DGA-PRODUCER PENSION & HEALTH

Spotlight ON BENEFITS

WINTER 2017

NOT ALL LABS OR TESTS ORDERED BY YOUR DOCTOR MAY BE COVERED.

Get tips on how to avoid unexpected out-of-pocket costs for tests determined as not Medically Necessary under the Health Plan.

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Board of Trustees Announces Additional Changes to the Basic Pension Plan, Effective January 1, 2018

Earlier this year, the Board of Trustees of the Directors Guild of America–Producer Pension and Health Plans announced two changes to the Basic Pension Plan intended to ensure the Plan's continued strength and preserve its well-funded status. These changes demonstrate the Board's continuing efforts to further improve the Basic Pension Plan's financial status.

First, effective July 1, 2017, the entire 0.5% increase in employer pension contributions negotiated in the latest Basic, Freelance Live and Tape Television Agreement (FLTTA) and Networks' Collective Bargaining Agreements is allocated to the Basic Pension Plan, bringing the total employer Basic Pension Plan contribution rate to 3.8% of compensation (up from 3.3% of compensation). Second, effective January 1, 2018, based on a recommendation from the Finance Committee, the Basic Pension Plan's target rate of return was lowered from 7.25% to 7.15%. The Board was able to reduce the target rate of return to 7.15% because the Basic Pension Plan remains well-funded and has been in the Green Zone since the Pension Protection Act was enacted in 2006.

Reducing the target rate of return is important because it allows the Finance Committee to reduce risk in the Basic Benefit Plan's investment portfolio. It does this by changing the Plan's investment return assumptions to have it more accurately reflect its actual experiences. This reduces the volatility of the portfolio by increasing the Plan's ikelihood of meeting its target rate of return. However, the lower assumed rate of return increases estimated benefit liabilities, reducing the Plan's funded status. This is why the Board recently approved some additional changes recommended by the Benefits Committee to further support the Basic Pension Plan's funded status. These changes

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2016 Summary Annual Report Enclosed

Spotlight ON BENEFITS

VOLUME 25, NUMBER 4
WINTER 2017

DGA-PRODUCER PENSION & HEALTH

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ABOUT THE PLANS

The Pension and Health Plans were created as a result of the Directors Guild of America's collective bargaining agreements with producer associations representing the motion picture, television and commercial production industries.

The DGA-Producer Pension and Health Plans are separate entities from the Directors Guild of America and are administered by a Board of Trustees made up of DGA representatives and Producers' representatives.

COMMUNICATIONS STAFF

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Express Scripts Updates Its List of Covered Medications Effective January 1, 2018

Express Scripts, the Health Plan's prescription drug benefit manager, has updated its list of covered medications for 2018. The list of preferred drugs, also called the National Preferred Formulary, determines which medications are covered under the DGA-Producer Health Plan and how much you pay out of pocket for certain prescriptions.

Anyone taking a maintenance medication should be sure to review the new list in case the status of your medication has changed. The complete 2018 list of excluded medications along with preferred alternatives is available at https://www.dgaplans.org/2018_Formulary.

Less than one percent of Health Plan participants will be affected by the updated list. If a medication you currently take appears on the list of excluded medications, Express Scripts should already have notified you by mail so that you can talk with your doctor about a preferred alternative that is proven to be as effective as the excluded medication.

For information on whether this change will affect your current prescriptions, log on to your Express Scripts account at express-scripts.com/covered. If you have any questions, please call Express Scripts at (800) 987-7828. PH

All-Inclusive Network Limit Increases January 1

The All-Inclusive Network Out-of-Pocket Limit sets a maximum on the amount you pay out of pocket per calendar year for network benefits, including deductibles, co-insurance and co-payments (including prescription drug co-payments, the $50 emergency room co-payment and the $10 co-payment for visits to the UCLA Health/MPTF health centers).

Beginning January 1, 2018, the Health Plan's All-Inclusive Network Out-of-Pocket Limit will increase from $7,150 individual/$14,300 family to $7,350 individual/$14,700 family.

If you reach the limit, the Health Plan will pay 100% of covered network expenses. PH

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Additional Basic Plan Changes, Effective January 1, 2018

were approved as part of the Benefits Committee's ongoing efforts to ensure that contributions to the Basic Pension Plan provide sufficient funding to meet the Plan's benefit obligations; the Plan's benefits are competitive in the current working environment; and that the Plan is not taking on liabilities unrelated to DGA-covered work. The following changes apply to participants and alternate payees and go into effect January 1, 2018. (Refer to the enclosed 204(h) notice for more information.)

Reallocation of 6% Employer Contributions

Currently, Employers contribute 6% of a participant's compensation to the Pension Plans. For the first $150,000 in compensation, 3.8% is allocated to the Basic Pension Plan and 2.2% is allocated to the Supplemental Pension Plan. For compensation in excess of $150,000, 6% is allocated to the Supplemental Pension Plan.

Beginning January 1, 2018, the full 6% in employer pension contributions on the first $20,000 in compensation will be allocated to the Basic Pension Plan. This new allocation places an additional 2.2%, or up to $440 per participant per year into the Basic Pension Plan. The Basic Pension Plan benefit structure is weighted towards lower earners, with the highest benefit allocation given to earnings on the first $20,000 in compensation. For example, under the current benefit structure, a participant with average earnings of $20,000 and 20 years of service will retire with a lifetime annual benefit of $12,200, based on a total of $15,200 in contributions reported over 20 years.

Incremental Increases to Earnings Threshold for Credit Service Months

Credited Service Months (CSMs) reflect your DGA-covered service in the Pension Plans. For the Basic Pension Plan, CSMs are used to determine the monthly benefit and vesting status; for the Supplemental Pension Plan, CSMs are used to determine vesting status. You earn CSMs based on reportable earnings during a calendar year. Currently, you accrue one CSM per $3,200 in reportable earnings up to a maximum of 12 CSMs per calendar year. The CSM earnings requirement was last changed in 2016, when it increased from $3,000 to $3,200. These increases are in line with the recently negotiated increases to minimum salaries in the Basic and FLTTA, and therefore, maintain the current level of benefit accruals.

Beginning January 1, 2018 and continuing through 2020, the earnings required for one CSM will increase as follows:

Time Period	Earnings for 1 CSM
January 1, 2018 to December 31, 2018	$3,400
January 1, 2019 to December 31, 2019	$3,500
January 1, 2020 and beyond	$3,600

Increased Reduction Factor When Taking an Early Pension Benefit

The next three changes relate to a benefit design structure that was put in place in an era with very different life and career expectancies.

Currently, the Basic Pension Plan allows an individual to begin taking a benefit as early as age 55 with as little as 10 years of service, or 10-year vesting. Participants who choose this option will have their Normal Retirement Benefit reduced by a factor of 1/4% per month (3% per year) for each month they are younger than Normal Retirement Age (age 65) on their pension effective date.

Beginning January 1, 2018, the Early Retirement Reduction Factor will increase from 3% to 5% per year (or 5/12% per month) for benefits commencing prior to age 62. There is no change in the early retirement factor after age 62. This change applies only to benefits accrued on or after January 1, 2018. The 3% reduction factor will continue to apply to benefits accrued prior to January 1, 2018.

Increased Reduction Factor When Taking an Early Pension Benefit for Alternate Payees

Beginning January 1, 2018, the Early Retirement Reduction Factors will also increase for alternate payees to bring them in line with the increased factors that apply to participants. Generally, when a participant's retirement benefits are split during a divorce, the terms of a Qualified Domestic Relations Order (QDRO) may permit an alternate payee to begin receiving pension benefits when the "measuring life" under the QDRO reaches a certain age.

Currently, an alternate payee who elects to receive an Early Retirement benefit may have his or her benefits reduced. For benefits accrued before January 1, 2018, the reduction is 1/4% per month for each month the measuring life is younger than age 65 on the alternate payee's benefit commencement date until age 55, and a 1/2% reduction for each month the measuring life is younger than age 55

After the change, for benefits accrued on or after January 1, 2018, the early retirement reduction factor will be 1/4% for each month the measuring life is younger than age 65 on the alternate payee's benefit commencement date until age 62,

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Get Paid to Wait. Delaying Your Basic Plan Benefit Beyond Age 65 Can Increase Your Monthly Payment.

Like most defined benefit plans, the Directors Guild of America–Producer Basic Pension Plan provides a monthly benefit based on a fixed formula. Currently, the maximum monthly benefit payable at Normal Retirement Age, typically age 65, is $5,500. By delaying the commencement of your Basic Plan benefit past your Normal Retirement Age, you have the opportunity to increase your benefit beyond $5,500. The longer you wait, the more your benefit increases.

Your Basic Plan benefit is increased up to the earlier of (1) your benefit commencement date after your Normal Retirement Age or (2) your Required Beginning Date (April 1st of the year following the calendar year in which you reach age 70½).

See chart at the right for details regarding the factors used in calculating the delayed retirement increase to your Basic Plan benefit.

At your benefit commencement date, you will receive the greater of (1) your Normal Retirement Age benefit increased using the factors in the chart above or (2) your total accrued benefit.

For more details on the Basic Plan's Delayed Retirement benefits, see pages 11-12 of the March 2015 Pension Plan Summary Plan Description, or call and speak to a Pension Plans' representative at (877) 866-2200, ext. 404. PH

When Benefits Were Accrued	Delayed Retirement Increase Factor
Through December 31, 2014	▶ +1% per month for the first 60 months after Normal Retirement Age, or 12% per year ▶ +1.5% per month thereafter until the earlier of your benefit commencement date or your Required Beginning Date ▶ Increase applies only to months where less than 8 days of Suspendible Service are performed
On or After January 1, 2015	▶ +0.75% per month after Normal Retirement Age, or 9% per year (regardless of the number of days worked)

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Additional Basic Plan Changes, Effective January 1, 2018

a 5/12% reduction per month from age 62 to 55, and a 1/2% reduction for each month the measuring life is younger than age 55.

These changes also only apply to alternate payees who elect to receive benefits on or after the participant's annuity starting date.

New Current Activity Requirement for Disability Pension Benefit

In order to prevent the Basic Pension Plan from taking on a liability that may have occurred after a participant has long stopped working in a DGA capacity, the Board of Trustees added a current activity requirement to the Plan's eligibility requirements for a disability benefit. Currently, to qualify for a disability benefit, you must be 10-year vested and have a disability award letter from the Social Security Administration. Beginning January 1, 2018, to qualify for disability pension benefits, you must also have earned a minimum of 12 CSMs in the 36 months immediately preceding the disability.

Altogether, these four changes are projected to further improve the Basic Pension Plan's funded status over the next decade. In approving these changes, the Board of Trustees continues its efforts to strengthen the Basic Pension Plan and further improve its ability to pay the promised benefits over the long term.

For further details on the previously announced changes to the Basic Plan, see *Board of Trustees Takes Steps to Further Improve Financial Strength of the Basic Plan*, Summer 2017, available at www.dgaplans.org/forms/newsletters. PH

Not All Labs or Tests Ordered by Your Doctor May Be Covered.

It is common for a trip to the doctor to include a test of some kind, whether that be an x-ray, lab culture, blood test, or any of the other laboratory and diagnostic tests doctors use to evaluate and treat patients. While the Health Plan covers tests that are Medically Necessary, as defined by the Health Plan, you should know that not all tests ordered by your provider may meet the medically necessary standard. In those cases, you will be responsible for any charges the Health Plan does not pay.

This article provides tips for avoiding unexpected out-of-pocket costs from tests your doctor may order for you but that the Health Plan may not cover. While these suggestions may help you avoid surprise medical bills, nothing replaces talking things over directly with your doctor and the Health Plan before charges are incurred.

Here are some things to help you decide when to ask questions about that test your doctor has ordered for you:

Listen for words like "experimental" or "investigational"

If your provider prescribes a test he or she describes as "experimental," "investigational," or "new," you should check with the Health Plan to verify whether that test will be covered. Tests described in this way may not be considered generally accepted medical practice or part of professionally recognized standards of care; and, therefore, will not be covered by most insurance plans. Examples include molecular or genomic tests, epigenetic tests and gene-based assays. In some cases, providers will request payment for such tests upfront. If you are prescribed one of these tests and are advised by the Health Plan that it will not be covered, you will need to discuss covered alternatives with your provider or know that you will be responsible for the charges.

Know the circumstances under which tests are not covered

There are certain circumstances under which tests are not covered under the Health Plan, including the following:

- Infertility-related diagnostic tests performed after the start of treatment are not covered under the Health Plan. However, an initial diagnostic workup to determine the cause of infertility can be covered prior to the start of treatment.
- Academic evaluations, psychological or neuropsychological testing of school age children that is psychoeducational and not medically necessary.

Know when you've had the same lab or diagnostic test performed before

The Health Plan monitors participant claims, evaluating them for medical necessity. If you are prescribed a test that you remember having had previously, check with your doctor whether a repeat of the test is necessary or talk to the Health Plan's Participant Services Department at (877) 866-2200, Ext. 401 to confirm the repeat test will be covered.

The tips above describe some situations in which you should consult your doctor or the Health Plan to determine if a prescribed test or lab will be covered, but this list is not exhaustive. For more information, read What's Not Covered Under Medical Benefits on pages 59-62 of the March 2015 Health Plan Summary Plan Description or speak to a Participant Services Representative at (877) 866-2200, Ext. 401. **PH**

Women's Health and Cancer Rights

Women who have had a mastectomy or expect to have one may be entitled to special benefits under the Women's Health and Cancer Rights Act of 1998. The Health Plan provides several important benefits to help women fighting breast cancer.

The following notice is made on an annual basis:

> *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.*

If you have questions, please contact the Participant Services Department toll-free at (877) 866-2200, Extension 401. **PH**

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Thank You for Another Successful Year

On October 7 and 21, the Directors Guild of America–Producer Pension and Health Plans hosted its annual Health Fairs and Flu Shot Clinics in Los Angeles and New York City. It is an event for all DGA members to have an opportunity to obtain valuable information about Plan benefits, speak with the experts and get a flu shot.

Hundreds of DGA members and their families attended, with more than 400 flu shots provided in LA and New York. Congratulations to all those who walked away with raffle prizes, which included Fitbits and our grand prize Apple Watch.

The Plans' staff would like to thank the hundreds of DGA members and their families who attended. A very special thanks to the DGA Foundation, who sponsored free flu shots for DGA members currently without Health Plan coverage, and to our benefits managers and allied organizations – the Actors Fund, Anthem Blue Cross, Delta Dental, Express Scripts, UCLA Health and VSP.

We look forward to seeing you at next year's events. **PH**

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Summary Annual Reports for the Directors Guild of America–Producer Pension and Health Plans

Summary Annual Report for Directors Guild of America–Producer Pension Plan Supplemental Benefit Plan

This is a summary of the annual report for the Directors Guild of America - Producer Pension Plan Supplemental Benefit Plan, E.I.N. 95-6027308, Plan No. 002, for the year ended December 31, 2016. The annual report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

Benefits under the Plan are provided through a trust fund or arrangements providing benefits partially through annuity contracts. Plan expenses were $74,812,615. These expenses included $10,415,542 in administrative expenses and $64,397,073 in benefits paid to or for participants and beneficiaries. A total of 22,789 persons were participants in or beneficiaries of the Plan at the end of the Plan year, although not all of these persons had yet earned the right to receive benefits.

The value of Plan assets, after subtracting liabilities of the Plan, was $1,616,511,562 as of December 31, 2016, compared to $1,524,911,849 as of January 1, 2016. During the Plan year, the Plan experienced an increase in its net assets of $91,599,713. This increase includes unrealized appreciation or depreciation in the value of Plan assets; that is, the difference between the value of the Plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. The Plan had total income of $166,412,328 including employer contributions of $35,938,390, participant contributions of $25,720,073, rollovers of $11,950,801, losses of $7,441,344 from the sale of assets, earnings from investments of $100,091,974 and other income of $152,434.

Enough money was contributed to the Plan to keep it funded in accordance with the minimum funding requirements of ERISA.

Your Rights to Additional Information

You have the right to receive copies of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1) An independent auditor's report;
2) financial information and information on payments to service providers;
3) assets held for investment;
4) transactions in excess of 5% of the Plan assets;
5) fiduciary information, including non-exempt transactions between the Plan and parties-in-interest (that is persons who have certain relationships with the Plan); and
6) information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the Plan participates.

To obtain copies of the full annual report, or any part thereof, write or call the office of the Directors Guild of America - Producer Pension and Health Plans, 5055 Wilshire Boulevard, Suite 600, Los Angeles, California 90036, or call (323) 866-2200. The charge to cover copying costs will be $15.00 for the full annual report, or $.25 per page for any parts thereof.

You also have the right to receive from the Plan administrator, on request and at no charge, copies of the Plan's statement of assets and liabilities, statement of income and expenses, and the accompanying notes for both. If you request a copy of the full annual report from the Plan administrator, these statements and accompanying notes will be included as part of that report. The charges to cover copying costs described above do not include charges for the copying of these portions of the reports because these portions are furnished without charge.

You also have the legally protected right to examine the annual reports at the main office of the Plan (5055 Wilshire Boulevard, Suite 600, Los Angeles, California 90036) and at the U.S. Department of Labor in Washington, D.C., or to obtain copies from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

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Summary Annual Reports for the Directors Guild of America–Producer Pension and Health Plans

Summary Annual Report for Directors Guild of America–Producer Health Plan

This is a summary of the annual report of the Directors Guild of America - Producer Health Plan, E.I.N. 23-7067289, Plan No. 501, for the year ended December 31, 2016. The annual report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

The value of Plan assets, after subtracting liabilities of the Plan, was $52,790,903 as of December 31, 2016, compared to $32,685,111 as of January 1, 2016. During the Plan year, the Plan experienced an increase in its net assets of $20,105,792. This increase includes unrealized appreciation and depreciation in the value of Plan assets; that is, the difference between the value of the Plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the Plan year, the Plan had total income of $139,935,247 including employer contributions of $123,542,283, participant contributions of $10,269,961, gains of $393,634 from the sale of assets, earnings from investments of $5,725,070 and other income of $4,299.

Plan expenses were $119,829,455. These expenses included $5,396,967 in administrative expenses and $114,432,488 in benefits paid to or for participants and beneficiaries.

Your Rights to Additional Information

You have the right to receive copies of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1) An independent auditor's report;
2) financial information and information on payments to service providers;
3) assets held for investment;
4) transactions in excess of 5% of the Plan assets;
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6) information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the Plan participates.

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Directors Guild of America–Producer Pension Plans Basic Benefit Plan

The purpose of this notice is to advise you of important changes to certain benefits you receive as a Participant in the Directors Guild of America–Producer Pension Plans Basic Benefit Plan (the "Basic Plan" or "Plan"). Capitalized terms in this Notice have the same meaning as in the Pension Plans Booklet and its updates.

As explained further below, effective January 1, 2018, the following changes will be made to the Plan to help ensure its continued financial strength and healthy funding status.

1) Credited Service Month (CSM) Earnings Requirement

Under the prior Plan provisions, a participant accrued one CSM per $3,200 in earnings up to a maximum of 12 CSMs in one calendar year based on $38,400 or more in covered earnings.

Effective January 1, 2018 the new earnings requirement to earn one CSM in the Basic Plan will increase from $3,200 to $3,400. As a result, $40,800 or more in covered earnings is required during the 2018 calendar year to earn the maximum 12 CSMs for that year. This change is effective only for CSMs earned after December 31, 2017. There is no change to your CSMs earned as of December 31, 2017.

Effective January 1, 2019, the new earnings requirement to earn one CSM in the Basic Plan will increase from $3,400 to $3,500. As a result, $42,000 or more in covered earnings will be required during the 2019 calendar year to earn the maximum 12 CSMs for that year.

Effective January 1, 2020, the new earnings requirement to earn one CSM in the Basic Plan will increase from $3,500 to $3,600. As a result, $43,200 or more in covered earnings will be required during the 2020 calendar year to earn the maximum 12 CSMs for that year.

The following are examples of how the change in the earnings requirement may affect you. Each example assumes that the Participant is working under a DGA collective bargaining agreement.

EXAMPLE 1

Participant A is paid a total of $36,000.00 in covered earnings during the calendar year 2018. Participant A receives 10 CSMs for 2018 ($36,000 / $3,400 = 10 CSMs with no rounding). Under the provisions of the prior Plan, Participant A would have earned 11 CSMs for 2018 ($36,000 / $3,200 = 11 CSMs with no rounding).

EXAMPLE 2

Participant B is paid a total of $50,000.00 in covered earnings during the calendar year 2018. Participant B receives 12 CSMs for 2018. Under the provisions of the prior Plan, Participant B would also have earned 12 CSMs for 2018.

EXAMPLE 3

Participant C is paid a total of $36,000 in covered earnings during the calendar year 2019. Participant C receives 10 CSMs for 2019 ($36,000 / $3,500 = 10 CSMs with no rounding). Under the provisions of the Plan effective January 1, 2017, Participant C would have earned 11 CSMs for 2018 ($36,000 / $3,200 = 11 CSMs with no rounding).

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EXAMPLE 4

Participant D is paid a total of $36,000 in covered earnings during the calendar year 2020. Participant D receives 10 CSMs for 2020 ($36,000 / $3,600 = 10 CSMs with no rounding). Under the provisions of the Plan effective January 1, 2017, Participant C would have earned 11 CSMs for 2018 ($36,000 / $3,200 = 11 CSMs with no rounding).

2) Increase to Reduction Factors Due to Early Retirement for Participants

The reduction factor applied to your future benefit if you retire prior to age 62 is being increased. This change applies only to the benefits that accrue on and after January 1, 2018.

Under the prior Plan provisions, if the effective date of your pension is prior to age 65 ("Normal Retirement Age"), your benefit is reduced by: 1/4 % per month for each month you are under age 65 at the time of retirement.

Effective January 1, 2018, for benefits that accrue on and after January 1, 2018 the early retirement reduction factor will be 1/4% per month for each month that you are under age 65 but over age 62, and a 5/12% reduction for each month you are under age 62 at the time of retirement.

Benefits accrued before January 1, 2018 will still be subject to the 1/4% per month reduction.

The following is an example of how the change in benefit formula may affect you. The example assumes that the Participant is eligible to retire with a pension prior to Normal Retirement Age.

EXAMPLE 5

On January 1, 2018 Participant A is age 60 with an accrued Normal Retirement Age benefit of $2,800 per month. She works one more year earning an additional benefit of $200 and retires at age 61

Under the prior Plan provisions, her monthly early retirement benefit at age 61 (48 months early) would be $2,640, calculated as the sum of the following:

- $2,800/month minus 12% (1/4% reduction for each month that the participant is younger than age 65 = 12% total reduction) = $2,464/month, and
- $200/month minus 12% (1/4% reduction for each month that the participant is younger than age 65 = 12% total reduction) = $176/month.

Under the new Plan provisions effective January 1, 2018, her monthly early retirement benefit would be $2,636 calculated as the sum of the following:

- $2,800/month minus 12% (1/4% reduction for each month that the participant is younger than 65 = 12% total reduction) = $2,464/month, and
- $200/month minus 14% (1/4% reduction for each month that the participant is younger than 65 but above age 62, and 5/12% reduction for each month that the participant is younger than age 62 = 14% additional reduction) = $172

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3) Increase to Reduction Factors for Early Retirement for Alternate Payees

The early retirement reduction factors are being increased for Alternate Payees who commence benefits before the measuring life under a Qualified Domestic Relations Order ("QDRO") reaches age 62. These changes will bring the early retirement reduction factors for Alternate Payees in line with the factors that apply to participants.

These changes only apply to benefits payable to an Alternate Payee for benefits accrued on and after January 1, 2018. These changes only apply to Alternate Payees whose benefit payments commence on or after the participant's Annuity Starting Date. These changes do not apply if the QDRO provides that an Alternate Payee's benefits are payable as a portion of the benefits paid to a participant.

Under the prior Plan provisions, benefits payable to an Alternate Payee would be reduced by the following factors: 1/4 % per month for each month the measuring life is younger than age 65 at the Alternate Payee's Commencement Date until age 55, and 1/2% per month for each month the measuring life is younger than age 55.

Under the new Plan provisions, for benefits that accrue on and after January 1, 2018 that are payable to an Alternate Payee, the early retirement reduction factor will be 1/4% per month for each month that the measuring life is younger than age 65 on the Alternate Payee's Commencement Date until age 62, 5/12% per month from age 62 until age 55, and 1/2% per month for each month the measuring life is younger than age 55.

The following examples illustrate how this may affect you. The examples assume that the participant is eligible to retire prior to Normal Retirement Age (65).

EXAMPLE 6

Alternate Payee A is entitled to a separate benefit from the Plan under the terms of a QDRO. The benefits payable to Alternate Payee A relate to benefits earned prior to January 1, 2018.

Participant A is currently receiving their retirement benefit. The measuring life under the QDRO is age 61. Based on Participant A's work history, the Plan would pay a Normal Retirement Benefit of $2,800 per month at Normal Retirement Age (65).

Under the prior Plan provisions, Alternate Payee A's early retirement benefit calculated from the measuring life's age 61 (48 months before NRA) would be $2,464/month, calculated as follows:

- $2,800/month minus 12% (1/4% reduction for each month that the measuring life is younger than age 65 = 12% total reduction) = $2,464/month

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EXAMPLE 7

Assume the same facts as Example 6, except that all benefits payable to Alternate Payee relate to benefits earned after January 1, 2018.

Under the new Plan provisions, Alternate Payee A's early retirement benefit would be $2,408/month calculated as follows:

- $2,800/month minus 9% (1/4% reduction for each month that the measuring life is younger than age 65 to until age 62 = 9% total reduction) = $2,548/month, minus
- 5% (5/12% reduction for each month the measuring life is younger than age 62 until age 61 = 5% total reduction) = $2,408/month.

4) Disability Retirement

Under the prior Plan provisions, a participant is entitled to a Disability Pension if he or she meets all of the following requirements:

i. Provides written evidence that he or she is entitled to a disability benefit from the Social Security Administration Retirement, Survivors and Disability Insurance;
ii. Is younger than age 65;
iii. Has accrued at least 120 Credited Service Months;
iv. Has not yet received a retirement benefit from the Basic Plan;
v. Is Retired;

For Disability Pensions that are effective on or after January 1, 2018, to qualify for a Disability Pension, a participant, must accrue at least 12 Credited Service Months in the 36 months immediately preceding the disability onset date as set forth in the Notice of Award by the Social Security Administration in addition to meeting i.-v. above.

Participants who are receiving a Disability Pension prior to January 1, 2018 will continue to receive such benefit in accordance with the terms of the prior Plan provisions.

It is important to note that your Pension benefits accrued to date are protected by law and cannot be decreased.

If you have any questions regarding these changes to the Plan, please contact the Pension Department at (877) 866-2200, extension 404.

Dated: November 27, 2017

This notice is being provided to you in accordance with section 204(h) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and section 4980F of the Internal Revenue Code of 1986, as amended, and is provided to all affected plan participants and alternate payees and employee organizations. This notice also constitutes your summary of material modifications as required by section 104(b) of ERISA and should be kept with your copy of the Plan's summary plan description and other important plan documents.