



Producer-Writers Guild of America Pension Plan Writers' Guild-Industry Health Fund



Terence L. Young, Chief Executive Officer

February 4, 2005

TO: ALL PARTICIPANTS

RE: Health Fund and Pension Plan changes resulting from the 2004 Writers Guild of America Minimum Basic Agreement

Health Fund Contribution Rate & Reporting Ceiling Changes:

- **Employer Contribution Rate** – Effective November 1, 2004, the Health Fund contribution rate will increase by one percent (1.0%) to 8.5%. Compensation due for contracts entered into on or after November 1, 2004 shall be subject to the new contribution rate. Guaranteed flat-deal employment related to contracts dated prior to November 1, 2004 is still subject to the 7.5% rate. **Please note:** the new rate of 8.5% shall apply to weekly compensation and scripts assigned after November 1, 2004 for television writers employed on a week-to-week or term basis regardless of when their employment commenced.
- **Reporting Ceiling** - The Health Fund reporting ceiling for theatrical motion pictures will increase from \$200,000 to \$250,000 per project for contracts entered into on or after November 1, 2004. The Health Fund reporting ceiling for 14.E.2 writers will increase to \$200,000 to \$250,000 per year effective November 1, 2004.

How can I get more information on contribution rates and ceilings?

Contact the Employer Compliance Department by calling the Administrative Office and selecting "5" at the menu prompt, and then "2" in the sub-menu.

Health Fund Earnings Minimum Increase:

- **Change In Qualifying Earnings Amount** – Eligibility for Health Fund coverage is based on the earnings minimum for a one-hour, network prime time story and teleplay per Article 13.B.7.d.3 of the Writers Guild of America Minimum Basic Agreement. Effective November 1, 2004, this minimum will increase from \$28,833 to **\$29,482**. For purposes of Health Fund eligibility, this change will affect eligibility accrual periods beginning with the calendar quarter, which commences January 1, 2005.

Note: Writers of thirteen (13) breakdowns during one thirteen-week cycle for a one-hour daytime serial program, who have been paid a total of less than \$29,482, may still be eligible to receive one year's Health Fund eligibility. Please call the Administrative Office for details.

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EXAMPLE OF BASIC INITIAL ELIGIBILITY

If your covered earnings total \$29,482 during a period of four or less consecutive calendar quarters ending March 31, 2005, you will be eligible for benefits for twelve (12) consecutive months beginning July 1, 2005.

EXAMPLE OF CONTINUATION OF ELIGIBILITY

If your present Health Fund coverage ends June 30, 2005, you can qualify for another twelve (12) months of coverage beginning July 1, 2005, if you earn at least \$29,482 anytime during the previous four calendar quarters ending March 31, 2005.

Extended Coverage Program- Adjustment to Point Award:

The Fund's Extended Coverage Program provides an extension of Health Fund coverage should a Writer not have sufficient reportable earnings to qualify for regular, employer-paid coverage. Once a Writer accumulates a sufficient number of points, the points are applied to provide Health Fund coverage without cost to the Writer and precede any COBRA coverage the Writer may be entitled to purchase. For each earnings cycle (the four quarters during which a Writer's earnings are calculated for employer-paid Health Fund Coverage), up to three (3) points may be earned as follows:

One (1) point for each four-quarter eligibility cycle which resulted in Health Fund eligibility.

One (1) additional or <i>second point</i> for each four-quarter earnings cycle during which the writer earned covered compensation as reported to the Health Fund* for the indicated earnings cycles listed below. <u>Please note:</u> <u>bolded amounts indicate that the figure has been adjusted (the original figures were slightly higher).</u>				
Earnings Minimum For Second Point	Earnings Cycle Effective Date	Earnings Cycle Effective Date	Earnings Cycle Effective Date	Earnings Cycle Effective Date
\$100,000		04/01/00	07/01/00	10/01/00
103,252	01/01/01	04/01/01	07/01/01	10/01/01
106,089	01/01/02	04/01/02	07/01/02	10/01/02
108,741	01/01/03	04/01/03	07/01/03	10/01/03
111,460	01/01/04	04/01/04	07/01/04	10/01/04

*Under the rules of the Extended Coverage Program, on January 1, 2001, and the first day of each calendar year thereafter, the initial \$100,000 eligible earnings level for which a *second point* is awarded will be increased by an amount proportionally equivalent to the increase (if any) in the Guild minimum for a ½ hour Network Primetime Story and Teleplay.

Accordingly, the new amount for which an additional or *second point* may be awarded is **\$113,968** for earnings cycles beginning January 1, 2005, April 1, 2005, July 1, 2005 and October 1, 2005.

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Extended Coverage Program- Adjustment to Point Award Continued:

One (1) additional or *third point* for each four-quarter earnings cycle during which the writer earned at least \$200,000** or more in covered compensation as reported to the Health Fund.

**The Board of Trustees recently evaluated how a *third point* is awarded. The decision was made to amend the program as follows: Effective January 1, 2005, and the first day of each calendar year thereafter, the eligible earnings level for which an additional or *third point* is awarded will be increased by an amount proportionally equivalent to the increase (if any) in the Guild minimum for a ½ hour Network Primetime Story and Teleplay.

Accordingly, the new amount for which a *third point* may be awarded is **\$204,500** for earnings cycles beginning January 1, 2005, April 1, 2005, July 1, 2005 and October 1, 2005.

How can I get more information about changes to the earnings minimum and the Extended Coverage Program?

Contact the Eligibility Department by calling the Administrative Office and selecting "3" at the menu prompt.

Pension Plan Limits Increase:

The Board of Directors of the Producer-Writers Guild of America Pension Plan has adopted a change in the compensation and benefit limits, effective January 1, 2004.

- **Compensation** to be considered for your benefit was limited to \$170,000¹ per year per Employer. Effective January 1, 2004 that limit is increased to \$205,000² per year per Employer.
- There is a still a maximum **benefit** amount you may receive from the Pension Plan per year per Employer and this has also been increased effective January 1, 2004. The maximum amount of benefit you may get per year depends on what option you take when you retire, your age when you retire and when you were born. For example, if you chose the Five-Year Certain & Life Annuity, retire at age 65 and were born before 1938, the maximum annual benefit you could previously receive from the Plan was \$138,434 per year per Employer. In this example, the new maximum annual benefit you can receive from the Plan is \$148,322 per year per Employer.

How can you find out more about the compensation and benefit limits?

The Pension Plan and Health Fund website, www.wgaplans.org, has information about these limits. As always, we're ready to help you with questions about your Plan status and can provide information about your benefit and how it is affected by both limits. You may contact us by calling the Administrative Office and selecting "5" at the main menu prompt, and then "1" in the sub-menu to reach the Pension Benefits Department.

Sincerely,

Terence L. Young,
Chief Executive Officer

This article is only a brief summary of some very complex rules. If anything described in this article conflicts with the terms of the Plan, the terms of the Plan (rather than this article) will govern. Also, depending on your circumstances, additional limits not fully addressed in this article may apply to your Plan benefits.

¹ Different limits apply for years before 2000.

² Different limits apply for years before 2004.