



What is an Annual Funding Notice?

(...and why it's good news)

This newsletter includes the 2021 Annual Funding Notice, your yearly update on how well the Basic Pension Plan is funded.

We are happy to report that the Basic Plan remains healthy and ready to meet the needs of this and future generations of DGA members—with a funded percentage of 90.7% as of January 1, 2021, with liabilities accrued on a 6.9% assumed rate of return. This funded percentage increased more than 2% from the 88.6% funding as of January 1, 2020. The Basic Pension Plan remains in the Green Zone under the Pension Protection Act (PPA), as it has since the PPA was enacted in 2006. As of January 1, 2021, the Basic Pension Plan has a fair market value of more than \$2.2 Billion.

The PPA requires all multi-employer defined benefit pension plans, like the Basic Pension Plan, to provide an annual notice about its financial status, including the plan's funding percentage, assets and liabilities, and a description of the benefits guaranteed by the Pension Benefit Guaranty Corporation (PBGC). [PH](#)

INSIDE THIS ISSUE

New DocuSign Feature in myPHP

pg 2

Get Answers to Your Prescription Drug Questions on Caremark.com and the CVS Caremark Mobile Apps

pg 3

Women's Health and Cancer Rights Notice

pg 4

Tips to Ensure Continuity of Health Plan Coverage

pg 4



New DocuSign Feature in **myPHP**: Complete, Sign and Return Documents 100% Online

If you are a **myPHP** subscriber, completing and returning forms to the Plans office is about to get simpler. The Plans have partnered with DocuSign to offer a faster, more efficient, secure way to complete and submit documents like the Coordination of Benefits Form, Beneficiary Designation Form and Dependent Enrollment Form, entirely through **myPHP** — **without the need to print and mail them.**

How to Use the DocuSign Feature in **myPHP**

1. Log into your myPHP account.
2. Go to the Documents and Forms tab.
3. Click the **Fill/Sign Online** option for the form you would like to complete.
4. Follow the onscreen prompts to complete and sign the document.
5. Click Finish.

After completing the process, you will receive an email confirmation that your form has been successfully submitted as well as a link to view or download your completed form.

If you haven't yet registered for myPHP, have your Plan ID number ready and go to www.dgaplans.org/myPHP to create your account in minutes. **PH**



Register today at www.dgaplans.org/myPHP.

Get Answers to Your Prescription Drug Questions on Caremark.com and the CVS Caremark Mobile Apps

When it comes to getting answers to your prescription drug coverage question, CVS Caremark's mobile apps and website make finding information easy.

The diagram below shows you where on the CVS Caremark and CVS Specialty mobile apps you can find answers to many frequently asked questions.

If you have prescription drug coverage through the Health Plan, create an account on caremark.com or a CVS mobile app to gain easy access to your prescription drug information. **PH**

The image shows a smartphone held by a person, displaying the CVS Caremark mobile app. The app's interface is divided into several sections, each with callout boxes explaining their function:

- Easy Refill:** A callout box says "I want to refill a medication...". Below this, a box indicates "1 prescriptions to refill".
- Recent Orders:** A callout box says "I want to check the status of my order...". Below this, a box indicates "6 recent orders".
- Manage prescriptions:** This section includes three icons: "Refill Prescriptions", "View Recent Orders", and "Auto Refill". A callout box says "I want to refill a medication...".
- Member tools:** This section includes several icons: "Check Drug Costs", "Check Drug Interactions", "Identify Pills", "View Financial Summary", "Profile", and "Pharmacy Locator".
 - A callout box says "My doctor is starting me on a new medication. I want to know how much my copayment will be..." pointing to "Check Drug Costs".
 - A callout box says "I need a statement of how much I spent on prescription drugs so far this year..." pointing to "View Financial Summary".
 - A callout box says "I need to update the shipping address for my prescriptions and my contact phone number..." pointing to "Identify Pills".
 - A callout box says "I don't live near a CVS pharmacy. What other network pharmacies are nearest to me?" pointing to "Pharmacy Locator".
- Other features:** At the top, there are icons for "Submit Claims" and "View I.D. Card". At the bottom, there is a "Health Information Center" icon.



Tips to Ensure Continuity of Health Plan Coverage



Subscribe to the myPHP online benefits portal.

Track your current and future Health Plan eligibility status in the Health Eligibility tab. Create your free online account at www.dgaplans.org/myPHP.

Pay BEFORE the due date to allow time for your payment to be processed and posted before your coverage is due to renew.



"Set it and Forget It" with automatic pension deduction. When you have your Health Plan premiums automatically deducted from your monthly Basic Plan benefit, you can "set it and forget it."

Adjust your coverage as your life changes. Certain life changes, including marriage, birth or adoption of a child, and divorce, may mean you need to update your coverage accordingly. **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, ext. 401. **PH**

Annual Funding Notice for the Directors Guild of America—Producer Pension Plan Basic Benefit Plan

Introduction

This notice includes important information about the funding status of your multiemployer pension plan (“the Plan”) and general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation (“PBGC”), a federal insurance agency. All traditional pension plans (called “defined benefit pension plans”) must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is for the plan year beginning January 1, 2021 and ending December 31, 2021 (“Plan Year”).

How Well Funded Is Your Plan

Under federal law, the Plan must report how well it is funded by using a measure called the “funded percentage.” This percentage is obtained by dividing the Plan’s assets by its liabilities on the Valuation Date for the Plan Year. In general, the higher the percentage, the better funded the plan. Your Plan’s funded percentage for the Plan Year and each of the two preceding Plan Years is set forth in the chart below, along with a statement of the value of the Plan’s assets and liabilities for the same period.

| | 2021 Plan year | 2020 Plan Year | 2019 Plan Year |
|-----------------------------|-----------------|-----------------|-----------------|
| Valuation Date | January 1, 2021 | January 1, 2020 | January 1, 2019 |
| Funded Percentage | 90.7% | 88.6% | 88.0% |
| Value of Assets | \$2,011,591,116 | \$1,867,951,607 | \$1,755,235,398 |
| Value of Liabilities | \$2,217,960,825 | \$2,109,368,228 | \$1,994,078,508 |

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date for the Plan Year and are actuarial values. Because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, applicable federal law allows plans to use actuarial values that are designed to smooth out those fluctuations for funding purposes. The asset values below are market values and are measured as of the last day of the Plan Year, rather than as of the Valuation Date. Substituting the market value of assets for the actuarial value used in the above chart would show a clearer picture of a plan’s funded status as of the Valuation Date. The fair market value of the Plan’s assets as of the last day of the Plan Year and each of the two preceding Plan Years is shown in the following table:

| | December 31, 2021 | December 31, 2020 | December 31, 2019 |
|------------------------------------|-------------------|-------------------|-------------------|
| Fair Market Value of Assets | \$2,247,982,460 | \$2,073,692,403 | \$1,846,803,010 |

Endangered, Critical, or Critical and Declining Status

Under applicable federal law, a plan generally will be considered to be in “endangered” status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent, or in “critical” status if the percentage is less than 65 percent (other factors may also apply). A plan is in “critical and declining” status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status or critical and declining status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

The Plan was not in endangered, critical, or critical and declining status in the Plan Year.

Participant Information

The total number of participants and beneficiaries covered by the Plan as of the Plan’s Valuation Date was 14,066. Of this number, 7,994 were active participants, 3,572 were retired or separated from service and receiving benefits, and 2,500 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure for establishing a funding policy to carry out plan objectives. A funding policy relates to the level of assets needed to pay for benefits promised under the plan currently and over the years. The funding policy of the Plan is as follows:

The applicable collective bargaining agreements stipulate the contribution rates for determining contributions to fund the Plan's benefits. Actual contributions are thus a function of these negotiated contribution rates and the covered earnings of participants. Additionally, the Plan receives contributions based on residuals, which are not related to participants' current covered earnings. It is intended that the actual contributions will be sufficient to fund each year's benefit accrual and also amortize any unfunded liabilities over 15 years measured from each January 1 valuation date.

Once money is contributed to the Plan, the money is invested by Plan officials called fiduciaries, who make specific investments in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning investment management decisions. The investment policy of the Plan is to achieve a positive rate of return for the Plan over the long term that significantly contributes to meeting the Plan's obligations, including actuarial interest and benefit payment obligations.

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

| Asset Allocations | Percentage |
|--|------------|
| Interest-bearing cash | 5.3 |
| U.S. Government securities | 3.9 |
| Corporate debt instruments (other than employer securities): | |
| Preferred | 2.3 |
| All Other | 4.3 |
| Corporate stocks (other than employer securities): | |
| Preferred | 0.0 |
| Common | 1.9 |
| Partnership/joint venture interests | 35.6 |
| Real estate (other than employer real property) | 0.0 |
| Loans (other than to participants) | 0.0 |
| Participant loans | 0.0 |
| Value of interest in common/collective trusts | 34.0 |
| Value of interest in pooled separate accounts | 0.0 |
| Value of interest in master trust investment accounts | 0.0 |
| Value of interest in 103-12 investment entities | 5.2 |
| Value of interest in registered investment companies (e.g. mutual funds) | 3.8 |
| Value of funds held in insurance co. general account (unallocated contracts) | 0.0 |
| Employer-related investments: | |
| Employer Securities | 0.0 |
| Employer Real Property | 0.0 |
| Buildings and other property used in Plan operation | 0.0 |
| Other | 3.7 |

For information about the Plan's investment in any of the following types of investments as described in the chart above – common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities – contact Samantha Petersen, Manager, Accounting Department at (323) 866-2272.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the U.S. Department of Labor an annual report called the Form 5500 that contains financial and other information about the plan. Copies of the Plan's annual report are available from the U.S. Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling (202) 693-8673. For 2009 and subsequent Plan Years, you may obtain an electronic copy of the Plan's annual report by going to www.efast.dol.gov and using the Form 5500 search function. Or you may obtain a copy of the Plan's annual report by making a written request to the Plan administrator. Individual information, such as the amount of your accrued benefit

under the Plan, is not contained in the annual report. If you are seeking information regarding your benefits under the Plan, contact the Plan administrator identified below under “Where to Get More Information”.

Summary of Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal. The plan administrator is required by law to include a summary of these rules in the annual funding notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan’s available resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan’s financial condition improves.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by PBGC’s multiemployer program. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan’s monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. The PBGC’s maximum guarantee, therefore, is \$35.75 per month times a participant’s years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of \$600, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant’s years of service ($\$600/10$), which equals \$60. The guaranteed amount for a \$60 monthly accrual rate is equal to the sum of \$11 plus $\$24.75 (.75 \times \$33)$, or \$35.75. Thus, the participant’s guaranteed monthly benefit is \$357.50 ($\35.75×10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or $\$200/10$). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus $\$6.75 (.75 \times \$9)$, or \$17.75. Thus, the participant’s guaranteed monthly benefit would be \$177.50 ($\17.75×10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). In calculating a person’s monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan’s termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g. a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

For more information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on PBGC’s website at www.pbgc.gov/multiemployer. Please contact your employer or Plan administrator for specific information about your Plan or pension benefits. PBGC does not have that information. See “Where to get More Information” below.

Where to Get More Information

For more information about this notice, you may contact Ed Bohm, Manager, Pension Department, at the Directors Guild of America–Producer Pension Plans, 5055 Wilshire Blvd, Suite 600, Los Angeles, CA 90036, (323) 866-2200. For identification purposes, the Plan Sponsor’s name, employer identification number or “EIN”, and official Plan number are the Board of Trustees, Directors Guild of America–Producer Pension Plan Basic Benefit Plan, 95-2892780, and 001 respectively.