

## Pension Plans Booklet Updates

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*This notice summarizes the changes to the November 2009 Pension Plans Booklet and supersedes provisions described in that booklet. To help you use this update with your booklet, the corresponding booklet pages are noted with each benefit change.*

### **JANUARY 1, 2012**

#### **REPLACES SECTION ENTITLED THE SUPPLEMENTAL PLAN (PAGE 29)**

The Supplemental Plan is a defined contribution pension plan to which both Participants and Employers contribute. The Supplemental Plan operates much like a savings account or Individual Retirement Account where contributions made on a Participant's behalf are allocated to an Individual Account. The amounts in your Individual Account are only payable based on Plan provisions.

The amounts in each Participant's Individual Account are invested by the Plan's professional investment managers. Participants share in investment gains and losses on a pro rate basis as is more fully described below.

At retirement, a Participant receives the accumulated amount in the Participant's Individual Account, payable either as a lump sum, a monthly annuity, or a Partial Distribution.

In general, retirement benefits are payable at the earlier of:

- Age 60;
- Date of disability (as defined by the Plan); or
- Date of death.

Loans and hardship withdrawals are not permitted.

#### **REPLACES SECTION ENTITLED NORMAL PENSION (PAGE 33-34)**

To be eligible for a Normal Pension benefit from the Supplemental Plan, you must be at least age 60.

Your retirement payments in connection with a Normal Pension benefit must commence no later than your Required Beginning Date. If you do not apply for benefits before your Required Beginning Date, the Plan will force benefits to commence payable in the form of a Required Minimum Distribution.

If you begin receiving Required Minimum Distributions, you are still eligible to retire at a later date and elect an optional form of payment.

Upon reaching age 60 or becoming eligible for a Disability Pension, you may choose to receive your Individual Account in the form of:

- a monthly benefit (annuity);
- a lump sum payment; or
- a combination of the two options above; or
- a partial distribution.

#### **REPLACES SECTION ENTITLED CONTRIBUTIONS RECEIVED AFTER RETIREMENT (PAGE 24)**

If contributions are received on your behalf after the Valuation Date of your original distribution, they will be available at your subsequent distribution date upon written request. Each distribution will be made up of the contributions plus investment income through the new Valuation Date.

Unless you elect a Partial Distribution, only one distribution is allowed from the Supplemental Plan per calendar year. Post-retirement contributions for Participants after their Required Beginning Date must be distributed to Participants in an amount that is equal to or greater than the Required Minimum Distribution.

Contributions received after the Participant's death are distributable to the designated Beneficiary upon written request once per calendar year. Surviving Spouses, Same-Sex Spouses, and Same-Sex Domestic Partners may also qualify for a partial distribution subject to the partial distribution payment schedule.

**REPLACES SECTION ENTITLED PAYMENT OPTIONS (PAGE 35)**

If the value of your Individual Account is \$5,000 or less, it will automatically be paid as a lump sum.

If the value of your Individual Account is over \$5,000 and you are eligible for a Normal Pension or Disability Pension, you may elect to receive your Supplemental Plan benefit as a lump sum, monthly annuity or Partial Distribution.

It is important to consider the different payment options carefully. Some offer no continuation of monthly pension payments to a Spouse, Same-Sex Spouse, Same-Sex Domestic Partner or Beneficiary upon your death, while others do. If the option provides for a continuation of payments to a surviving Spouse or other Beneficiary, there is a reduction in the amount payable, as the payments are calculated to be paid over two lifetimes.

Your payment option election is irrevocable after your retirement date.

For lump sum distributions, your benefit will be paid directly by the Plan.

For payment of monthly annuities, the Supplemental Plan contracts with an annuity provider.

The amounts payable for annuities are actuarially determined by the insurance company based on:

- the amount in the Individual Account;
- the Participant's age;
- the age of any designated Contingent Annuitant; and
- prevailing interest rates as determined by the insurance company.

**REPLACES SECTION ENTITLED PARTIAL DISTRIBUTIONS (PAGE 37)**

A Partial Distribution retirement benefit is available if:

- You are vested in the Supplemental Plan;
- You are eligible to retire from the Supplemental Plan; and
- Your account balance is at least \$5,000.

The partial payments will be pro-rated across the taxable balance in your account (including Employer Contributions, incoming pre-tax rollovers, and all income), and the non-taxable balance in your account (including Employee Contributions, and incoming post-tax rollover contributions). You cannot elect a partial distribution of only the non-taxable monies in your account.

The Partial Distributions include the following options:

- A minimum distribution of \$5,000, no more than one payment per calendar quarter;
- A monthly election of a set amount (minimum of \$2,000). This election may be changed once per calendar year;
- A quarterly election (minimum of \$5,000) payable on January 15, April 15, July 15, and October 15; and
- A semi-annual election (minimum of \$5,000), no more than one payment per calendar quarter payable on the 15th of a month (i.e. One payment in March and another in November).

If you elect a Partial Distribution option and you have reached your Required Beginning Date, the amount of your Partial Distributions must be greater than or equal to the Required Minimum Distribution.

**REPLACES SECTION ENTITLED PARTIAL DISTRIBUTIONS (PAGE 41)**

If the Participant had elected a Partial Distribution at retirement, the Beneficiary/Beneficiaries are entitled to the remaining balance in the Participant's Individual Account. If the Beneficiary is the Participant's Spouse, Same-Sex Spouse or Same-Sex Domestic Partner, such Beneficiary may elect to receive the remaining account balance in a partial distribution that is at least as great as the Required Minimum Distribution. If no election is made, the remaining balance will be paid in the form of a Required Minimum Distribution. All other Beneficiaries will receive a lump sum distribution.

**REPLACES SECTION ENTITLED FOR PARTICIPANTS WHO ARE MARRIED OR IN A SAME-SEX DOMESTIC PARTNERSHIP (PAGE 41-42)**

When a Participant who is married or in a Same-Sex Domestic Partnership dies prior to retirement, the amount in the Participant's Individual Account on the Valuation Date is paid to the Participant's surviving Spouse, surviving Same-Sex Spouse or surviving Same-Sex Domestic Partner (to whom the Participant was legally married or in a Same-Sex Domestic Partnership). This amount can be:

- used to purchase an annuity which will provide monthly benefits for the lifetime of the Spouse, Same-Sex Spouse or Same-Sex Domestic Partner;
- paid out in a lump sum payment to the Spouse, Same-Sex Spouse or Same-Sex Domestic Partner; or
- split in half, with 50% being paid out as a lump sum to the Spouse, Same-Sex Spouse or Same-Sex Domestic Partner and 50% being used to purchase an annuity that will provide monthly benefits for the lifetime of the Spouse, Same-Sex Spouse or Same-Sex Domestic Partner.

If no election as to the form of benefit is made by a surviving Spouse, Same-Sex Spouse or Same-Sex Domestic Partner, the amount in the Participant's Individual Account will be paid in the form of a Required Minimum Distribution.

The Participant and Spouse, Same-Sex Spouse or Same-Sex Domestic Partner may, before the Participant's death, direct that the death benefit be paid to a Beneficiary other than the Spouse, Same-Sex Spouse or Same-Sex Domestic Partner. If payment is made to a Beneficiary other than the Spouse, Same-Sex Spouse or Same-Sex Domestic Partner, the Beneficiary will receive a lump sum benefit equal to the amount of the Individual Account on the most recent Valuation Date.

**REPLACES SECTION ENTITLED DISTRIBUTION RULES AND LIMITATIONS (PAGES 43-44)**

Any Rollovers in a Participant's Supplemental 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 a Rollover is accepted from a Participant, the monies will not be eligible for payment until the Participant attains the eligibility requirements for the portion of their Supplemental Plan account attributable to Employee and Employer Contributions. For example, a 40-year-old vested Participant that rolls funds in to the Plan will not be eligible for distribution of the Rollover amount until the Participant attains age 60, is disabled, or dies. Once a Rollover is accepted from a surviving Spouse, he or she must meet the same distribution rules for the surviving Spouse's rollover balance. For example, a 50-year-old surviving Spouse that rolls funds in to the Plan will not be eligible for distribution of the Rollover amount until the surviving Spouse attains age 60, is disabled or dies. However, the surviving Spouse can take a distribution of the balance of the Participant's account, including the Participant's rollover funds, prior to age 60.

Rollovers will also be subject to the Supplemental Plan's Required Beginning Date and Required Minimum Distribution rules. Rollovers submitted by an unvested Participant will be fully paid out along with any Withdrawal Prior to Vesting.

**REPLACES SECTION ENTITLED ROLLOVERS, DISTRIBUTIONS AND TAX WITHHOLDING (PAGE 47)**

In general, all distributions, except for Employee Contributions from the Supplemental Plan, are considered taxable income.

Employee contributions are not taxable at the time of distribution because tax was paid on those amounts prior to being contributed to the Supplemental Plan.

If you elect to receive a lump sum payment from the Basic or Supplemental Plan, you can transfer the lump sum to another qualified Plan or an IRA in a direct rollover. In this case, the lump sum amount will not be considered taxable income. You can elect to rollover your Basic Plan distribution into the Supplemental Plan. Any portion of a lump sum payment from the Basic Plan or Supplemental Plan made to satisfy the Required Minimum Distribution rules is not eligible for rollover.

If you do not elect a direct rollover, your rollover eligible taxable distributions will be subject to a 20% mandatory federal tax withholding (and a 2% California state tax withholding for California residents). For non-rollover eligible Required Minimum Distributions, you may make an election regarding your federal and state tax withholding. If you fail to make an election, your non-rollover eligible Required Minimum Distributions will be subject to a 10% mandatory federal tax withholding (and a 1% California state tax withholding for California residents).

If you elect to receive monthly pension payments, you may elect whether or not to have the Plan Office automatically withhold your tax.

More information about rollovers and tax withholding will be available when you retire.

### **REPLACES SECTION ENTITLED PENSION EFFECTIVE DATE (PAGE 47-48)**

With the exception of a Disability Pension from the Basic Plan, pension benefits are effective on the first day of the month after the month in which a completed pension application is filed with the Plan Office, assuming that a completed pension application was received by the required deadline. A retirement application is not considered complete until the Plan Office has received all required information with the appropriate signatures (several of which must be notarized).

A Disability Pension from the Basic Plan will be effective on the first day of the month following receipt of the completed pension application (including the Notice of Award from Social Security). However, such benefits will become effective on the date that the Social Security Disability Benefits become effective, provided that the retirement application and the Notice of Award are filed with the Plan Office within 90 days after the Participant receives the Notice of Award. In no event will the Effective Date of the Disability Pension be prior to:

- the Effective Date of the Social Security Disability Benefits; or
- the sixth month of the disability.

We must receive your completed application by the required deadline preceding your intended Effective Date. Late applications will not be processed until the following month and will, therefore, cause your Effective Date to be delayed by a month.

Federal law requires that pension payments start no later than the Required Beginning Date. If benefits do not commence by this date, you may be subject to a 50% excise tax. If you do not apply for benefits from the Basic Plan before your Required Beginning Date, the Plan will force benefits to commence payable in the normal form for married or non-married Participants. If you do not apply for benefits from the Supplemental Plan before your Required Beginning Date, the Plan will force benefits to commence payable in the form of a Required Minimum Distribution. Different default payment options apply to Beneficiaries under the Supplemental Plan.

### **REPLACES SECTION ENTITLED REQUIRED MINIMUM DISTRIBUTION (PAGE 70)**

The minimum distribution payable in accordance with the Treasury regulations under Code Section 410(a)(9). The amount of the minimum distribution is determined separately under the Basic Plan and Supplemental Plan, and does not take into account any distributions an individual has received from any other retirement plan or individual retirement account.

## **MARCH 19, 2010**

### **REPLACES SECTION ENTITLED APPEALS (PAGE 54)**

If your application for benefits is denied, you will be notified within 90 days of that denial, unless special circumstances require an additional 90-day period. The notice will explain why your application was denied and describe your rights to appeal. If you still believe the decision of the Plans was incorrect, 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 Plans, and must be submitted to the Plan Office within 60 days of the denial of the claim. A Claimant who believes that any determination of the Plans other than a denial of a pension application has negatively impacted on the Claimant's pension credits or eligibility for benefits (including determinations of Covered Earnings) may file an appeal within 180 days of the notification of the determination of the Plans.

If you do not file an appeal within the 60-day or 180-day period referenced above, you waive your right to reconsideration of the decision based on 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 Plans 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 Plans 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 Plans 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 Plans' internal appeals process before filing a legal action of any kind or nature, in state or federal court, against the Pension Plans 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 Plans were improperly denied, or who believes that any other determination of the Plans 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 provisions of the Plans, no action may be commenced by you, your dependents, or any other Claimant with respect to, or arising out of, any claim for benefits or any other claim of any kind or nature against the Plans or against the Trustees after expiration of the Limitations Period described here. The Limitations Period means that you, your eligible dependents or any other Claimant have one year to take legal action if you believe that the Pension Plans have denied rights or benefits you believe you are entitled to receive. The one-year period also applies in cases where an action has been taken that affects your eligibility for, or entitlement to, any benefit under the Pension Plans, such as the failure or refusal to recognize any earnings that you believe are Covered Earnings.

Unless you bring a timely appeal from an action of the Plans as provided above, this one year period starts with the earlier occurrence of any of the following:

1. An event occurs that gives you or any Claimant notice that the Pension Plans:
  - Is not providing you or any Claimant with a benefit;
  - Has denied you or any Claimant a claim or a benefit, that you or any Claimant otherwise expected to receive; or
  - Refuses or fails to recognize any earnings that you believe are Covered Earnings; or
2. Circumstances exist such that you or any Claimant should know that the Pension Plans:
  - Is not giving you or any Claimant, or is denying you or any Claimant, a claim or a benefit that you or any Claimant believe you are entitled to receive under the Pension Plans; or
  - Is refusing or failing to recognize any earnings that you believe are Covered Earnings.

If you do bring a timely appeal as provided above, the one year period will begin when the Pension Plans first notifies you of the denial of an appeal you or any Claimant have filed with the Pension Plans.

The above rules also apply to any claim on behalf of you, your dependents, or any other Claimant with respect to, or arising out of, any claim for benefits or any other claim of any kind or nature against the Plans or against the Trustees.

After the Limitations Period expires, you and any Claimant no longer have the right to take legal action relating to a claim under the Pension Plans for benefits including, without limitation, filing a lawsuit in state or federal court.

The Limitations Period applies to:

1. 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;
2. All actions under Section 502(a)(3) of ERISA if the claim relates to the provision of benefits or rights under the Pension Plans;
3. All actions regarding eligibility for or entitlement to benefits, including recognition of Covered Earnings; and
4. All actions relating to or arising, directly or indirectly, under the Pension Plans including, without limitation, legal or equitable claims relating to modification, or loss of eligibility for Pension Plans benefits, or any other Pension Plans finding or determination affecting you, your dependent's or any other Claimant's benefits or rights under the Pension Plans.

This section does not apply to legal actions arising from breaches of fiduciary duties or any other violation of ERISA's general fiduciary and prohibited transaction provisions.

If you have any questions regarding the claims and appeals procedure, please contact the Pension Plan Office.

### **Eligibility Appeals**

Pension Plan eligibility appeals must be submitted in writing to the Pension Department at:

DGA-Producer Pension Plans, Attn: Pension Manager  
8436 West Third Street, Suite 900, Los Angeles, California 90048-4189  
Fax: (323) 866-2372

If an appeal is received by the Plan Office at least 30 days before the next Benefits Committee meeting, the appeal will be presented to the Benefits Committee at its next meeting. If an appeal is received by the Plan Office less than 30 days before the next Benefits Committee meeting, the appeal will be presented to the Benefits Committee at the following Benefits Committee meeting.

### **Discretion of the Trustees**

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 which means that they have the right to determine the sufficiency of any proof you may provide to support your claim to benefits.

## **JANUARY 1, 2010**

### **BASIC PLAN – CREDITED SERVICE MONTH (CSM) EARNINGS REQUIREMENT (PAGE 9)**

The new earnings requirement to earn one CSM in the Basic Pension Plan is \$3,000. As a result, \$36,000 in covered earnings during a calendar year will result in earning the maximum 12 CSMs during that year.

## NOVEMBER 1, 2009

### BASIC PLAN – DETERMINING YOUR BENEFIT UNDER THE CAREER AVERAGE EARNINGS FORMULA CHART (PAGE 11)

This chart has been corrected to include steps 5 and 6 as follows.

#### DETERMINING YOUR BENEFIT UNDER THE CAREER AVERAGE EARNINGS FORMULA

This example will walk you through the steps used to determine the benefit that you would receive under the Career Average Earnings formula.

- STEP 1** ▶ Determine your total Credited Service Months after 1960 and the total earnings in years in which you earned a Credited Service Month after 1960.

*Example:*

*During your 20-year career (1981-2000), you earned a total of 240 Credited Service Months (i.e. the maximum of 12 CSMs in each year). Your total earnings over those 20 years was \$945,000.*

- STEP 2** ▶ Divide your total earnings by the number of months in which you earned a CSM.

*Example:*

$$\$945,000 \div 240 = \$3,937.50$$

- STEP 3** ▶ Multiply the result by 12. This is your Career Average Earnings.

*Example:*

$$\$3,937.50 \times 12 = \$47,250$$

- STEP 4** ▶ Use the following table to determine your monthly benefit based on your Career Average Earnings.

Career Average Earnings (CAE)	Monthly Benefit
\$0 to \$19,999	3.6% of CAE
\$20,000 to \$49,999	\$720 + 2.5% of CAE above \$20,000
\$50,000 to \$99,999	\$1,470 + 1.8% of CAE above \$50,000
\$100,000 to \$150,000	\$2,370 + 1.2% of CAE above \$100,000

*Example:*

$$\$720 + \$681.25 = \$1,401.25$$

- STEP 5** ▶ Multiply the result by the number of months in which you earned a CSM, then divide the result by 12 to determine your annual benefit.

*Example:*

$$\$1,401.25 \times 240 \div 12 = \$28,025$$

- STEP 6** ▶ Divide the result by 12 to determine your monthly benefit.

*Example:*

$$\$28,025 \div 12 = \$2,335.42$$