

Pension Plans Booklet Updates

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.

EFFECTIVE APRIL 1, 2009

SUPPLEMENTAL PLAN – RETIREMENT APPLICATION DEADLINE (PAGE 44-45)

The Supplemental Plan retirement application deadline has been extended to allow participants to submit their completed applications as late as the last business day of the month prior to their retirement date. Applications received after the last business day of the month prior to retirement will be considered for the following month.

SUPPLEMENTAL PLAN – REQUIRED BEGINNING DATE FOR 2009 (PAGE 65)

The Supplemental Plan Required Beginning Date for 2009 was waived as a result of Worker, Retiree, and Employer Recovery Act of 2008 (WRERA). Participants who reach age 70 ½ during 2009 are not required to take their Supplemental Plan retirement distribution until December 1, 2010. Participants who turned age 70 ½ in 2008 were still required to take their 2008 retirement distribution by April 1, 2009.

SUPPLEMENTAL PLAN – PARTIAL DISTRIBUTIONS (NEW PLAN PROVISION, NO CORRESPONDING PAGE REFERENCE)

Retirees age 60-68 have the option to take partial distributions of \$5,000 or more (no more than once per calendar quarter), or regular monthly distributions of \$2,000 or more from their Supplemental Plan account.

BASIC PLAN AND SUPPLEMENTAL PLAN – SAME-SEX SPOUSE AND SAME-SEX DOMESTIC PARTNER CHANGES (20, 37, 53, 29-30, 40)

The Board of Trustees amended the Plans to expand benefits for same-sex spouses and same-sex domestic partners to achieve parity to the fullest extent possible permitted by federal law, as follows:

Definition of Participant-and-Partner Pension, Spouse, Same-Sex Spouse, and Same-Sex Domestic Partner

Since the plan is extending the normal form of benefit provided to opposite-sex spouses to same-sex spouses and same-sex domestic partners, the term “husband and wife pension” is replaced with “Participant-and-Partner Pension.”

The Pension Plans were revised to amend the definition of the term “Spouse” and add definitions for the terms “Same-Sex Spouse” and “Same-Sex Domestic Partner.”

The term “Spouse” is now defined as the individual of the opposite sex of the participant who is married to the participant on the Participant’s Annuity Starting Date.

“Same-Sex Spouse” is defined as an individual who is the same sex as the participant and who is legally married to the participant, as determined under state law on the participant’s Annuity Starting Date. An individual’s status as a Same-Sex Spouse will not be altered as a result of a dissolution of marriage, unless (1) specified to the contrary in a document acceptable to the Trustees or (2) with respect to additional benefits payable after a new Annuity Starting Date under Section 8.07(B)(3). For Example: if the participant elects the Participant-and-Partner Pension under Section 5.01(B) and remarries after the death of the Same-Sex Spouse or divorce from the Same-Sex Spouse, the new spouse will not take the place of the deceased or former Same-Sex spouse for purposes of the payment of the previously elected Participant-and-Partner Pension.

“Same-Sex Domestic Partner” is defined as an individual who is the same sex as the participant and who (a) has submitted to the Plan an Affidavit of Domestic Partnership on a form provided by the Plan along with any required supporting documentation, and (b) meets the required criteria as set out in the Affidavit. No person shall be considered as Same-Sex Domestic Partner prior to the time a properly completed Affidavit has been submitted to the Plan. The participant’s Same-Sex Domestic Partnership shall terminate effective immediately if the Same-Sex Domestic Partner no longer meets the required criteria as set out in the Affidavit.

Required Documentation

The Pension Plans will require a copy of a certified marriage certificate to substantiate a marriage for both opposite- and same-sex marriages. The copy of the certified marriage certificate for same-sex spouses will be accepted in lieu of the required same-sex domestic partner documentation. Documentation required for same-sex domestic partners includes a signed affidavit and other documentation supporting financial interdependence and intent by both partners that the relationship be permanent.

Default Beneficiary Provision

Previously, in the event that a participant did not name a beneficiary or the beneficiary/beneficiaries predeceased the participant, benefits were paid to:

- 1) the participant's surviving spouse, provided that the spouse was married to the participant for at least 12 consecutive months prior to the participant's death; or
- 2) the personal representative of the participant's estate.

Option 1 was amended to include a participant's same-sex spouse or same-sex domestic partner, provided that the same-sex spouse or same-sex domestic partner was the same-sex spouse or same-sex domestic partner for at least 12 consecutive months prior to the participant's death.

Pre-Retirement Death Benefit Payment (10-Year or 5-Year Vested Participants)

The Basic Plan has been revised to provide same-sex spouses and same-sex domestic partners with a 50% Joint and Survivor Annuity in the event the participant dies before retirement, provided that the same-sex spouse or same-sex domestic partner was the same-sex spouse or same-sex domestic partner for at least 12 consecutive months prior to the participant's death. However, same-sex spouses and same-sex domestic partners must begin receiving this benefit upon the death of the participant, since federal law prohibits the Plans from allowing same-sex spouses or same-sex domestic partners to delay payment of benefits. Therefore, a same-sex spouse or same-sex domestic partner cannot defer payment until the participant would have been age 65.

Previously, for 10-year vested participants, if a participant died before retirement only the opposite-sex spouse would receive a 50% Joint and Survivor Annuity, starting at the spouse's election (some time between the date of participant's death until the first month following the month in which the participant would have reached 65). A non-spouse beneficiary would receive a 10-Year Certain Annuity that began upon the participant's death without the option to delay payment of the benefit. Previously, for 5-year vested participants a non-spouse beneficiary would not receive a benefit.

EFFECTIVE JANUARY 1, 2009

BASIC PLAN – OPTIONAL FORM OF BENEFIT CONVERSION FACTORS (PAGES 20-23)

The Basic Plan's optional form of benefit conversion factors was amended to use a 7% assumed interest rate and the 2008 PPA Optional Combined Unisex Mortality Table. The conversion factors and mortality table are used to convert the benefit amount from the Single Life Annuity to another form of annuity such as the 50% Husband and Wife Pension.

BASIC PLAN – EARNINGS REQUIREMENT FOR CREDITED SERVICE MONTHS (PAGES 8, 9, 27)

The earnings requirement per Credited Service Month (CSM) will remain \$2,700 for 2009 earnings. As a result, \$32,400 in covered earnings during a calendar year will result in earning the maximum 12 CSMs during that year.

SUPPLEMENTAL PLAN – 36 CREDITED SERVICE MONTH VESTING (PAGE 32)

A participant will become fully vested in the Supplemental Pension Plan upon earning 36 Credited Service Months (CSMs), which is equivalent to three Plan Credit Years.

EFFECTIVE DECEMBER 12, 2008

AMEND SECTION ENTITLED APPEALS AS FOLLOWS (PAGE 51):

If your application for benefits is denied, you will be notified within 90 days, unless special circumstances require for an additional 90 day period. The notice will explain why your application was denied and your rights to appeal. If you still believe you have the

required qualifications to receive a benefit, you may appeal to a committee (“Committee”) of the Trustees authorized to hear such appeals. An appeal must be in writing, must state in clear and concise terms the reason or reasons for disagreement with the decision of the Plan, and must be submitted to the Plan Office within 60 days of the denial of the 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 request reconsideration of your appeal at a later date but the decision to reconsider your appeal is within the sole discretion of the Plan and the Trustees. If your request for reconsideration is granted, reconsideration does not extend the Limitations Period (as defined below) for filing a claim relating to the denial of benefits or any other rights you may assert under the Plan unless you and the Trustees agree in writing to extend the Limitations Period.

A decision on appeal shall be made no later than the date of the authorized Committee’s meeting which follows the receipt of a request for review, unless the request for review is filed less than 30 days before the meeting. In such case, the decision shall be made no later than the second meeting of the Committee following the request for review. In some cases, special circumstances may require more time, not to exceed the third meeting following the request for review, within which to study the request for appeal, in which case the person shall be notified of the reasons for the necessity of extending time for reviewing your request for appeal. The applicant shall be advised of the decision in writing. The decision shall include specific reasons, written in a manner calculated to be understood by the applicant, and specific references to the pertinent Plan provisions on which the decision is based.

The decision of the Plan or the Trustees, or the Committee is final and binding. However, under ERISA, a Participant, Pensioner, Beneficiary or other individual (“Claimant”) has the right to make a claim and file a lawsuit in state or federal court. You or any other Claimant must first exhaust the Plan’s internal appeals process before filing a legal action of any kind or nature, in state or federal court, against the Pension Plan or the Trustees including, without limitation, filing a lawsuit in state or federal court. Any such lawsuit must be filed within the Limitations Period (as defined below).

A Claimant who believes that pension or other benefits under the Plan were improperly denied, or who believes that any other determination of the Plan that has impacted on the Claimant’s pension credits or eligibility for benefits (including determinations of Earned Coverage) must follow the procedures outlined above.

Limitations Period for Filing Claims

Notwithstanding any other provision of the Plan, no action may be commenced with respect to, or arising out of, any claim for benefits or other claim of any kind or nature against the Plan or the Trustees after expiration of the Limitations Period. The Limitations Period means that a Claimant has one year to take legal action if Claimant believes that the Plan has denied rights or benefits Claimant believes he or she is entitled to receive. This one year period starts after the later of any of the following:

- (1) an event occurs that gives Claimant notice that the Plan is not providing Claimant with a benefit, or has denied Claimant, a benefit that Claimant otherwise expected to receive; or
- (2) circumstances exist such that Claimant should know that the Pension Plan is not giving Claimant, or is denying Claimant a benefit that Claimant believes he or she is entitled to receive under the Pension Plan; or
- (3) one year after the Plan first notifies you of the denial of an appeal from the denial of a claim you have filed with the Plan; or
- (4) if you do not file a claim, one year after the Plan first notifies you of the denial of any claim or benefits that you expected to receive, or of the denial of Earned Coverage.

The above rules also apply in cases where an action taken by the Plan or the Trustees affects your eligibility for, or entitlement to, any benefit under the Pension Plan. The Limitations Period shall apply to (i) all actions arising out of, or relating to, a claim for benefits including, but not limited to, an action under Section 502(a)(1)(B) of ERISA, (ii) all actions under Section 502(a)(3) of ERISA if the claim relates to the provision of benefits or rights under the Pension Plan, and (iii) all actions relating to or arising, directly or indirectly, under the Pension Plan including, without limitation, legal or equitable claims relating to modification, or loss of pension credits or eligibility for Pension Plan benefits, or any other Pension Plan finding or determination affecting Claimant's benefits or rights. Time limitations for filing a claim based on a breach of fiduciary duties or any other violations of ERISA's general and prohibited transaction provisions are set forth in ERISA.

The Trustees shall have sole, complete and discretionary authority to, among other things, make any and all findings of facts, construction, interpretations and decisions relative to the Plan, as well as interpret any provisions of the Plan, and to determine among conflicting Claimants, who is entitled to benefits under the Plan. The Trustees shall be the sole judge of the standard of proof in all such cases.

AMEND GLOSSARY SECTION BY ADDING THE FOLLOWING PROVISIONS (PAGE 62-65):

Collective Bargaining Agreement means the agreement or agreements in force and effect from time to time between the Directors Guild of America, Inc. and Producer representatives in the motion picture, television, and commercial production industries.

Plan or Pension Plans means both the Supplemental Plan and the Basic Plan, as summarized in this document, unless the context makes it clear that the reference is either to the Supplemental Plan or to the Basic Plan.

Trustees means the Board of Trustees of the Plans (and its respective authorized agents) as established and constituted from time to time in accordance with the Trust Agreement.

EFFECTIVE JANUARY 1, 2008

BASIC PLAN – MAXIMUM MONTHLY BENEFIT (PAGES 24-26)

The maximum monthly benefit ceiling for the Basic Plan has been increased from \$4,625 to \$5,500, effective for those pensioners whose annuity starting date is on or after January 1, 2008. The maximum monthly benefit determines the monthly pension paid in the Basic Plan based on a Single Life Annuity at Normal Retirement Age.

SUPPLEMENTAL PLAN – INCOMING ROLLOVERS (NEW PLAN PROVISION, NO CORRESPONDING PAGE REFERENCE)

The Supplemental Plan will accept rollovers from other eligible retirement plan accounts. One of the main benefits of this rule change is that participants that elect to receive a lump sum benefit from the Basic Plan can now move those monies directly into their Supplemental Plan account, rather than having to move the funds to an outside financial institution. Monies rolled into the Supplemental Plan will be invested with all other Supplemental Plan assets by the Plan's professional investment managers, overseen by the Finance Committee of the Board of Trustees. As such, participants will not be charged any fees for the investment of their rollover monies, but will not be able to self-direct their investments.

Individuals Eligible for Rollover - The ability to rollover monies into the Supplemental Benefit Plan will be limited to participants and surviving spouses that have not taken a withdrawal prior to vesting. The Supplemental Benefit Plan will not accept rollovers on behalf of alternate payees and non-spouse beneficiaries.

Eligible Accounts - Rollovers will be accepted from IRAs, 401(k) plans, 403(b) plans, 457 plans and any qualified plans described in Section 401(a) of the Internal Revenue Code. When an application for rollover is received, the Plan will require documentation that demonstrates that the monies are coming from a qualified plan. However, eligible participants and surviving spouses will be ultimately responsible for ensuring that the monies being transferred into their Supplemental Benefit Plan account are eligible for rollover. Any tax penalties will be the responsibility of the participant or surviving spouse rolling over monies into the Supplemental Benefit Plan account.

Rollover Limits - There are no limits (either minimum or maximum) on the amount that can be rolled over into the Supplemental Benefit Plan. All incoming rollover monies will be fully vested at all times.

Income / Loss on Rolled Over Amounts - Rollovers into the Supplemental Plan will begin earning investment income/loss the month after the month in which the Plan office determines that the rollover is an eligible rollover contribution (e.g. if the rollover is determined to be eligible in January, the rollover monies will begin earning investment returns starting on February 1). If the Plan office is unable to determine that the rollover is eligible within 30 days of receipt, the payment will be returned.

Distribution Rules and Limitations - Any rollover monies in a participant's Supplemental Benefit Plan account will be subject to the same distribution rules as all other monies in the account. This includes the eligibility age for distributions, disability rules and early distribution limitations. Once an incoming rollover is accepted, the monies will not be eligible for payment until the participant or surviving spouse attains the eligibility requirements for the portion of their Supplemental Benefit Plan account attributable to employee and employer contributions. For example, a 40-year-old vested participant that rolls funds into the Plan will not be eligible for distribution of the rolled-over amount until the participant attains age 60, is disabled, or dies.

Rollover monies will also be subject to the Supplemental Plan's Required Beginning Date rules. Therefore, rolling over monies into the Supplemental Benefit Plan may not be in the best interest of individuals nearing, or at, age 70 ½, as those monies would have to be distributed almost immediately to the individual. Rollover monies submitted by an unvested participant will be fully paid out along with any Withdrawal Prior to Vesting. A Withdrawal Prior to Vesting is when an unvested participant forfeits their employer contributions and withdraws the employee contributions from their account.

SUPPLEMENTAL PLAN – MONTHLY VALUATION (PAGES 34-36)

The valuation date for the Supplemental Plan is the last day of each Plan Month. Previously, Supplemental Plan accounts were valued on the last day of each Plan Quarter. Plan Month and Plan Quarter are the calendar month and the calendar quarter.

BASIC PLAN – LUMP SUM FACTOR (PAGES 34-36)

The interest rates utilized to calculate the factor to convert a monthly pension to a lump sum equivalent were changed from the annual interest rate on 30-year treasury securities to the interest rates specified under Internal Revenue Code Section 417(e)(3). This change was mandated by the Pension Protection Act of 2006.

SUPPLEMENTAL PLAN – IRC SECTION 415 PER-EMPLOYER LIMITATION (PAGE 48)

The per-Employer limitation referenced in the second paragraph of page 48 is no longer applicable to the IRC Section 415 Limitations. This means that the IRC Section 415 Limitations for the Supplemental Plan as referenced on page 49 are now applied on a "per-Participant" basis without regard to the Employer.

EFFECTIVE JANUARY 1, 2007

BASIC PLAN AND SUPPLEMENTAL PLAN – REJECTION OF HUSBAND-AND-WIFE PENSION (PAGES 20, 37)

The normal form of benefit for a married participant is as a Husband-and-Wife Pension. Effective January 1, 2007, the Participant and his or her spouse can sign a notarized statement rejecting the Husband-and-Wife Pension and elect a different option not more than 180 days before the Effective Date of the pension. Prior to January 1, 2007, the rejection of the Husband-and-Wife Pension could be made no more than 90 days before the Effective Date of the pension.

SUPPLEMENTAL PLAN – NON-SPOUSE BENEFICIARY ROLLOVERS (PAGES 39-40)

The Supplemental Plan was amended so that the definition of an eligible rollover distribution was expanded to include non-spouse beneficiary recipients of Supplemental Plan lump sum death benefit payments. In accordance with the Internal Revenue Code, payments to non-spousal beneficiaries on or after January 1, 2007 can be directly transferred to an individual retirement plan subject to the requirements of Internal Revenue Code Section 402(c)(11) commonly referred to as an inherited IRA.

EFFECTIVE APRIL 7, 2006

BASIC PLAN AND SUPPLEMENTAL PLAN – UNIFORMED SERVICES BENEFITS (PAGES 13, 15, 35, 62)

1. The following term shall be added to the Glossary section on page 62:

Uniformed Services means any branch of the United States uniformed forces as further defined in the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended, Section 4301, et seq. Uniformed Service means services rendered by a Participant in any branch of the United States uniformed forces as further defined in the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended, Section 4301, et seq.

2. The following subsection shall be added on page 13 of the Basic Benefit Plan immediately preceding the subsection entitled "Different Levels of Vesting Provide for Different Types and Options of Benefits":

PARTICIPANTS WHO RENDER SERVICES IN THE UNIFORMED SERVICES

If you were a Participant within one year before serving in the Uniformed Services, and perform work under a DGA collective bargaining agreement within one year of returning from Uniformed Service, such period of service will not be treated as a Break in Service for Five-Year Vesting or Anniversary Vesting purposes, unless the cumulative period of absence due to Uniformed Service exceeds five years.

3. The following subsection shall be added on page 15 of the Basic Benefit Plan immediately following the subsection entitled "Amount of Pension":

PARTICIPANTS WHO RENDER SERVICES IN THE UNIFORMED SERVICES

If you were a Participant within one year before serving in the Uniformed Services, and perform work under a DGA collective bargaining agreement within one year of returning from Uniformed Service, you will be credited with Earnings for the period in which you participated in Uniformed Services, up to five years. Accrual of Earnings is determined on the basis of your Earnings during the 12-month period immediately preceding the period of Uniformed Service. For purposes of this calculation, any Earnings during Uniformed Service from residuals or re-use fees will not be used in this calculation unless that amount exceeded the amount of compensation calculated on the pre-12-month period.

4. The following subsection shall be added on page 35 of the Supplemental Benefit Plan immediately following the subsection entitled Special Rule for Directors of Motion Pictures Extending Into Two Consecutive Calendar Years (Effective September 1, 1999):

PARTICIPANTS WHO RENDER SERVICES IN THE UNIFORMED SERVICES

If you were a Participant within one year before serving in the Uniformed Services, and perform work under a DGA collective bargaining agreement within one year of returning from Uniformed Service, you will be credited with Earnings for the period in which you participated in Uniformed Services, up to five years. Accrual of Earnings is determined on the basis of your Earnings during the 12-month period immediately preceding the period of Uniformed Service. For purposes of this calculation, any Earnings during Uniformed Service from residuals or re-use fees will not be used in this calculation unless that amount exceeded the amount of compensation calculated on the pre-12-month period.

You may make up your contributions upon your return to DGA-covered work, and have up to three times the period of Uniformed Service to make up the amount, not to exceed five years. You are not entitled to investment gains or losses that accrued during the period or periods of Uniformed Service.

If you need assistance in determining whether service provided by you is considered Uniformed Services under the Pension Plan, please contact the Pension Plan Office.

EFFECTIVE JANUARY 1, 2006

BASIC PLAN – SUSPENSION OF BENEFITS (PAGE 26)

Suspendible Service is employment in the same industry, in the "same trade or craft and in the same geographic area covered by the Plan. Effective January 1, 2006, the definition of the term "same trade of craft" was changed from:

a job consisting in whole or substantial part of functions performed in any job capacity or capacities covered by a Guild Collective Bargaining Agreement (other than functions by employees of the Guild or the Pension Plan)

To:

an occupation in which the Participant was employed at any time under the coverage of the Plan, any occupation utilizing the same skill(s), and any other self-employment or supervisory employment related to the same skill(s) as were involved in such occupation(s).

In addition, participants who retired on or after January 1, 2000 are entitled to retroactive benefits if their benefits were suspended under the prior definition of Suspendible Service above but would not have been suspended if the new definition above were applied. Also, a participant shall be given the opportunity to commence retirement benefits retroactively if the participant retired (a) between January 1, 2000 and January 1, 2006, (b) the participant engaged in employment that would not have resulted in the suspension of benefits under the new definition above, and (c) the participant provides written notice to the Plan on or before July 1, 2007 of his or her desire to commence retirement retroactively. Participants were notified of this July 1, 2007 due date in the Winter 2006 Spotlight on Benefits newsletter.

BASIC PLAN AND SUPPLEMENTAL PLAN – SPECIAL RULE FOR DIRECTORS OF MOTION PICTURES EXTENDING INTO TWO CONSECUTIVE CALENDAR YEARS (PAGES 10, 34)

The requirements for contributions made on behalf of Theatrical Directors employed over a two year span and paid \$200,000 or more in a single year were changed from \$170,000 (first year)/\$30,000 (second year) to \$150,000 (first year)/\$50,000 (second year), in order to meet the new salary requirements for earning 12 Credited Service Months in both years. This change applies to motion pictures with an employment period beginning in calendar year 2005 or later and ending with delivery of an answer print in the subsequent year. This change is subject to a similar change in the collective bargaining agreement.

EFFECTIVE 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.

SUPPLEMENTAL PLAN – PRE-RETIREMENT DEATH BENEFITS – 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.

EFFECTIVE 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. 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.

Example: 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.

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 1st. 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. The table below illustrates this progression.

Year	Earnings for 1 CSM
2003	\$2,400
2004	\$2,400
2005	\$2,500
2006	\$2,600
2007	\$2,700
2008	\$2,700

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 \$32,400 is needed to earn 12 CSMs, it is possible that an individual could work 100 days and not earn \$32,400 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 \$16,200 (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 at (877) 866-2200.

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