The late retirement rules in the Pension Plan apply to the Future Benefit.

BREAK IN SERVICE RULES

Both the 161 Pension Plan and the Pension Plan have Break in Service rules. These rules apply for at least two purposes in the Pension Plan: (1) generally, you are not entitled to any possible benefit increase for service prior to a break; and (2) determining whether your prior service is forfeited if you leave employment before you are Vested.

Any service forfeited prior to the merger under the 161 Pension Plan rules will remain forfeited after the merger. To determine if you have a break after the merger, the Pension Plan rules will go into effect and will apply to both your 161 Pension Plan Accrual and Future Benefit. In general, you will incur a Break in Service under the Pension Plan rules if you have a period of two consecutive years with less than 200 Vested hours in each year. Your service under the 161 Pension Plan prior to the merger will be considered for this purpose to determine if you have a break.

Thus, if you are not Vested and have a forfeiture after the merger under the Pension Plan rules, you will forfeit both your 161 Pension

Plan Accrual and the Future Benefit you earned up until the forfeiture. If you had a forfeiture under the 161 Pension Plan before the merger, the amount earned before the break remains forfeited.

The 161 Pension Plan generally provided that if you had at least two quarters of future service credit on or after January 1, 2000, you would be entitled to the \$80 benefit accrual rate. Similar rules do not apply under the Pension Plan. Thus, service after January 1, 2005, is not counted for this purpose. In addition, if there are subsequent benefit increases made by plan amendments that apply to the 161 Pension Plan Accrual, and your benefit rate under the 161 Pension Plan was less than \$80 per month per year of service (because you did not earn at least two quarters of service from 2000 to 2004), you will not be entitled to any increase with respect to the 161 Pension Plan Accrual.

If you have a Break in Service under the Pension Plan rules (after the merger), you will not be entitled to any active benefit increases with respect to the 161 Pension Plan Accrual or Future Benefit earned before the break (for this purpose, your service in 2004 will be treated as a year with fewer than 200 hours if you did not earn 17 credited days of service under the 161 Pension Plan).

OTHER RULES

In general, all other rules of the Pension Plan apply after December 31, 2004. For example, the Pension Plan requires you to

give notice of retirement at least two complete calendar months in advance. The various election rules to elect a form of benefit under the Pension Plan will also apply.

EMPLOYEES WHO PARTICIPATED IN THE 161 PENSION PLAN AND THE PENSION PLAN PRIOR TO MERGER

A number of special rules apply to you if you participated in both the Pension Plan and the 161 Pension Plan prior to January 1, 2005. You retain all benefits you have earned under both plans as of January 1, 2005. Essentially, your benefits will be equal to the 161 Pension Plan Accrual you earned under the 161 Pension Plan prior to January 1, 2005 plus all of the benefits you earn under Pension Plan both before and after the merger. You keep the benefit you earned under the Pension Plan prior to January 1, 2005; it is subject to all of the applicable Pension Plan rules.

In addition, certain special rules will apply for purposes of calculating your service. In general, the rules mentioned previously will apply; you will also be entitled to credit for your service under the Pension Plan prior to the merger. However, you will not be entitled to duplicate service. For example, if you earned a Qualified Year in 1995 under the Pension Plan, you will not be entitled to earn another Qualified Year under the 161 Pension Plan for 1995. (The same concept applies for Vesting and early retirement.) In addition, your service under the Pension Plan and the 161 Pension Plan cannot be combined to determine if you

have a Vesting Year, Qualified Year or pension credit. Other special rules apply.

7 Loan-Outs/Employee Shareholders

The Pension Plan and IAP do not permit Loan-Out Companies. A "Loan-Out Company" is defined as a company controlled by the loaned-out Employee, who is the only Employee of the company performing work in the Industry to contribute to the Pension Plan or IAP. If such an Employee is loaned-out to a borrowing Employer that participates in the plans, the borrowing Employer may be required to contribute. In addition, if an Employee is an officer, shareholder or member (or a spouse of such a person) of a company that is not a Loan-Out Company, then special rules apply regarding the amount of contributions that are required. If you fall into either of these categories, please contact the Pension Plan for further information.

YOUR INDIVIDUAL ACCOUNT PLAN BENEFITS

The enclosed Pension Plan *SPD* also contains information on the IAP. Beginning January 1, 2005, you are eligible to participate in the IAP. These rules are described briefly below.

Prior Account Balance

Your account balance under the Local 161, I.A.T.S.E. Annuity Plan (the "161 Annuity Plan") will be adjusted for any earnings/losses under the 161 Annuity Plan for the 2004 year. Your December 31, 2004 account balance under the 161 Annuity Plan is now your Special Account under IAP.

The Special Account is 100% Vested and cannot be taken away from you. Your Special Account will be credited with gains and losses on that account balance in accordance with the IAP rules for allocating gains and losses.

In general, you may withdraw your Special Account in accordance with the distribution rules applicable under the 161 Annuity Plan. Thus, you can withdraw the funds when you attain age 57, or the fifth anniversary of your commencement of participation, if later. Prior to that time, you may withdraw the Special Account if you have no covered employment for at least six months (distributions will not be made until the IAP verifies this, and no distribution is made if the Plans learn you are working during the period it is verifying this). However, because financial hardship withdrawals are not permitted under the IAP, they will not be permitted from Special Accounts.

You may elect to receive your Special Account in the form of a Life Annuity, Qualified Joint & 50% Survivor Annuity, Joint & 75% Survivor Annuity, or lump sum. Combination lump sum/annuities, installments, and annuities with refund features are no longer available after March 31, 2005. Of course, you may still elect to roll a lump sum over to another plan or IRA that will accept it.

Future Contributions and Allocations

Effective January 1, 2005, you started earning benefits under the rules of the IAP for Covered Employment, as defined previously. Under these rules, if you earn 400 Credited Hours in a Computation Year,³ you will receive an allocation under the IAP of contributions made on your behalf.⁴ All such contributions will be credited to your IAP. Your IAP is separate from your Special Account, and different distribution rules apply.

In general, your Employer is required to contribute 6% of your scale regular basic hourly rate of pay (6% subject to possible reallocation of 1% to the Health Plan).⁵ This amount is invested by a number of professional investment advisors and the earnings (or losses) on these amounts are also allocated to your IAP. (As noted above, earnings (and losses) on your Special Account balance will also be allocated to your IAP.)

You may take your IAP in a lump sum or annuity when you retire from the IAP, based on the IAP distribution rules as set forth in the enclosed summary. For most purposes under the IAP, such as determining eligibility for early retirement and eligibility for disability, you will receive credit for your service under the 161 Pension Plan prior to January 1, 2005. However, to the extent

the IAP provides any actual allocations of contributions based on prior service, your prior service will not count.

Vesting

In general, you are always 100% Vested in your Special Account and IAP. There is one exception. If you participated in the IAP prior to the merger, and you were not Vested in the IAP, your IAP will not Vest automatically. You will only Vest if you meet the IAP Vesting rules (generally, one Qualified Year after 1999, or five Vesting Years, and at least one Credited Hour after August 1, 2000). For this purpose, your service under the 161 Pension Plan will count toward IAP Vesting credit under the same rules as apply to the Pension Plan.

Other Rules

In general, all other rules of the IAP apply after December 31, 2004. For example, pre-retirement death benefit and disability rules of the IAP apply to your Special Account after the merger. In addition, the IAP requires you to give notice of retirement at least two complete calendar months in advance. The various election rules to elect a form of benefit under the Pension Plan will also apply.

3. 870 hours are required if you have previously received a IAP distribution; distributions from the 161 Annuity Fund or from your Special Account will not trigger this 870 hour rule.

4. If you do not earn a Qualified Year, no allocation will be made.

5. If you work under a different collective bargaining agreement, a different percentage of compensation may apply.

Local 600 (644)

PENSION PLAN BENEFITS APPENDIX

Former East Coast Local 600 (644) Pension Fund Participants

This Appendix is part of your March 2017 Summary Plan Description for the Motion Picture Industry Pension Plan ("Pension Plan") and Motion Picture Individual Account Plan ("IAP"), (collectively, the "Plans").

The nature and extent of benefits provided by the Pension Plan and the rules governing eligibility are determined solely and exclusively by the Directors of the Plans, consistent with applicable law. The Directors shall also have full discretion and authority to interpret the benefits and to decide any factual question related to eligibility for and the extent of benefits provided by the Pension Plan, consistent with applicable law.

Employees of the Plans have no authority to alter benefits or eligibility rules. Any interpretations or opinions given by employees of the Plans are not binding upon the Directors and cannot increase or change such benefits or eligibility rules. In accordance with the terms of the Trust Agreement, the Directors reserve the right to change the nature and extent of benefits provided by the Pension Plan and to amend the rules governing eligibility at any time, consistent with applicable law.

DEAR PENSION PLAN PARTICIPANT:

The former Local 666 I.A.T.S.E. Pension and Welfare Funds, and the former Local 600 Pension and Welfare Funds (formerly Local 644), merged with the Pension Plan, effective January 1, 1999.

If you were a participant in the Local 600 I.A.T.S.E. Pension Fund (the "600 Plan") immediately prior to January 1, 1999, this Appendix explains your 600 Plan benefits where they differ from the Pension Plan and is in addition to the enclosed Pension Plan *SPD*.

If you have any questions about your benefits, please call the Plans' Participant Services Center at (855) ASK-4MPI (275-4674).

Sincerely,

BOARD OF DIRECTORS

Motion Picture Industry Pension Plan
Motion Picture Industry Individual Account Plan

NOTE FOR RETIREES

If you retired from the 600 Plan prior to January 1, 1999, you are continuing to receive your monthly pension check except that it is issued by the Pension Plan. Except as provided in this notice, unless you return to work, nothing in the merger will affect you.

NOTE FOR VESTED PARTICIPANTS

If you were Vested (meaning your benefits are not forfeitable under the 600 Plan) before the merger date, you will remain Vested after the merger.

1 The 600 Plan Benefit Formula

The benefit under the 600 Plan was generally equal to the number of your pension credits multiplied by the monthly benefit accrual rate in effect at the time you retire. Immediately prior to the merger in December 1998, it was \$68. For active Participants without a Break in Service, the 600 Plan accrued benefit was increased by 23% effective August 1, 2000, an additional 15% effective August 1, 2003, and an additional 10% effective August 1, 2006. In accordance with the rules of the 600 Plan, this rate does not apply if you previously had a protracted absence from covered employment unless you later repaired the break. Instead, the rate in effect at the time you left employment applies to service earned before that time. Participants were credited with pension credits on the basis of days of covered employment on which contributions to the 600 Plan were made.

As long as you had at least 12 pension credits, you could retire at age 60 without an early retirement reduction.

The plan year under the 600 Plan ended on August 31 while the plan year under the Pension Plan ends in late December. In order to merge the plans, certain rules were adopted to coordinate these provisions.

Participants were credited with pension credits for the period from September 1, 1998 until December 31, 1998 in accordance with the following rules:

DAYS OF EMPLOYMENT DURING 9/1/98 TO 12/31/98	CREDIT FOR PERIOD
0 - 8	0
9 - 16	1/12
17 - 24	1/6
25 - 33	1/4
34 - 49	1/3
50 - 74	1/2
75 - 99	3/4
100 and over	1

2 Amendment to Benefit Formula

Effective December 31, 1998, you no longer earned benefits under the 600 Plan rules. Your 600 Plan benefit was limited to your pension credits and benefit earned as of December 31, 1998. The 600 Plan normal retirement benefit earned as of December 31, 1998 is referred to as the "600 Plan Accrual." Your 600 Plan Accrual will not be taken away from you; you will be entitled to it when you

ultimately retire under the terms of the Pension Plan. Except for any applicable benefit increases that have been or may in the future be adopted for actives or retirees under Pension Plan rules, your 600 Plan Accrual will be frozen as of December 31, 1998.

Effective January 1, 1999, you started earning benefits under the rules of the Pension Plan. This benefit you may earn under the Pension Plan rules on or after January 1, 1999 is referred to as the "Future Benefit." When you finally retire, the benefit you are entitled to will be the sum of the 600 Plan Accrual you have earned as of December 31, 1998 plus the Future Benefit you earn after that date.

3 The Pension Plan Benefit Formula

The benefit formula under the Pension Plan is different from the formula under the 600 Plan. The Future Benefit under the Pension Plan is not based on pension credits. Instead, it is based on Credited Hours — these are generally hours for which contributions are required pursuant to the Pension Plan. In general, to earn benefits, you must earn a Qualified Year, which is 400 Credited Hours during a Computation Year. In addition, normal retirement under the Pension Plan is generally at age 65.

The current benefit rate (if you have not incurred a Break in Service) is:¹

- The monthly benefit rate for the first 10 Qualified Years is \$.03729 per Credited Hour. For example, 1,000 Credited Hours in your seventh Qualified Year

will earn a benefit of \$37.29 per month payable at Normal Retirement Age.

- The monthly benefit rate for the 11th to 20th Qualified Year is \$.04972 per Credited Hour. For example, 1,000 Credited Hours in your 11th Qualified Year will earn a benefit of \$49.72 per month payable at Normal Retirement Age.
- After the 20th Qualified Year, the 400 Credited Hours requirement will no longer apply. Participants will earn benefits even if they accumulate less than 400 Credited Hours in a Computation Year. They will earn at the rate of \$.04972 per Credited Hour. For example, 300 Credited Hours in your 23rd Qualified Year will earn a benefit of \$14.92 per month payable at Normal Retirement Age.

These benefits will be in addition to your 600 Plan Accrual. Your 600 Plan credits will count for determining the rate of Future Benefits you earned.¹ As described above, the benefit rate under the Pension Plan differs depending on whether you have 10 or more Qualified Years. Thus, if the sum of your Qualified Years after the merger is more than 10, you will start accruing Future Benefits at the higher benefit rate.

The rates described above do not apply to hours before a Break

in Service as described in the Pension Plan *SPD*. Instead, the rate in effect at the time you had a Break in Service applies to hours before the Break in Service. Unlike the 600 Plan, the Pension Plan does not allow you to repair a Break in Service.

4 Other Rules

The Pension Plan has been amended to provide a number of additional rules to coordinate the 600 Plan Accrual and Future Benefit.

FORMS OF BENEFITS

When you retire, you can elect to receive your 600 Plan Accrual in one of the forms available under the 600 Plan — the Joint & Survivor Pension Benefit or Life Annuity Benefit with 120 months guarantee. However, the requirement that you be married for one year in order to receive the Joint & Survivor Benefit under the 600 Plan will not apply to retirements after 1998.

The forms of benefit available under the Pension Plan will only apply with respect to your Future Benefit. The forms of benefit under the Pension Plan are a Life Annuity Benefit, a Qualified Joint & 50% Survivor Annuity Benefit, a Joint & 100% Survivor Annuity Benefit, a Joint & 50% Pop-up Annuity Benefit, a 100% Pop-up Annuity Benefit, and a 10-Years-Certain and Life Annuity Benefit. In general, the only beneficiary

allowed under any of these forms is your spouse, except that under the 10-Years-Certain and Life Annuity Benefit, you may elect to have either your spouse or children as your beneficiary. For participants retiring in 2009 and thereafter, the Qualified Joint & 75% Survivor Annuity Benefit is available with respect to both the 600 Plan Accrual and the Future Benefit. These rules are described in your Pension Plan *SPD*.

EARLY RETIREMENT

The early retirement rules under the 600 Plan will continue to apply to your 600 Plan Accrual. The early retirement provisions in the Pension Plan will apply only to your Future Benefit.

There is one exception to these rules. If you qualify for an Unreduced Early Retirement Benefit under the Pension Plan, you will be entitled to your 600 Plan Accrual and Future Benefit unreduced for early retirement.

VESTING

A five-year cliff Vesting schedule will apply to both your 600 Plan Accrual and your Future Benefit if you have one or more Vested hours after December 25, 1999. Otherwise, a 10-year cliff Vesting schedule will apply.

QUALIFIED AND VESTING YEARS

For most purposes, such as determining your Vesting,

1. While the credit or service you earned under the 600 Plan before the merger will count for determining the rate of the Future Benefits you earn (and, as described in this notice, for a variety of other purposes), you will not be given any Future Benefits for this service. For example, assume you had 10 pension credits and 1,500 credited days of service under the 600 Plan as of December 31, 1998. You will keep your 600 Plan Accrual for the 10 years of pension credit, but you will not receive any Future Benefit with respect to these 10 years. However, your Future Benefit for work after the merger will be earned at the rate applicable for 11 or more Qualified Years, since the 600 Plan Service is counted for this purpose.

eligibility for early retirement and eligibility for disability, you receive prior credit for your service under the 600 Plan prior to 1999. However, you will not receive any Future Benefit with respect to the credit or service you earned under the 600 Plan. In general, your Vested Years and Qualified Years will be the greater of the actual credits you earned under the 600 Plan or the amount of years that you would have earned had the Pension Plan rules been in effect (under the Pension Plan rules, you will earn a year if you have 400 or more hours in that year). In general, your days of employment under the 600 Plan will be converted into hours at the rate of 12 hours/day. You also receive credit for your service under the Pension Plan after 1998.

Notwithstanding the above, in general, you are only entitled to 1 1/3 years for the period from September 1, 1998 until December 31, 1999.

DISABILITY AND PRE-RETIREMENT DEATH BENEFITS

The rules in the 600 Plan regarding disability benefits and pre-retirement death benefits no longer apply after 1998. Thus, in order to be eligible for a disability benefit or pre-retirement death benefit after 1998, you need to qualify under the Pension Plan rules. If you qualify, both the Future Benefit and 600 Plan Accrual will be paid in accordance with these rules. Of course, any pre-retirement death benefit or a disability benefit in pay status under the 600 Plan as of December 31, 1998 will remain in effect as long as you remain

eligible for that benefit.

BENEFIT SUSPENSION RULES

Both the 600 Plan and the Pension Plan have rules providing for a suspension of benefits if you retire and come back to work. On or after January 1, 1999, the Pension Plan rules apply to the Future Benefit. The Pension Plan rules apply to the 600 Plan Accrual except to the extent the 600 Plan suspension rules are more favorable, in which case those rules apply. These rules also apply to 600 Plan members who previously retired.

BREAK IN SERVICE RULES

Both the 600 Plan and Pension Plan also have Break in Service rules which apply for at least two purposes:

- ① determining whether or not you are entitled to any benefit rate increases (generally you are not entitled to a benefit increase for service prior to a break); and
- ② determining whether your prior service is forfeited if you leave employment before you are Vested (under the 600 Plan, these breaks may be referred to as "protracted absences from employment" or "one year breaks" or "permanent breaks").

For periods on or after January 1, 1999, the various break rules in the 600 Plan no longer apply. Instead, the Pension Plan rules are in effect and apply to both your 600 Plan Accrual and Future Benefit. In general, you will incur a Break in Service under the Pension Plan rules if you have a

period of two consecutive plan years with less than 200 Vested hours in each year. Your service under the 600 Plan prior to 1999 will be considered for this purpose to determine if you have a break.

Thus, if you are not Vested and have a forfeiture on or after January 1, 1999 under the Pension Plan rules, you will forfeit both your 600 Plan Accrual and the Future Benefit you earned up until the forfeiture. If you had a forfeiture under the 600 Plan before 1999, the 600 Plan Accrual earned before the break remains forfeited.

In addition, if there are subsequent benefit increases that apply to the 600 Plan Accrual, and you have a protracted absence under the 600 Plan rules (prior to 1999) or a Break in Service under the Pension Plan rules (after 1998), you will not be entitled to any increase with respect to the 600 Plan Accrual or Future Benefit earned before the Break in Service.

Finally, the 600 Plan had certain rules which allowed you to repair your earlier protracted absences so that you would be entitled to future benefit rate increases. There are no repair rules under the Pension Plan. You had until August 31, 1999 to repair any protracted absence. For this purpose, the 600 Plan repair rules applied and your hours from January 1, 1999 to August 31, 1999 would have been converted to days at the rate of 12 hours per day. On or after September 1, 1999, you are no longer able to repair any prior absence.

OTHER RULES

In general, all other rules of the Pension Plan apply after January 1, 1999. For example, the Pension Plan requires you to give notice of retirement at least two complete calendar months in advance. These rules apply to you after 1998. The various election rules to elect a form of benefit under the Pension Plan also apply. The late retirement rules under the Pension Plan also apply, except that your late retirement 600 Plan Accrual will not be less than the amount you would have received if you had retired on December 31, 1998.

CAMERAMEN WHO PARTICIPATED IN BOTH THE 600 PLAN AND THE PENSION PLAN PRIOR TO 1999

A number of special rules apply to you if you participated in both the Pension Plan and the 600 Plan prior to 1999. You retain all benefits you have earned under both plans as of January 1, 1999. Essentially, your benefits will be equal to the 600 Plan Accrual you earn under the 600 Plan prior to 1999 plus all of the benefits you earn under the Pension Plan both before and after the merger. The benefit you earned under Pension Plan prior to 1999 is considered part of your Future Benefit and is subject to all of the applicable the Pension Plan rules.

In addition, certain special rules apply for purposes of calculating your service. In general, the rules mentioned previously will apply; you are also entitled to credit for your service under the Pension Plan prior to 1999. However, you are not entitled to duplicate service for purposes of

determining if you have a Vesting Year or Qualified Year. In other words, if you earn a year of credit in 1995 under both the Pension Plan and the 600 Plan, you are not entitled to two years of credit for purposes of computing Vesting or Qualified Years. In addition, your service under the Pension Plan and the 600 Plan cannot be combined to determine if you have a Vesting Year or Qualified Year or Break in Service.

5 The Individual Account Plan

The enclosed Pension Plan *SPD* also contains information on the IAP. Beginning January 1, 1999, you are eligible to participate in the IAP. However, the Local 600 Annuity Fund will not be merged into the IAP.

For most purposes under the IAP, such as determining your Vesting, eligibility for early retirement and eligibility for disability, you will receive prior credit for your service under the 600 Plan prior to 1999. However, to the extent the IAP provides any actual allocations of contributions based on prior service, your prior service will not count.

The Local 600 Annuity Fund was terminated on or about January 1, 1999. After the termination of the Annuity Fund, you received a notice of the balance in your account and you were notified of your options (to receive a distribution or rollover the money). At that time, you were given the option to roll your lump sum benefit into the IAP. If you rolled your lump sum into the IAP, it is governed by the rules and regulations of the IAP.

Local 666

PENSION PLAN BENEFITS APPENDIX

Former Local 666 Pension Fund Participants

This Appendix is part of your March 2017 Summary Plan Description for the Motion Picture Industry Pension Plan ("Pension Plan") and the Motion Picture Industry Individual Account Plan ("IAP"), (collectively, the "Plans").

The nature and extent of benefits provided by the Pension Plan and the rules governing eligibility are determined solely and exclusively by the Directors of the Plans, consistent with applicable law. The Directors shall also have full discretion and authority to interpret the Benefits and to decide any factual question related to eligibility for and the extent of benefits provided by the Pension Plan, consistent with applicable law.

Employees of the Plans have no authority to alter benefits or eligibility rules. Any interpretations or opinions given by employees of the Plans are not binding upon the Directors and cannot increase or change such benefits or eligibility rules. In accordance with the terms of the Trust Agreement, the Directors reserve the right to change the nature and extent of benefits provided by the Pension Plan and to amend the rules governing eligibility at any time, consistent with applicable law.

DEAR PENSION PLAN PARTICIPANT:

The former Cameramen's Local 666 I.A.T.S.E. Pension Fund ("666 Plan") and the former Local 600 Pension Fund (formerly Local 644) merged with the Pension Plan, effective January 1, 1999.

If you were a participant in the 666 Plan immediately prior to January 1, 1999, this Appendix explains your 666 Plan benefits where they differ from the Pension Plan and is an addition to the enclosed Pension Plan *SPD*.

If you have any questions about your benefits, please call the Plans' Participant Services Center at (855) ASK-4MPI (275-4674).

Sincerely,

BOARD OF DIRECTORS

Motion Picture Industry Pension Plan

Motion Picture Industry Individual Account Plan

NOTE FOR RETIREES

If you retired from the Local 666 Plan prior to January 1, 1999, you are continuing to receive your monthly pension check except that it is issued by the Pension Plan. Except as provided in this notice, unless you return to work, nothing in the merger will affect you.

NOTE FOR VESTED PARTICIPANTS

If you were Vested (meaning your benefits are not forfeitable under the 666 Plan) before the merger date, you will remain Vested after the merger.

1 The 666 Plan Benefit Formula

The benefit under the 666 Plan was generally equal to the number of your pension credits multiplied by the monthly benefit accrual rate in effect at the time you retire (prior to the merger in December 1998, it was \$45). In accordance with the rules of the 666 Plan, this rate does not apply if you previously left covered employment or had a benefit break, unless you later repaired the break. Instead, the rate in effect at the time you left employment applies to service earned before that time. For active participants without a Break in Service, the

666 Plan accrued benefit was increased by 23% effective August 1, 2000, an additional 15% effective August 1, 2003, and an additional 10% effective August 1, 2006. Participants were credited with pension credits on the basis of hours of work of covered employment on which contributions to the 666 Plan were made, in accordance with the schedule below.

In addition, if you had more than 1,000 hours of work of covered employment in a calendar year, the number of hours over 1,000 could be applied to hours worked in either the prior or succeeding calendar year to earn additional credit.

2 Amendment to Benefit Formula

Effective December 31, 1998, you no longer earned benefits under the 666 Plan rules. Your 666 Plan benefit is limited to your pension credits and benefit earned as of December 31, 1998. The 666 Plan normal retirement benefit earned as of December 31, 1998 is referred to as the "Frozen Benefit." However, this Frozen Benefit will not be taken away from you; you will be entitled to it when you ultimately retire under the terms of the Pension Plan. Except for any applicable benefit increases that have been or may in the

future be adopted for actives or retirees under the Pension Plan rules, your 666 Plan Accrual will be frozen as of December 31, 1998. Please see the Pension Plan SPD for rate increase information.

Effective January 1, 1999, you started earning benefits under the rules of the Pension Plan. This benefit you may earn under the Pension Plan rules on or after January 1, 1999 is referred to as the "Future Benefit." When you finally retire, the benefit you are entitled to will be the sum of the Frozen Benefit you have earned as of December 31, 1998 plus the Future Benefit you earn after that date.

3 The Pension Plan Benefit Formula

The benefit formula under the Pension Plan is different from the formula under the 666 Plan. The Future Benefit under the Pension Plan is not based on pension credits. Instead, it is based on Credited Hours — these are generally hours for which contributions are required pursuant to the Pension Plan. In general, to earn benefits, you must earn a Qualified Year, which is 400 Credited Hours during a Computation Year. In addition, normal retirement under the Pension Plan is generally at age 65.

The current benefit rate used, if you have not incurred a Break in Service is:

- The monthly benefit rate for the first 10 Qualified Years is \$.03729 per Credited Hour. For example, 1,000 Credited Hours in your seventh Qualified Year will earn a benefit of \$37.29 per month payable at Normal Retirement Age.

HOURS OF WORK/YEAR	PENSION CREDITS
Less than 250	0
250 to 499.9 Hours	1/4
500 to 749.9 Hours	1/2
750 to 999.9 Hours	3/4
1,000 or more Hours	1

- The monthly benefit rate for the 11th to 20th Qualified Year is \$.04972 per Credited Hour. For example, 1,000 Credited Hours in your 11th Qualified Year will earn a benefit of \$49.72 per month payable at Normal Retirement Age.
- After the 20th Qualified Year, the 400 Credited Hours requirement will no longer apply. Participants will earn benefits even if they accumulate less than 400 Credited Hours in a Computation Year. They will earn at the rate of \$.04972 per Credited Hour. For example, 300 Credited Hours in your 23rd Year will earn a benefit of \$14.92 per month payable at Normal Retirement Age.

These benefits will be in addition to your Frozen Benefit. Your 666 Plan credits were counted for determining the rate of Future Benefits you earned.¹ As described above, the benefit rate under the Pension Plan differs depending on whether you have 10 or more Qualified Years. Thus, if the sum of your Qualified Years after the merger is more than 10, you will start accruing Future Benefits at the higher benefit rate.

The Pension Plan does not have any rules which allow you to apply extra Credited Hours from one year to the prior or succeeding year. Thus, these rules no longer apply after 1998. In

addition, you are not able to take any excess hours earned during 1998 and apply them to 1999.

The rates described above do not apply to hours before a Break in Service as described in the Pension Plan *SPD*. Instead, the rate in effect at the time you had a Break in Service applies to hours before the Break in Service. Unlike the 666 Plan, the Pension Plan does not allow you to repair a Break in Service.

4 Other Rules

The Pension Plan has been amended to provide a number of additional rules to coordinate the Frozen and Future Benefit.

FORMS OF BENEFITS

When you retire, you can elect to receive your Frozen Benefit in only one of the forms available under the 666 Plan—the 50% Husband and Wife Pension (with pop-up if your spouse predeceases you) or Life Annuity with 36 months Guarantee. However, the requirement that you be married for one year in order to receive the 50% Husband and Wife Pension under the 666 Plan will not apply to retirements after 1998.

The forms of benefit available under the Pension Plan will only apply with respect to your Future Benefit. The forms of benefit under the Pension Plan are a Life Annuity Benefit, a Qualified Joint & 50% Survivor Annuity Benefit,

a Joint & 100% Survivor Annuity Benefit, a Joint & 50% Pop-up Annuity Benefit, a 100% Pop-up Annuity Benefit, and a 10-Years-Certain and Life Annuity Benefit. In general, the only beneficiary allowed under any of these forms is your spouse, except that under the 10-Years-Certain and Life Annuity Benefit, you may elect to have either your spouse or children as beneficiary. For Participants retiring in 2009 and thereafter, the Qualified Joint & 75% Survivor Annuity Benefit is available with respect to both the Frozen Benefit and the Future Benefit. These rules are described in your Pension Plan *SPD*.

EARLY RETIREMENT

The early retirement rules under the 666 Plan continue to apply to your Frozen Benefit. The early retirement provisions in the Pension Plan will apply only to your Future Benefit.

There are two exceptions to these rules. First, if you qualify for an Unreduced Early Retirement Benefit under the Pension Plan, you will be entitled to your Frozen and Future Benefits unreduced for early retirement. Second, if you qualify for early retirement under the Pension Plan and are under age 60, you will also be entitled to receive your Frozen Benefit reduced by the early retirement factors in the Pension Plan.

1. While the credit or service you earned under the 666 Plan before the merger will count for determining the rate of the Future Benefits you earn (and, as described in this notice, for a variety of other purposes), you will not be given any Future Benefits for this service. For example, assume you had 10 Pension Credits and 1,500 credited days of service under the 666 Plan as of December 31, 1998. You will keep your 666 Pension Plan Accrual for the 10 years of pension credit, but you will not receive any Future Benefit with respect to these 10 years. However, your Future Benefit for work after the merger will be earned at the rate applicable for 11 or more Qualified Years, since the 666 Plan Service is counted for this purpose.

VESTING

A 5-year cliff Vesting schedule under the 666 Plan will remain in effect for both your Frozen Benefit and your Future Benefit. However, this rule only applies if you have one pension credit after 1993. Otherwise, the 10-year cliff Vesting schedule will apply.

QUALIFIED AND VESTING YEARS

For most purposes, such as determining your Vesting, eligibility for early retirement and eligibility for disability, you receive prior credit for your service under the 666 Plan prior to 1999. However, you will not receive any Future Benefit with respect to the credit or service you earned under the 666 Plan. In general, your Vested Years and Qualified Years will be the greater of the actual credits you earned under the 666 Plan or the amount of years that you would have earned had the Pension Plan rules been in effect (under the Pension Plan rules, you will earn a year if you have 400 or more hours in that year). You also receive credit for your service under the Pension Plan after 1998.

DISABILITY AND PRE-RETIREMENT DEATH BENEFITS

The rules in the 666 Plan regarding disability benefits and pre-retirement death benefits no longer apply after 1998. Thus, in order to be eligible for a disability benefit or pre-retirement death benefit after 1998, you need to qualify under the Pension Plan rules. If you qualify, both the Future and Frozen Benefit will be paid in accordance with

these rules. Of course, any pre-retirement death benefit or a disability benefit in pay status under the 666 Plan as of December 31, 1998, will remain in effect as long as you remain eligible for that benefit.

BENEFIT SUSPENSION RULES

Both the 666 Plan and the Pension Plan have rules providing for a suspension of benefits if you retire and come back to work. On or after January 1, 1999, the Pension Plan rules apply to the Future Benefits. The Pension Plan rules apply to the 666 Plan Accrual except to the extent the 666 Plan suspension rules are more favorable, in which case those rules apply. These rules also apply to 666 Plan members who previously retired.

BREAK IN SERVICE RULES

Both the 666 Plan and the Pension Plan also have Break in Service rules which apply for at least two purposes:

- ① determining whether or not you are entitled to any benefit rate increases (generally you are not entitled to a benefit increase for service prior to a break); and
- ② determining whether your prior service is forfeited if you leave employment before you are Vested (under the 666 Plan, these breaks may be referred to as “benefit breaks” or “leaving covered employment” or “permanent breaks”).

For periods on or after January 1, 1999, the various break rules in the 666 Plan no longer apply.

Instead, the Pension Plan rules are in effect and apply to both your Frozen Benefit and Future Benefit. In general, you will incur a Break in Service under the Pension Plan rules if you have a period of two consecutive plan years with less than 200 Vested Hours in each year. Your service under the 666 Plan prior to 1999 will be considered for this purpose to determine if you have a break.

Thus, if you are not Vested and have a forfeiture on or after January 1, 1999 under the Pension Plan rules, you will forfeit both your Frozen Benefit and the Future Benefit you earned up until the forfeiture. If you had a forfeiture under the 666 Plan before 1999, the Frozen Benefit earned before the break remains forfeited.

In addition, if there are subsequent benefit increases that apply to the Frozen Benefit and you have a benefit break under the 666 Plan rules (prior to 1999) or a Break in Service under the Pension Plan rules (after 1998), you will not be entitled to any increase with respect to the Frozen or Future Benefit earned before the break.

Finally, the 666 Plan had certain rules which allowed you to repair your earlier Breaks in Service so that you would be entitled to future benefit rate increases. There are no repair rules under the Pension Plan. Thus, on and after January 1, 1999, you are no longer able to repair these prior breaks. If you had not repaired the break by December 31, 1998, you may not subsequently repair it.

OTHER RULES

In general, all other rules of the Pension Plan apply after January 1, 1999. For example, the Pension Plan requires you to give notice of retirement at least two full calendar months in advance. These rules apply to you after 1998. The various election rules to elect a form of benefit under the Pension Plan also apply. The late retirement rules under the Pension Plan also apply, except that your late retirement Frozen Benefit will not be less than the amount you would have received if you had retired on December 31, 1998.

CAMERAMEN WHO PARTICIPATED IN BOTH THE 666 PLAN AND THE PENSION PLAN PRIOR TO 1999

A number of special rules apply to you if you participated in both the Pension Plan and the 666 Plan prior to 1999. You retain all benefits you have earned under both plans as of January 1, 1999. Essentially, your benefits will be equal to the Frozen Benefit you earn under the 666 Plan prior to 1999 plus all of the benefits you earn under the Pension Plan both before and after the merger. The benefit you earned under the Pension Plan prior to 1999 is considered part of your Future Benefit and is subject to all of the applicable Pension Plan rules.

In addition, certain special rules apply for purposes of calculating your service. In general, the rules mentioned previously apply; you are also entitled to credit for your service under the Pension Plan prior to 1999. However, you are not entitled to duplicate service for purposes of determining

if you have a Vesting Year or Qualified Year. In other words, if you earn a year of credit in 1995 under both the Pension Plan and the 666 Plan, you are not entitled to two years of credit for purposes of computing Vesting or Qualified Years. In addition, your service under the Pension Plan and the 666 Plan cannot be combined to determine if you have a Vesting Year or Qualified Year or Break in Service.

5 The Individual Account Plan

The enclosed Pension Plan *SPD* also contains information on the IAP. Beginning January 1, 1999, you are eligible to participate in the IAP. However, the Local 666 Annuity and 401(k) Funds did not merge into the IAP. These funds were frozen and the assets distributed on or about January 1, 1999.

For most purposes under the IAP, such as determining your Vesting, eligibility for early retirement and eligibility for disability, you will receive prior credit for your service under the 666 Plan prior to 1999. However, to the extent the IAP provides any actual allocations of contributions based on prior service, your prior service will not count.

Local 700

PENSION PLAN BENEFITS APPENDIX

Former East Coast Local 700 Pension Participants

This Appendix is part of your March 2017 Summary Plan Description for the Motion Picture Industry Pension Plan ("Pension Plan") and the Motion Picture Industry Individual Account Plan ("IAP"), (collectively, the "Plans").

The nature and extent of benefits provided by the Pension Plan and the rules governing eligibility are determined solely and exclusively by the Directors of the Plans, consistent with applicable law. The Directors shall also have full discretion and authority to interpret the benefits and to decide any factual question related to eligibility for and the extent of benefits provided by the Pension Plan, consistent with applicable law.

Employees of the Plans have no authority to alter benefits or eligibility rules. Any interpretations or opinions given by employees of the Plans are not binding upon the Directors and cannot increase or change such benefits or eligibility rules. In accordance with the terms of the Trust Agreement, the Directors reserve the right to change the nature and extent of benefits provided by the Pension Plan and to amend the rules governing eligibility at any time, consistent with applicable law.

DEAR PENSION PLAN PARTICIPANT:

Effective as of the close of business June 30, 2002 ("Merger Date"), the Local 700 Editors (NY) - Film Producers Pension Fund ("700 Plan") merged into the Pension Plan. Effective July 1, 2002, Participants in the 700 Plan who were eligible (as explained below) received the benefits provided by the Pension Plan and all Participants became subject to the rules of the Pension Plan, except as set forth as follows. This Appendix is an addition to the main Pension Plan SPD you have been sent. You should also retain your last Local 700 Pension Fund Summary Plan Description, as some of those rules may be relevant during the transition period.

If you have any questions about your benefits, please call the Plans' Participant Services Center at (855) ASK-4MPI (275-4674).

Sincerely,

BOARD OF DIRECTORS

Motion Picture Industry Pension Plan

Motion Picture Industry Individual Account Plan

NOTE FOR RETIREES WHO RETIRED PRIOR TO JULY 1, 2002

If you retired from the 700 Plan prior to July 1, 2002, you will continue to receive your monthly pension check except that it is issued by the Pension Plan. Except as provided in this notice, unless you return to work, nothing in the merger will affect you.

NOTE FOR VESTED PARTICIPANTS

If you were Vested (meaning your benefits are not forfeitable under the 700 Plan), you will remain Vested after the merger.

1 Amendment to Benefit Formula

Effective July 1, 2002, you no longer earned benefits under the 700 Plan rules. Your 700 Plan benefit is limited to your pension credits and benefit earned as of June 30, 2002. The 700 Plan normal retirement benefit earned as of June 30, 2002 is referred to as the "700 Plan Accrual." Your Vested 700 Plan Accrual will not be taken away from you; you will be entitled to it when you ultimately retire under the terms of the Pension Plan. Except for any applicable benefit increases that have been or may in the future be adopted for actives or retirees under the Pension Plan rules, your 700 Plan Accrual will be frozen as of June 30, 2002. Please refer to the Pension Plan SPD for more information.

Effective July 1, 2002, you started earning benefits under the rules of the Pension Plan. This benefit you may earn under the Pension Plan rules on or after July 1,

2002 is referred to as the "Future Benefit." When you finally retire, the benefit you are entitled to will be the sum of the 700 Plan Accrual (earned as of June 30, 2002) plus the Future Benefit you earn after that date plus your IAP benefit.

The 700 Plan Accrual will be available under the early retirement rules of the 700 Plan – you may retire early if you are 52 or older and have at least 10 pension credits. Future Benefits will not be available until age 65, unless you satisfy the Pension Plan age and service early retirement rules, in which case the Pension Plan early retirement factors apply. In addition, you will receive both your 700 Plan Accrual and your Future Benefit accrual under the early retirement rules of the Local 700 Plan, if:

- ① as of July 1, 2001, you were both 45 or older and had five pension credits or more; and
- ② you retire on or after age 52 with 10 or more Special Years.

2 The 700 Plan Benefit Formula

The 700 Plan benefit generally equals the number of your pension credits after June 30, 1961 multiplied by the monthly benefit accrual rate in effect at the time you retire. At the time of the merger on July 1, 2002, that rate was \$72. For active Participants without a Break in Service, the Local 700 Plan accrued benefit was increased by 15% effective August 1, 2003 and an additional 10% effective August 1, 2006. This rate does not apply if you previously had a Break in Service, unless you repaired the Break in

Service. Instead, the rate in effect at the time you left employment applies to service earned before that time. Participants were credited with pension credit for the 12-month period ending June 30 of a year if they had 1,500 or more hours worked in covered employment under the 700 Plan. If the Participant worked less than 1,500 hours, partial credit is granted, in accordance with the following schedule (referred to as partial credit rules):

HOURS IN COVERED EMPLOYMENT FOR YEAR ENDING JUNE 30	PENSION CREDITS
1,360 or more, but less than 1,500	.9
1,220 or more, but less than 1,360	.8
1,080 or more, but less than 1,220	.7
940 or more, but less than 1,080	.6
800 or more, but less than 940	.5
660 or more, but less than 800	.4
520 or more, but less than 660	.3
380 or more, but less than 520	.2
250 or more, but less than 380	.1
Less than 250	None

In addition, the 700 Plan provided that certain hours in a plan year may be transferred to succeeding plan years to earn additional benefits.

As long as you are Vested, you can

retire at age 62 without an early retirement reduction.

3 The Pension Plan Benefit Formula

The benefit formula under the Pension Plan is different from the formula under the 700 Plan. The benefit under the Pension Plan is not based on pension credits. Instead, it is based on Credited Hours—these are generally hours for which contributions are required by the Pension Plan and the applicable collective bargaining agreements. In general, to earn benefits, you must earn a Qualified Year, which is 400 Credited Hours during a Computation Year. In addition, Normal Retirement under the Pension Plan is generally at age 65.

You started earning benefits under this formula on July 1, 2002 for hours earned on and after that date.

The benefit formula in effect after July 1, 2002 is:

- The monthly benefit rate for the first 10 Qualified Years is \$.03729 per Credited Hour. For example, 1,000 Credited Hours in your seventh Qualified Year will earn a benefit of \$37.29 per month payable at Normal Retirement Age.
- The monthly benefit rate for the 11th to 20th Qualified Year is \$.04972 per Credited Hour. For example, 1,000 Credited Hours in your 11th Qualified

Year will earn a benefit of \$49.72 per month payable at Normal Retirement Age.

- After the 20th Qualified Year, the 400 Credited Hours requirement will no longer apply. Participants will earn benefits even if they accumulate less than 400 Credited Hours in a Computation Year. They will earn at the rate of \$.04972 per Credited Hour. For example, 300 Credited Hours in your 23rd year will earn a benefit of \$14.92 per month payable at Normal Retirement Age.

To earn a Qualified Year, you must have earned at least 400 Credited Hours in a Computation Year. In 2002, (and therefore earned a Pension Plan benefit in 2002), all of your hours from December 22, 2001 until December 21, 2002 were counted; however, the amount of your Pension Plan benefit for this period is based solely on hours after June 30, 2002. These benefits will be in addition to your 700 Plan Accrual. Your 700 Plan credits were counted for determining the rate of Future Benefits you earned (\$.03729 versus \$.04972 per Credited Hour).¹ As described above, the benefit rate under the Pension Plan differs depending on whether you have 10 or more Qualified Years. Thus, if the sum of your Qualified Years both before and after the merger is more than

10, you will start accruing Future Benefits at the higher benefit rate.

The Pension Plan does not have any rules that allow you to apply hours from one year to a succeeding year. Thus, those rules no longer apply after June 30, 2002 and you will not be able to credit any hours earned under the 700 Plan to future years.

The rates described above do not apply to hours before a Break in Service as described in the Pension Plan *SPD*. Instead, the rate in effect at the time you had a Break in Service applies to hours before the Break in Service. Unlike the 700 Plan, the Pension Plan does not allow you to repair a Break in Service.

In addition, if you earn a Qualified Year, you also participate and earn benefits under the IAP. This is a separate plan that is described in more detail in the Pension Plan *SPD*. In general, your employer is required to contribute a percentage of your scale regular basic hourly rate of pay. This amount is invested by a number of professional investment advisors and the earnings (or losses) are also allocated to your account. You may take your account in a lump sum or annuity when you retire from the IAP.

4 Comparison of Formulas

To better understand the different formulas, the table on page 33 shows the benefits earned in a

1. While the credit or service you earned under the 700 Plan before the merger will count for determining the rate of the Future Benefits you earn (and, as described in this notice, for a variety of other purposes), you will not be given any Future Benefits for this service. For example, assume you had 10 Pension Credits and 1,500 credited days of service under the 700 Plan as of December 31, 1998. You will keep your 700 Pension Plan Accrual for the 10 years of pension credit, but you will not receive any Future Benefit with respect to these 10 years. However, your Future Benefit for work after the merger will be earned at the rate applicable for 11 or more Qualified Years, since the 700 Plan Service is counted for this purpose.

single year of work under the old 700 Plan formula and the Pension Plan, depending upon the number of hours worked and your number of years. Under the 700 Plan, the year ends June 30; under the Pension Plan it ends in late December. Different Pension Plan amounts are shown depending on how many years you have, since the benefit rate differs. The amounts shown are the monthly benefit payable to you at age 65 in the form of a single life annuity.

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5 Early Retirement Rules

The early retirement rules under the 700 Plan continue to apply to your 700 Plan Accrual. Under these rules, you can retire at age 52 as long as you have 10 Special Years. The early retirement benefit is reduced by 4.8% for each year (0.4% per month) that you are younger than age 62 at your retirement date.

In general, the early retirement provisions in the Pension Plan only apply to your Future Benefit. Under these rules, you can retire at age 55 as long as you have 20 Qualified Years. You can retire at age 62 as long as you have 10 Qualified Years.

To better understand the factors, the table on page 34 shows the

reduction depending on your age at retirement, assuming you were otherwise entitled to \$100/month at age 65 and you have at least 10 years. Remember also that effective July 1, 2002, you became eligible to participate in the IAP; the IAP benefits are not shown in the table.

As noted above, to retire early under the 700 Plan rules, you must be at least age 52 and have 10 Special Years, as defined in the 700 Plan. For this purpose, the partial credit rules were applied from July 1, 2002 until December 22, 2002. After that time, pension credit is measured by the Pension Plan using Computation Years (instead of the year ending June 30). In addition, you are only entitled to 1 ½ years for the period from July

Monthly Benefit Payable at Age 65 Based on One Year of Covered Employment

CREDITED HOURS IN A YEAR	MONTHLY LOCAL 700 PENSION PLAN ACCRUAL	MONTHLY PENSION PLAN FUTURE BENEFIT (1st thru 10th Qualified Year)	MONTHLY PENSION PLAN FUTURE BENEFIT (11th thru 20th Qualified Year)
2,200	\$72.00	\$82.04	\$109.38
2,000	\$72.00	\$74.58	\$99.44
1,800	\$72.00	\$67.12	\$89.50
1,570	\$72.00	\$58.55	\$78.06
1,430	\$64.80	\$53.32	\$71.10
1,290	\$57.60	\$48.10	\$64.14
1,150	\$50.40	\$42.88	\$57.18
1,010	\$43.20	\$37.66	\$50.22
870	\$36.00	\$32.44	\$43.26
730	\$28.80	\$27.22	\$36.30
590	\$21.60	\$22.00	\$29.33
450	\$14.40	\$16.78	\$22.37
320	\$7.20	\$0	\$0 (10-20 Years) \$15.91 (After 20 Years)
249	\$0	\$0	\$0 (10-20 Years) \$12.38 (After 20 Years)

1, 2001 until December 21, 2002. The rules regarding transferring uncredited hours do not apply after June 30, 2002.

There are two exceptions to these rules. First, if you qualify for an Unreduced Early Retirement Benefit under the Pension Plan, you will be entitled to a 700 Plan Accrual and Future Benefit unreduced for early retirement. This requires at least 30 years of service and attainment of age 62 with 50,000 hours (or age 61 with 55,000 hours, or age 60 with 60,000 hours.)

Second, if on July 1, 2002, you had both earned five years of pension credit under the 700 Plan and had attained age 45, the early retirement rules under the 700 Plan will apply to your Future Benefit as well as your 700

Plan Accrual. Thus, if you were age 45 at the time of the merger with five pension credits, you can receive your entire benefit under the early reduction rules in the 700 Plan at such time you have both attained age 52 and earned 10 Special Years.

6 Other Rules

The Pension Plan has been amended to provide a number of additional rules to coordinate the 700 Plan Accrual and Future Benefit.

FORMS OF BENEFITS

When you retire, you can elect to receive your 700 Plan Accrual in one of the forms available under the 700 Plan. These include the Husband and Wife Pension form, the Two-Years-Certain form, the Ten-Years-Certain form, the

lifetime form and the adjusted beneficiary form. All of these were described in the 700 Plan SPD. However, the requirement that you be married for one year in order to receive the Husband and Wife Pension under the 700 Plan does not apply to retirements after June 30, 2002.

The forms of benefit available under the Pension Plan will apply only with respect to your Future Benefit. The forms of benefit under the Pension Plan are a Life Annuity Benefit, a Qualified Joint & 50% Survivor Annuity Benefit, a Joint & 100% Survivor Annuity Benefit, a Joint & 50% Pop-up Annuity Benefit, a Joint & 100% Pop-up Annuity Benefit, and a 10-Years-Certain and Life Annuity Benefit. In general, the only beneficiary allowed under any of these forms is your spouse,

RETIREMENT AGE	LOCAL 700 BENEFIT (10 or more Pension Credits)	PENSION PLAN REDUCED EARLY RETIREMENT BENEFIT FACTORS	PENSION PLAN BENEFIT (20 or more Qualified Years if under age 62; 10 years if 62 or older)
65	\$100.00	100%	\$100.00
64	\$100.00	92.50%	\$92.50
63	\$100.00	86%	\$86.00
62	\$100.00	80%	\$80.00
61	\$95.20	74.50%	\$74.50
60	\$90.40	69%	\$69.00
59	\$85.60	64%	\$64.00
58	\$80.80	59.50%	\$59.50
57	\$76.00	55.50%	\$55.50
56	\$71.20	52%	\$52.00
55	\$66.40	49%	\$49.00
54	\$61.60	NOT AVAILABLE	NOT AVAILABLE
53	\$56.80	NOT AVAILABLE	NOT AVAILABLE
52	\$52.00	NOT AVAILABLE	NOT AVAILABLE

except that under the 10-Years-Certain and Life Annuity Benefit, you may elect to have either your spouse or children as beneficiary. For participants retiring in 2009 and thereafter, the Qualified Joint & 75% Survivor Annuity Benefit is available with respect to both the 700 Plan Accrual and the Future Benefit. These rules are described more completely in the Pension Plan *SPD*.

VESTING AND VESTING YEARS

A five-year cliff Vesting schedule applies for both your 700 Plan Accrual and your Future Benefit. However, if you do not have any hours after June 30, 1998, the prior 700 Plan Vesting schedule will apply.

For Vesting purposes, you will receive credit for your prior service under the 700 Plan (850 hours in a year ending June 30). In general, your Vested Years as of Plan Year 2003 are the greater of: (1) the actual Vested Years you earned under the 700 Plan (for this purpose, you will earn a year if you had 850 or more hours in the Computation Year ending December 21, 2002); or (2) the number of Vested Years ending June 30 (up until June 30, 2002) that you would have earned had the Pension Plan rules been in effect (under the Pension Plan rules, you earn a Vested Year if you have 400 or more hours in the Computation Year) under the 700 Plan (ignoring the transfer of hour rules and excluding years forfeited under the 700 Plan). You also receive credit for your Vesting Years earned under the Pension Plan after 2002.

QUALIFIED YEARS

For most purposes, such as eligibility for early retirement under the Pension Plan and eligibility for disability under the Pension Plan, you receive credit for your prior service under the 700 Plan. However, you will not receive any Future Benefit with respect to the credit or service you earned under the 700 Plan. In general, your Qualified Years as of Plan Year 2003 are the greater of: (1) the actual pension credits you earned under the 700 Plan as of that date (for this purpose, the Partial Credit rules were applied from July 1 to December 21, 2002); or (2) the number of years ending June 30 (up until June 30, 2002) that you would have earned had the Pension Plan rules been in effect (under the Pension Plan rules, you earn a Qualified Year if you have 400 or more hours in that Computation Year) under the 700 Plan (ignoring the transfer of hour rules and excluding years forfeited under the 700 Plan). You also receive credit for your Qualified Years earned under the Pension Plan after 2002.

Notwithstanding the above, in general, you are only entitled to 1 ½ Qualified Years for the period from July 1, 2001 until December 22, 2002.

While these rules apply for purposes of determining whether you can retire early under the Pension Plan rules, they do not apply for purposes of determining whether you can retire early under 700 Plan rules.

DISABILITY BENEFITS

The rules in the 700 Plan regarding

disability benefits no longer apply after June 30, 2002. Thus, in order to receive a disability benefit after June 30, 2002, you need to qualify under the Pension Plan rules. If you qualify, both the Future Benefit and 700 Plan Accrual will be paid to you in accordance with these rules. Of course, if you were receiving a disability benefit under the 700 Plan as of June 30, 2002, that benefit will remain in effect as long as you remain eligible.

PRE-RETIREMENT DEATH BENEFITS

The 700 Plan provided for a pre-retirement lump sum death benefit equal to \$500 multiplied by your number of pension credits with a maximum of \$10,000. This pre-retirement death benefit will continue to be paid if you die before retirement and are not married. For this purpose, pension credits earned both before and after the merger will count – they will be calculated as set forth previously. If you are married, the regular pre-retirement death benefit for married participants under the Pension Plan will be paid instead.

BENEFIT SUSPENSION RULES

Both the 700 Plan and the Pension Plan have rules providing for a suspension of benefits if you retire and come back to work. On or after July 1, 2002, the Pension Plan rules apply to the Future Benefit. The Pension Plan rules apply to the 700 Plan Accrual except to the extent the 700 Plan suspension rules are more favorable, in which case those rules apply. These rules also apply to 700 Plan members who previously retired.

BREAK IN SERVICE RULES

Both the 700 Plan and the Pension Plan also have Break in Service rules which apply for at least two purposes:

- ① generally you are not entitled to a benefit increase for service prior to a break; and
- ② determining whether your prior service is forfeited if you leave employment before you are Vested.

After the merger, the various Break in Service rules in the 700 Plan no longer apply. Instead, the Pension Plan rules are in effect and will apply to both your 700 Plan Accrual and Future Benefit. In general, you will incur a Break in Service under the Pension Plan rules if you have a period of two consecutive years with less than 200 Vested Hours in each year. Your service under the 700 Plan prior to the merger will be considered for this purpose to determine if you have a Break in Service.

Thus, if you are not Vested and have a forfeiture after the merger under the Pension Plan rules, you will forfeit both your 700 Plan Accrual and the Future Benefit you earned up until the forfeiture. If you had a forfeiture under the 700 Plan before the merger, the 700 Plan Accrual earned before the Break in Service remains forfeited.

In addition, if there are subsequent benefit increases that apply to the 700 Plan Accrual, and you had a Break in Service under the 700 Plan rules (prior to the merger) or a Break in Service under the Pension Plan rules (after the merger), you will not

be entitled to any increase with respect to the 700 Plan Accrual or Future Benefit earned before the Break in Service.

Finally, the 700 Plan had certain rules that allowed you to repair your earlier Break in Service so that you would be entitled to future benefit rate increases. There are no repair rules under the Pension Plan. On or after July 1, 2002, you are no longer able to repair any Break in Service.

OTHER RULES

In general, all other rules of the Pension Plan apply after June 30, 2002. For example, the Pension Plan requires you to give notice of retirement at least two complete calendar months in advance. The various election rules to elect a form of benefit under the Pension Plan also apply. The Pension Plan rules about earning benefits after Normal Retirement Age (65) also apply, except that your 700 Plan Accrual when you retire will not be less than the amount you would have received if you had retired on June 30, 2002.

EDITORS WHO PARTICIPATED IN BOTH THE 700 PLAN AND THE PENSION PLAN PRIOR TO MERGER

A number of special rules apply to you if you participated in both the Pension Plan and the 700 Plan prior to July 1, 2002. You retain all benefits you have earned under both plans as of July 1, 2002. Essentially, your benefits will be equal to the 700 Plan Accrual you earned under the 700 Plan prior to July 1, 2002 plus all of the benefits you earn under Pension Plan both before and after the merger. The benefit you earned

under the Pension Plan prior to July 1, 2002 is considered part of your Future Benefit and is subject to all of the applicable Pension Plan rules.

In addition, certain special rules apply for purposes of calculating your service. In general, the rules mention previously will apply; you are also entitled to credit for your service under the Pension Plan prior to the merger. However, you are not entitled to duplicate service. For example, if you earned a Qualified Year in 1995 under the Pension Plan, you are not entitled to earn another Qualified Year under the 700 Plan for year ending June 30, 1995. The same concept applies for Vesting and early retirement. In addition, your service under the Pension Plan and the 700 Plan cannot be combined to determine if you have a Vesting Year, Qualified Year or pension credit. Other special rules apply.

⑦ Individual Account Plan

The enclosed Pension Plan *SPD* includes information on the IAP. Beginning July 1, 2002, you are eligible to participate in the IAP. This benefit was described previously.

For most purposes under the IAP, such as determining your Vesting, eligibility for early retirement and eligibility for disability, you will receive credit for your service under the 700 Plan prior to July 1, 2002. However, to the extent the IAP provides any actual allocations of contributions based on prior service, your prior service will not count.