

Directors Guild of America—Producer Pension Plans

Notice to Plan Participants and Their Alternate Payees

The purpose of this notice is to advise you of important changes to certain benefits you receive as a collectively bargained Participant in the Directors Guild of America – Producer Pension Plans Basic and Supplemental Benefit Plans (collectively, the “Pension Plans” or “Plans”). Capitalized terms in this Notice have the same meaning as in the Pension Plans’ Summary Plan Description and its updates.

As explained further below, effective January 1, 2021, the following changes will be made to the Basic Plan to help ensure its continued financial strength and healthy funding status.

Credited Service Month (CSM) Earnings Requirement

Under current Plan provisions, the earnings requirement to earn one CSM in the Basic Plan is \$3,600.

Effective January 1, 2021, the new earnings requirement to earn one CSM in the Basic Plan will increase from \$3,600 to \$3,700. As a result, \$44,400 or more in covered earnings will be required during the 2021 calendar year to earn the maximum 12 CSMs for that year (increased from \$43,200 in 2020). There will be no changes to your CSMs earned as of December 31, 2020.

Effective January 1, 2022, the new earnings requirement to earn one CSM in the Basic Plan will increase from \$3,700 to \$3,800. As a result, \$45,600 or more in covered earnings will be required during the 2022 calendar year to earn the maximum 12 CSMs for that year. There will be no changes to your CSMs earned as of December 31, 2021.

Effective January 1, 2023, the new earnings requirement to earn one CSM in the Basic Plan will increase from \$3,800 to \$3,900. As a result, \$46,800 or more in covered earnings will be required during the 2023 calendar year to earn the maximum 12 CSMs for that year. There will be no changes to your CSMs earned as of December 31, 2022.

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 \$43,200 in covered earnings during the calendar year 2021. Participant A receives 11 CSMs for 2021 under the Basic Plan ($\$43,200 / \$3,700 = 11$ CSMs with no rounding). Under the prior Basic Plan provisions, Participant A would have earned 12 CSMs for 2021 ($\$43,200 / \$3,600 = 12$ CSMs with no rounding).

EXAMPLE 2

Participant B is paid a total of \$50,000 in covered earnings during the calendar year 2021. Participant B receives 12 CSMs for 2021 under the Basic Plan ($\$50,000 / \$3,700 = 13$ CSMs with no rounding, but capped at 12 months/year). Under the prior Basic Plan provisions, Participant B would also have earned 12 CSMs ($\$50,000 / \$3,600 = 13$ CSMs with no rounding, but capped at 12 months/year).

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: December 15, 2020

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 - 6 - 5055 Wilshire Blvd, Suite 600 Toll-Free (877) 866-2200 Los Angeles, California 90036 www.dgaplans.org 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.