



A Publication of the Producer-W.G.A. Pension Plan  
and The Writers' Guild-Industry Health Fund

Volume 18 Spring/Summer 2004 Number 1

## WHAT'S NEW FOR 2004? MOVE TO MEDCO

With all of the Industry Funds looking for ways to save money administratively, yet continue to provide the highest level of benefits to our participants, the five major entertainment Funds (WGIHF, DGA, SAG, AFTRA and MPI) formed a prescription drug collective. This collective will allow the Funds to use their combined participant populations to realize greater cost savings annually. As a result of this collective, effective July 1, 2004, AdvancePCS will no longer provide your pharmacy benefit. Your new provider is Medco, the nation's largest pharmacy benefit manager and a company that has been in business for more than 30 years.

### How will this change affect me, the plan participant?

This transition will be virtually

transparent to you. There will be no reduction of benefits; the benefit plan design under Medco will *mirror* the plan design you currently have with AdvancePCS. Our mail order program will also continue with Medco – you'll just be using a different phone number and address.

There will be minor, if any, formulary changes (i.e. medications covered). If you are currently using a medication that will not be covered by Medco, you will be notified prior to July 1<sup>st</sup>.

### Improved Customer Service

With Medco you will have access to a customer service representative 24 hours-a-day, 363 days-a-year. You will also have access to a pharmacist 24 hours-a-day, 365 days-a-year.

*(continued on page 2)*

## MEDICARE DISCOUNT DRUG PROGRAM

*Attention All Covered Participants Who Are Medicare Eligible:*

You have probably already received correspondence from Medicare regarding the new Medicare-Approved Discount Drug Card Program, and you're probably wondering if you need to enroll.

Here at the Fund, we are hard at work preparing an informational Q&A that will provide you with most of what you'll need in order to make an informed decision about enrollment in one of these programs. Most likely, after you review this information, you'll discover that the Fund provides better coverage than what is available through any one of several discount drug cards approved by Medicare. So look for our special mailer to show up in your mailbox very soon!

### *What's Inside. . . . .*

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## A LET'S TALK ALERT OUTPATIENT SURGERY CENTERS: DON'T GET A NEEDLESS CASHECTOMY

Does it make a difference where you get a surgical procedure done? When it comes to what the Health Fund pays a provider, you bet it does.

The current maximum benefit for services provided by a non-network outpatient surgery center is \$1,500. If you are treated in a non-network facility that charges more than \$1,500, you could be liable for any difference.

In light of that financial risk, you should find out what a non-network surgical center charges before you receive services. Recently, one outpatient surgery center in the Beverly Hills area

submitted bills to the Health Fund ranging from \$4,000 to over \$65,000. Many of these charges were well over what the Health Fund considers the reasonable and customary charge for such services. This has created a significant issue for the Fund and for the Participant, whom the surgery center deems responsible for the difference between what the Fund pays and what they charged.

If you need surgery, find out if the facility where it will be performed is in our network or not. When you use a network outpatient surgery center, the Health Fund generally pays 70%, 85%, or

100% (depending on your plan) of the negotiated rate for covered services. While you are responsible for the deductible and co-insurance, the network centers should not charge you or the Health Fund more than the negotiated rate. You and the Fund save money. If your surgery will be performed in a non-network surgery center, be sure that you and the surgery center fully understand what will be paid to them and who will pay it. If you need a second opinion, please contact the Fund at (818) 846-1015 or (800) 227-7863.

Your wallet will thank you.

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## MOVE TO MEDCO

Through Medco's client-website you will not only have the ability to order refills of your mail order prescriptions, but also track your order through the shipping process, and compare pricing of brand name and generic drugs.

### More to Come....

You can expect a more detailed communication outlining all the specifics about our transition to Medco in the next few weeks. Your Medco *welcome-kit* and your new *all-in-one* ID cards will be sent to you in June.



## RETIREMENT BENEFIT PAYMENT OPTIONS: THE CONTINUING SERIES

Previously on Retirement Benefit Payment Options: The Continuing Series: the Five-Year Certain and Life Annuity Option and the Ten-Year Certain and Life Annuity Option were demystified.

This week Retirement Benefit Payment Options: The Continuing Series lays bare the Joint and Survivor Options.

When the time comes to retire, one question we at the Plan frequently hear is: how will my loved ones be cared for after my death? Let's take a look at three different answers to that question: the 100%, 66-2/3% and 50% Joint and Survivor Annuity Options.

So what is a Joint and Survivor Annuity Option? It's an option where the Pensioner receives a reduced monthly benefit so that in the event of the Pensioner's death, a benefit will continue to the **Joint Annuitant** who will then receive a benefit (either 50%, 66-2/3, or 100% of what the Pensioner was receiving as of the date of death) for the rest of his or her lifetime. Essentially, the greater the benefit provided to the Joint Annuitant upon the Pensioner's death, the less the Pensioner will receive.

A **Joint Annuitant** is a person (usually the spouse or Qualified Domestic Partner) designated by the Pensioner at his or her retirement date to receive payments upon the Pensioner's death under a Joint and Survivor Annuity option. There are certain limitations for a non-spouse Joint Annuitant under the 66-2/3% and 100% Options. For the limitations you may visit the website or call the Administrative Office.

**Please note that the Joint Annuitant designated at the time of retirement cannot be changed on or after the retirement date.**

The 50% Joint and Survivor Annuity Option with the spouse as Joint Annuitant is automatic for a married Pensioner, unless the spouse provides his/her notarized signature on the Rejection of the Qualified Joint and Survivor Annuity form and returns it to the Administrative Office. The same applies to a Pensioner with a Qualified Domestic Partner under the Pension Plan. Upon the Pensioner's death, the Joint Annuitant receives 50% of the Pensioner's pension payable per month for his or her lifetime.

If the Pensioner chooses the 66-2/3% Joint and Survivor Annuity Option, upon the

Pensioner's death, the Joint Annuitant receives 66-2/3% of the Pensioner's pension payable per month for his or her lifetime. There are certain limitations for a non-spouse Joint Annuitant.

So, for example, say John is married to Mary. At the time of his retirement, John chooses a 100% Joint and Survivor Annuity Option and designates Mary as his Joint Annuitant. After John dies, Mary receives the same benefit amount that John received for her lifetime. Had he chosen a 50% Joint and Survivor Annuity Option, Mary would receive 50% of whatever benefit amount John was receiving. Had he chosen a 66-2/3% Joint and Survivor Annuity Option, she would receive 66-2/3%.

Only you can decide how best to provide for your loved ones after your death. The Pension Plan may be one of many provisions you have made or it may be the only one. Before making your choice when applying for retirement benefits, it is a good idea to sit down with your family and/or your financial advisor and determine what payment option makes the best sense for you.

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Now here's how to find all your favorite articles from Retirement Benefit Payment Options: The Continuing Series.

<u>OPTION</u>	<u>LET'S TALK ARTICLE DATE</u>
Five-Year Certain & Life Annuity	Fall 2003
Ten-Year Certain & Life Annuity	Winter 2003-2004
Joint and Survivor Annuity	<i>NOW HERE!</i>
Joint and Survivor Annuity with Pop-Up	<i>COMING SOON!</i>
Social Security Adjustment Benefit	<i>COMING SOON!</i>

## YOU GOT IT COMING

In his screenplay for *Unforgiven*, David Webb Peoples writes that "We all got it comin'." When it comes to your retirement benefit from the Producer-Writers Guild of America Pension Plan, you now can get a pretty good idea of what you have coming, thanks to our new interactive Pension Plan Estimator.

Just go to our website at <http://www.wgaplans.org>, and follow the Pension Estimator link. In addition to telling you what monthly benefit you have coming if you retire at the normal retirement age of 65 – which is what is provided on your Pension Annual Statement – the Pension Estimator can explore what ifs. What

if you choose early or late payment? What if you elect a retirement option other than the Plan's default option for married Participants of a Monthly Joint and 50% Survivor Annuity: what effect would that have on your monthly benefit and a surviving spouse? What if you choose one of the "pop-up" options? Fill in the requested information, and let the Pension Estimator make your day.

But in order for the Pension Estimator to give its best estimate of what you have coming, you'll need to have handy accurate information from:

- Your latest Pension Plan Annual Statement

- A copy of your Social Security Benefit statement, if you want the Pension Estimator to compute your benefit under the Social Security Option

After using the Estimator, if you want to obtain the most up-to-date benefit estimate or a written benefit estimate from the Plan, contact the Pension Benefits Department at (818) 846-1015 or (800) 227-7863.

***And don't forget this important piece of the print: Benefits estimated are estimates only and subject to final review.***

## DEAR DOROTHY

**Dear Dorothy:**

I received a letter saying that my pension benefits were being suspended because I did not return my Pension Payment Verification form. I remember receiving that form, but well, didn't return it to the Pension Plan. Why are my benefits being suspended and when can I start receiving benefits again?

- Pensioner in Petaluma

**Dear Pensioner:**

Your pension benefits are being suspended because you did not return the Pension Payment Verification form by the deadline. As you will recall from the form and instructions, the Pension Plan uses this form to ensure that you are still receiving your pension payments. By providing your notarized signature (or signature witnessed by a Plan Representative), you are helping the Plan to avoid fraud. Additionally, when the Plan receives requests from you, we can verify your signature with our records and protect your privacy. Unfortunately, it is not sufficient to have a Guild Representative witness your signature. *In order to have your signature witnessed by a Plan Representative, you should drop by the Administrative Office of the Pension Plan between 8:30 am and 5:00 pm at 1015 N. Hollywood Way in Burbank, CA.* In lieu of a notarized signature or signature witnessed by a Plan

Representative, you could have your financial institution guarantee your signature. ***In order to have your pension benefits resume, you will need to complete the Pension Payment Verification form and return the form with your original signature to the Administrative Office.*** Your completed form must be received on the 14th of the month to resume your pension benefit the first day of the following month. At the time that your benefits resume, you will be paid any payments previously suspended.

**Dear Dorothy:**

Every year I receive an Annual Pension Plan Statement that helps me keep track of the contributions made to the Plan on my behalf. When can I expect the 2003 Statement to arrive?

- Waiting in Wichita

**Dear Waiting:**

The Annual Statement for 2003 will be mailed in the spring. In fact, by the time you read this newsletter, you may already have your statement! Remember, if there are any discrepancies on your statement, please contact the Employer Compliance Department at the Administrative Office, in writing with the details of the discrepancy.

**Dear Dorothy:**

I don't always have time to call the Pension Benefits Department and discuss my pension benefits. Sometimes, I just want to know what my benefits would be in five, ten, or fifteen years right away. Can I do the calculation myself?

- Planner in Pacoima

**Dear Planner:**

Yes, you can estimate your own benefits under the different retirement options. Simply visit the Benefits Website and use the Pension Estimator. Just have your Annual Statement available to enter your monthly benefit, enter in your date of birth and proposed Retirement Date. Your pension benefits will be estimated! Please keep in mind that the benefits estimated are estimates only, and subject to final review.

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Please feel free to write to Dorothy at the Producer-WGA Pension Plan and The Writers' Guild-Industry Health Fund, 1015 North Hollywood Way, Burbank, CA 91505 with your questions. Also, Dorothy is now online: e-mail Dorothy at [DearDorothy@wgaplans.org](mailto:DearDorothy@wgaplans.org). Your questions may be answered in the next issue of "Let's Talk" or published on the website.

## THEM CHANGES!

“Well, my mind is goin’ through so many changes  
*I’m goin’ right out of my mind”*  
—Buddy Miles

Change is inevitable. It happens in every aspect of our lives – at home, at work, and in the world around us. When *we* initiate change, we usually face it – even embrace it – with anticipation. But when change is thrust upon us and out of our control, it’s not uncommon to experience difficulty adjusting.

When change happens in your work environment, it can cause insecurity, fear, and a variety of other emotions. Changes like downsizing, reorganization, new management, re-assigned responsibilities, and new procedures or technology, can be especially challenging. As exciting as the entertainment industry can be, you know it is also filled with more than its share of ups and downs. Today’s work environment is particularly challenging. If you’re feeling fearful and out of control, you can actually gain control by taking charge of how you react to change. Why not look at changes as opportunities to grow and develop?

Here are a few suggestions for dealing with changes and making the most out of a new situation:

**Don’t overreact** – Don’t react to changes without having all the information. For instance, if you see structural changes that you feel bode less work for you, don’t immediately assume that you will be out of a job. If you get new work assignments, don’t anticipate conflict. And ignore the rumors. When people are fearful of changes, they often imagine the worst. So stay calm and don’t overreact to information until you

know the whole story.

**Talk about it** – No matter what feelings you’re experiencing, you can discuss them in a rational and appropriate manner. Most organizations realize that if people don’t express their anger and frustration, it can lead to low morale. Talk to your colleagues openly and honestly, but do it in a constructive way that will help everyone deal with the changes.

**Stay positive** – Keep an open mind and be prepared for a challenging growth experience. It’s possible that the change you fear will actually change things for the better! If you expect the best and lead by example, it will not only help your career, but will also help others to navigate change.

**Stay focused** – You still have a job to do, so stay focused on your productivity and performance. Those who continue to excel during times of change usually come through it in great shape. If you’re preoccupied with your emotions and you’re having difficulty focusing on your work at hand, now is the time to make those “To Do” lists and focus each day on specific goals and accomplishments.

**Be patient** – It takes time to adjust to any new situation. And if you’re like most people, changes won’t feel comfortable during the adjustment phase. Sort through your emotions, rationally evaluate the changes, and wait it out. Chances are that you’ll adjust just fine to the new situation.

**Reflect on Past Experiences** – If you want to see just how well you adjust

to change, look behind you. Try to remember similar changes in your past that were very upsetting at the time, and how you adjusted to them. You’ll probably be pleased to see that after a period of time, you were able to accept the new situation and feel comfortable. Even traumatic change – like the loss of a job – eventually leads to new possibilities.

**Look for opportunities** – If you want to keep a positive outlook and avoid anticipating negative events, look for the opportunities in upcoming changes. For example, a new management structure means that you have an opportunity to renew your commitment to exceptional performance. New technology means you have a chance to grow and change with the times. New responsibilities allow you to master new challenges and broaden your skills.

If – in spite of these suggestions – you are suffering from anxiety or depression that is interfering with your ability to function normally, we urge you to seek help. You can call PacifiCare Behavioral Health at any time of the day or night and reach a caring behavioral health specialist. He or she will direct you to the most appropriate help for your situation. All services are strictly confidential. Please remember: it is not a sign of weakness, but strength when you take control of your health.

**Anxious?  
Depressed?  
Call Now  
PacifiCare Behavioral Health  
1-888-301-0056  
24/7 & Confidential**

## “DUDE, WHERE’S MY DOUGH?!”

Your Pension Plan Statements and Health Fund Summary reflect the compensation you’ve earned that is subject to Pension & Health contributions, as reported to us by your employers. But not all your earnings are subject to contributions. This can be confusing.

The Writers Guild Minimum Basic Agreement determines what income is reportable on your behalf to the Trusts. There are contribution ceilings on both initial compensation and residual compensation. Then, there are some earnings that are not subject at all.

To sort through the sometimes arcane contribution rules, let’s start by examining contribution ceilings.

For theatricals, the ceiling is \$200,000.00 per project, per writer, or team of two writers. This means that if you are hired to write a screenplay for \$350,000.00, contributions are made on your behalf on the first \$200,000.00, which will bring you up to the ceiling on this project. No further contributions will be due, including residuals. If you are part of a team of two, the ceiling is still \$200,000.00 or \$100,000.00 each for you and your partner. (Teams of three have a ceiling of \$400,000

divided equally among the team members).

Television has its own set of rules. The ceiling is calculated at two-and-one-half times the non-network, non-primetime minimum, OR your initial compensation, whichever is greater. If you are hired to write a story and teleplay for a one-hour episode of a prime-time dramatic program, and are paid \$28,833.00, which is the WGA minimum for this type of work, the non-network minimum for the purposes of calculating your ceiling is \$19,289.00. Two-and-one-half times that amount is \$48,222.50, which is your ceiling, or the reportable amount to the Trusts, for this program. Your entire initial compensation of \$28,833.00 would be subject, leaving \$19,389.50 of residual compensation, that would be reportable to bring you up to the ceiling. However, if you are paid \$80,000.00 to write this same one-hour program, nothing further would be subject to contributions.

Now let’s look at residuals.

Again, residuals for theatrical motion pictures are not subject to contributions.

Generally, free television residuals, foreign free residuals and residuals for basic cable are

subject but residuals from pay television or video and all DVD sales (including free television) are not subject to contributions.

Finally, we move to those earnings which are never subject to contributions.

- A sale of literary material (i.e., a screenplay) is not subject to contributions unless the writer is also hired to do a re-write or polish of that screenplay. The re-write or polish are defined in the MBA as “covered writing services” performed by a “professional writer”. The employer/employee relationship inherent in the notion of performing writing services creates the threshold for contributions to the Trusts.
- An acquisition of rights is not subject.
- Options are not subject.
- Royalties are not subject.
- Clip payments are not subject.
- Living/travel expenses are not subject.

We hope we have helped you understand what is on your statements. But if you need further information, please contact the Employer Compliance Department, and we will be happy to answer any of your questions.

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