

Spotlight on **BENEFITS**

The DGA-Producer Pension and Health Plans' Benefits Newsletter

Volume 14, Number 4

Winter 2006

spotlight on health and pension benefits

The Health of the Plan

To ensure that the DGA-Producer Health Plan remains strong, we must continue to adapt to today's healthcare environment

As a self-funded Health Plan, the DGA-Producer Health Plan's expenses must be offset by three revenue sources: contributions income received from producers; self-pay premiums paid by participants (including the Dependent Premium) and investment income. In today's healthcare environment, the Plan's Trustees and staff must continually monitor Health Plan income and expenses to ensure the long-term health of the Plan.

Looking Back

A little over three years ago, in response to skyrocketing healthcare costs, the Health Plan rolled out a series of Plan changes that were designed to help preserve benefits and ensure that the Health Plan would remain healthy in the years to come. Among the changes were:

- the establishment of the Dependent Premium;

- the establishment of a two-tiered Health Plan;
- a \$300 increase in the family medical deductible; and
- a switch to Blue Cross as the physician PPO network for California participants.



While these Plan changes addressed the expense side of the problem of rising healthcare costs, the Health Plan's Trustees and the bargaining parties also made an effort to address the income side of the problem. In 2004, the Trustees activated a clause in the collective bargaining agreement that allowed the Trustees to, at their discretion, increase the Health Plan contributions rate from 7% to 7.5%. Then, during the last collective bargaining session, the

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Changes to the Pension Plans

Rollovers now available to non-spousal beneficiaries

Effective January 1, 2007, and pursuant to the Pension Protection Act of 2006, non-spousal beneficiaries may rollover funds from the Basic and Supplemental Pension Plans to an "Inherited IRA," pursuant to Internal Revenue Code 402 (c) (11).

Previously, only participants and spouses were allowed to rollover funds to a qualified IRA. Effective January 1, 2007, non-spousal beneficiaries may rollover funds from the Pension Plans to an "Inherited IRA" (as defined pursuant to IRC 402 (c) (11)), allowing a deferral of

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DGA-Producer Pension and Health Plans

8436 W. Third Street, Suite 900
Los Angeles, CA 90048-4180
(323) 866-2200
(877) 866-2200
www.dgaplans.org

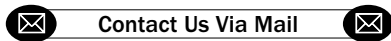
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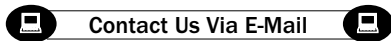
Spotlight on Benefits is published four times a year for the benefit of participants in the DGA-Producer Health Plan and/or the DGA-Producer Pension Plans.



DGA-PPHP
8436 W. Third Street, Suite 900
Los Angeles, CA 90048-4180
Attn: Manager, Communications



(323) 866-2200
(877) 866-2200



communications@dgaplans.org

Moving?

Remember that the Plans and the DGA are separate entities. Address changes filed with the DGA are not automatically filed with the Pension and Health Plans.



You can contact our Address Change Department at:

(323) 866-2200, Ext. 306
(877) 866-2200, Ext. 306

Address Change forms are available online at www.dgaplans.org.

Health Plan Changes



Adult Disabled Dependents

The Health Plan's Trustees realize that it may be difficult for an adult disabled dependent to qualify for Social Security disability benefits, as is required for the dependent to be eligible for coverage under the participant. As a result, effective December 8, 2006, in cases where an adult disabled dependent does not meet the resource limit or residency requirements to qualify for Social Security disability benefits, the Trustees will determine whether the individual is disabled under the following definition:

Disability is defined as the inability to engage in any occupation for wage or profit for which the individual is reasonably qualified by reason of education, training or experience. The inability must be as a result of injury or sickness, and must be verified by an attending physician's statement.

In these cases, the participant will be required to provide the following for purposes of determining disability:

- A copy of their most recent tax returns that shows the child is claimed as a dependent for tax purposes;
- A completed physician's statement that is to be

obtained at the cost of the participant;

- A completed disability application (available by contacting the Health Plan office).
- Pertinent medical records as may be required by the Plan's independent medical review firm, MRI.

Dependents of Deceased Participants

Effective January 1, 2007, surviving dependents of deceased participants with earned active coverage will change from earned active to earned inactive coverage effective on the date of the participant's death. This does not change the level of benefits and is only applicable when the dependents are covered under another form of health coverage (e.g. an alternate health plan or Medicare)

Dependents of deceased participants are eligible to continue on earned coverage until the end of the current coverage period. For example, if the coverage period was April 1, 2005 to March 31, 2006, the dependents would continue to receive earned coverage until March 31, 2006. If the participant did not have any carry-over credits or eligibility for retiree coverage, the dependents would then be eligible for 36 months of COBRA coverage effective April 1, 2006.

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bargaining parties responded to increasing Health Plan costs by raising the Health Plan contributions rate to 8.5%.

These changes have allowed the Plan to remain on solid financial footing while, at the same time, protecting the level of benefits available with only a minimal increase in costs to participants.

Since 2003, the Health Plan has not instituted any major benefits changes. In fact, the Health Plan has, in some cases, taken the opportunity to increase benefits for participants. For example:

- A new in-network, outpatient mental health benefit was added, with an increased 30-visit maximum and a nominal \$25 co-payment.
- Kid's COBRA coverage (which is offered to dependent children of retirees covered under the Plan at the time of retirement), was extended from 36 months to when the dependent child reaches age 19.
- Coverage for dependent children enrolled as full-time students was extended to last 120 days past the date the child ceases to be a full-time

student, except at graduation. As a result of this change, participants whose children unexpectedly do not return to school after summer break are eligible to enroll in 36 months of COBRA once they do not enroll in school during the fall.

Looking Ahead

The Health Plan's Board of Trustees (including those appointed by the Directors Guild of America, who represent virtually every DGA-covered job classification and volunteer their time to the Health Plan) is committed to providing quality healthcare coverage to its participants in both the short term and the long term. As we enter a new year, the Trustees and the Health Plan staff will continue to explore new ways to protect your benefits and combat the still-rising cost of healthcare.

We encourage every participant to share their thoughts with us regarding Health Plan benefits and new ways to help control costs. You can reach us via e-mail at communications@dgaplans.org, or you can contact the DGA-PPHP Suggestion Line at (323) 866-2200, Ext. 703 or toll-free outside the Los Angeles area at (877) 866-2200, Ext. 703.

Pension Plan Changes

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otherwise immediate tax consequences. Contact the Plan office if you need information regarding whether the IRA to which you wish to rollover funds qualifies as an "Inherited IRA."

Time Limit for Remitting Contributions

Effective January 1, 2007, pension credit will not be granted in connection with uncollectible employer contributions if the participant does not remit the corresponding employee contributions to the Plans within 90 days of the date on which the participant is notified of the delinquent contributions. In other words, if an employer fails to make contributions to the Pension Plans on your behalf, you must remit the corresponding employee portion of contributions to the Pension Plans within 90 days of being notified of the delinquency in order to receive credit from the Pension Plans for the employer contributions if the employer contributions are determined to be uncollectible.

For uncollectible contributions due prior to January 1, 2007, the employee contributions must be remitted to the Pension Plans by June 30, 2007, in order to receive credit for employer contributions.

If you have any questions regarding the Pension Plan changes, please contact the Pension Department at (323) 866-2200, Ext. 404 or toll free outside the Los Angeles area at (877) 866-2200, Ext. 404.



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**8436 WEST THIRD STREET, SUITE 900
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You May Qualify to Elect Retroactive Pension Benefits

Between the dates of January 1, 2000 and January 1, 2006, the Basic Plan had a “suspension of benefit” rule that provided that a participant’s pension benefits would be suspended if they returned to work in any job covered by a DGA collective bargaining agreement, whether or not the participant had performed that job before retirement.

The current Plan rule, and the rule that was in effect before January 1, 2000, is that benefits will be suspended only if a retired participant returns to work in a job category that they worked in before their retirement.

You may be eligible to retroactively elect retirement benefits now:

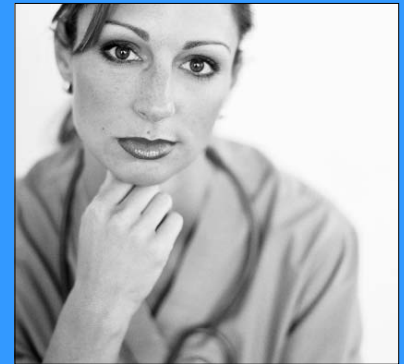
- if you did not retire between January 1, 2000 and January 1, 2006; and
- if you engaged in employment between January 1, 2000 and

January 1, 2006 that would have resulted in suspension of benefits payments under the suspension of benefits rule that was in effect during that time.

If you believe that you satisfy these conditions, you should contact the Plan office to discuss whether you are eligible for this retroactive retirement option and, if so, what benefits you would be entitled to.

You must contact John Kitayama in the Pension Department at (323) 866-2200, Ext. 216 or toll free outside the Los Angeles area at (877) 866-2200, Ext. 216 by **July 1, 2007**, in order to be eligible to retroactively elect pension benefits.

If you have any questions regarding your ability to elect retroactive pension benefits, please contact John Kitayama at one of the telephone numbers above.



Women's Health and Cancer Rights Act of 1998

The Health Plan provides medical and surgical benefits for certain types of reconstructive surgery in connection with a mastectomy. This covers reconstruction of the breast on which the mastectomy was performed, surgery on the other breast to produce a symmetrical appearance, and prostheses and physical complications of all stages of mastectomy, including lymphedemas.