

# DIRECTORS GUILD OF AMERICA - PRODUCER PENSION AND HEALTH PLANS

8436 WEST THIRD STREET, SUITE 900 • LOS ANGELES, CA 90048-4189  
(323) 866-2200 • OUTSIDE LOS ANGELES AREA (877) 866-2200 • FAX (323) 782-9287



There have been several changes to the Pension Plans since the January 1, 2001 booklet was released. This notice summarizes the changes and supersedes provisions described in that booklet. To help you use this update in conjunction with your booklet, the corresponding booklet pages are noted with each benefit change.

**MAY 1, 2003**

***Supplemental Plan -- Retirement and Continued Employment  
(Page 35)***

In order to be eligible for a retirement benefit from the Supplemental Plan a participant was required to be at least age 60 and have ceased all Covered Employment. Effective May 1, 2003, the Supplemental Plan allows retirement after age 60 regardless of continued employment. You should be aware, however, that taking a retirement benefit from the Supplemental Plan classifies you as “retired,” and being retired may have consequences regarding continued Health Plan eligibility.

**MAY 1, 2003**

***Supplemental Plan -- Pre-Retirement Death Benefit –  
Beneficiary Payment Option for Non-Married Participants  
(Page 40)***

Surviving Spouse may elect a monthly annuity or a lump sum death benefit. A beneficiary of a non-married participant is only eligible for a lump sum benefit.

**JANUARY 1, 2003**

***Basic Plan -- Maximum Monthly Benefit to be Converted to a Lump Sum Benefit  
(Pages 24 - 26)***

The amount of the Basic Plan benefit that can be taken as a Lump Sum or Deferred Lump Sum changed effective January 1, 2003. The Basic Plan allows retiring participants who meet certain criteria to elect to take their monthly Basic Plan benefit as a lump sum. This is still the case; however, new Plan rules place a limit on the amount that may be taken as a lump sum. Only the monthly benefit amount accrued as of December 31, 2002, up to a \$3,450 maximum, will be convertible to a lump sum. Any excess accrued benefit will be paid as a life annuity over the lifetime of the retiring participant.

For example, let's say as of December 31, 2002 a participant has accrued a monthly benefit of \$3,000 payable at age 65. Five years later, when (s)he retires at age 65, his or her monthly benefit has increased to \$4,000. Under this scenario, the lump sum amount would be calculated based on \$3,000, for a lump sum amount of approximately \$400,000. In addition, the participant would receive \$1,000 (the difference between \$4,000 and \$3,000) per month for the remainder of the participant's life.

If a participant retires while younger than age 65, or retires under the Deferred Lump Sum option, the benefits are reduced accordingly. As in the past, participants who had not accrued at least one CSM prior to January 1, 1999 are not eligible for the Immediate or Deferred Lump Sum option. Participants with less than 120 Credited Service Months at retirement are also not eligible for the Lump Sum options.

Details on who is eligible to elect the Lump Sum and Deferred Lump Sum options can be found on pages 24 and 25 of the Pension Plan Booklet.

**JANUARY 1, 2003**

***Basic Plan -- Earnings Requirement for Credited Service Months  
(Pages 8, 9, 27)***

For the first time since 1994, the amount of DGA Covered Earnings required to earn one Credited Service Month increased from \$1,800 to \$2,400. Effective for 2003, a participant receives one CSM for each \$2,400 in Covered Earnings paid during the calendar year, with a maximum of 12 CSMs for Earnings of \$28,800 or more in a year. In addition, the \$2,400 amount will be automatically adjusted based on increases in the minimum wage rates under the Guild's Basic Agreement as of the preceding July 1<sup>st</sup>. However, for rounding purposes, an increase will only occur when an increase in the \$2,400 amount has caused it to exceed a multiple of \$100.

For example, let's say the minimum wage increases for July 2003, 2004 and 2005 are set at 3½%. Since \$2,484 (\$2,400 increased by 3½%) is less than the next \$100 multiple, the \$2,400 requirement will remain in place for 2004. For 2005, the CSM earnings requirement will increase to \$2,500 because \$2,400 increased by 3½% twice is \$2,570.94. We will always round to the lower \$100 increment.

**EXCEPTION:** The Plans provide that someone who works at least 100 days in a DGA-covered capacity in a year must receive what is known as a "Plan Credit Year", which is used in determining whether or not a participant is vested. Under the new rules where \$28,800 is needed to earn 12 CSMs, it is possible that an individual could work 100 days and not earn \$28,800 in a year (e.g., Second Second AD under the theatrical low budget sideletter to the Basic Agreement). It is also possible for an individual to work 51 days and not earn \$14,400 (for 6 CSMs), which would otherwise result in a Break in Service Year. If you are a participant who works 100 or more days and do not earn 12 CSMs or 51 or more days and do not earn 6 CSMs, you should notify the Plan Office so that we can adjust your vesting accordingly.

***Clarifications to Claims and Appeals Procedures  
(Page 51)***

This clarifies your rights and what you should do if you dispute the decision of the Pension Plans regarding a claim for benefits. For these purposes, a “claim” is a Participant’s written response disagreeing with the Plans’ denial of benefits.

- ❖ If your claim is denied, we will inform you in writing. Our letter will include the specific reason for denial and will advise you of your rights if you chose to appeal the Plan’s decision.
- ❖ You have 60 days to appeal. Your appeal must be in writing, and must state in clear and concise terms the reason for your disagreement with the decision of the Plan. You should include any written comments, documents, records and other information relating to your claim that you believe explains your position or is relevant to your claim.
- ❖ If you do not file an appeal within the 60-day period, you waive your right to reconsideration of the decision on the basis of the information and evidence submitted prior to such decision. However, if you receive additional information that was not available to you at the time of the denial, you may reestablish your right to appeal at a later date.
- ❖ Upon request and free of charge, you will be provided reasonable access to, and copies of, all documents, records and other information relevant to your claim.
- ❖ The Benefits Committee of the Board of Trustees will review your appeal. Please be aware that the Benefits Committee has no authority to approve benefits not provided for in the Pension Plan Documents.
- ❖ The Benefits Committee’s review will generally be heard at the next regularly scheduled Committee meeting. However, if your appeal is received less than 31 days prior to the meeting, the review may be delayed until the next meeting.
- ❖ You will be notified in writing of the Benefits Committee’s final decision soon after the meeting. Except as provided by law, the decision of the Benefits Committee is final. However, you have the right to bring a civil suit under ERISA §502(a). Under Plan rules, such suit must be made within one year after you are notified of the Benefit Committee’s decision.

***If you have any questions regarding any of these benefit changes or would like more details, please call the Plan Office at  
(323) 866-2200 or toll free outside of the Los Angeles area (877) 866-2200.***

***The Board of Trustees reserves the right to amend or modify the Pension Plans  
at any time.***