

Health Plan Eligibility Rules and Requirements

Eligibility for the Screen Actors Guild - Producers Health Plan is established 1) through employment with producers who have signed Collective Bargaining Agreements with the Screen Actors Guild and 2) upon receipt of the appropriate premium payment.

If you meet the minimum earnings or minimum days of employment requirement within four consecutive calendar quarters, you will establish one year of coverage for yourself and your qualified dependents. Your premium payment is determined by the Plan for which you qualify and the number of dependents you cover.

The four quarter period in which you must satisfy the minimum earnings or days requirement is called your **Base Earnings Period**. The one year period of coverage is called your **Benefit Period** and starts three months after your Base Earnings Period ends. The chart below outlines the Benefit Periods that correspond to the various Base Earnings Periods.

Base Earnings Period	Benefit Period
Jan. 1, 2010 thru Dec. 31, 2010	Apr. 1, 2011 thru Mar. 31, 2012
Apr. 1, 2010 thru Mar. 31, 2011	Jul. 1, 2011 thru Jun. 30, 2012
Jul. 1, 2010 thru Jun. 30, 2011	Oct. 1, 2011 thru Sept. 30, 2012
Oct. 1, 2010 thru Sept. 30, 2011	Jan. 1, 2012 thru Dec. 31, 2012

The Health Plan has two levels of benefits: **Plan I** and **Plan II**. Please see the chart on the next page for the requirements to qualify for each of these Plans and the corresponding premium payments. The Plan for which you qualify depends on the amount of your earnings or your number of days of employment.

Once you meet the minimum earnings or days of employment requirement, your eligibility continues for one full year provided you continue to pay your premium. You are automatically eligible for the first Plan for which you meet the earnings or days requirement. Subsequent earnings are used in the next Base Earnings Period to determine your continuing eligibility.

Maintaining Eligibility

In order for eligibility to continue without interruption, you must continue to meet the minimum earnings or days of employment requirement in your Base Earnings Period and pay your premium in a timely manner.

Base Earnings Period	Benefit Period
Jan. 1 thru Dec. 31	Apr. 1 thru Mar. 31
Apr. 1 thru Mar. 31	Jul. 1 thru Jun. 30
Jul. 1 thru Jun. 30	Oct. 1 thru Sep. 30
Oct. 1 thru Sep. 30	Jan. 1 thru Dec. 31

Once you establish eligibility, your Base Earnings Period and Benefit Period do not change unless you have a break in coverage due to a reduction in covered earnings or days of employment.

Earned Eligibility Requirements

The minimum requirements for Earned Eligibility commencing on the first day of any calendar quarter in 2011 and 2012 are outlined below. Calendar quarters start on January 1st, April 1st, July 1st and October 1st. These minimum requirements may increase each year. The Trustees have set a target increase of 3% per year however they will determine the actual size of the increase based on an annual review of the Health Plan's financial condition.

	Plan I	Plan II	Plan II Based on Days	Plan II Based on Age and Service
Benefits Commencing	Earnings Requirements			
<u>2011</u> January, April, July and October	\$30,150	\$14,800	76 days	\$10,700 with 10 Health Plan Years and age 40 or over
<u>2012</u> January, April, July and October	\$30,750	\$15,100	76 days	\$10,900 with 10 Health Plan Years and age 40 or over
Premium Payments				
<u>2011</u> January through June	\$249/quarterly	\$294/quarterly	\$294/quarterly	\$375/quarterly
<u>2011 July through December;</u> <u>2012 Calendar Year</u> Participant only Participant plus 1 Participant plus 2+	\$273/quarterly \$315/quarterly \$342/quarterly	\$324/quarterly \$372/quarterly \$405/quarterly	\$324/quarterly \$372/quarterly \$405/quarterly	\$414/quarterly \$477/quarterly \$519/quarterly

Participants with Earned Eligibility who meet the requirements for Senior Performers coverage with the \$25 monthly premium will pay the reduced amount even if they have not actually retired.

What Earnings Count Towards Earned Eligibility?

Not all of your earnings count towards your Health Plan eligibility. Your earnings fall into two categories: *covered* and *non-covered* earnings. Below is a guide to help you determine which of your earnings are reportable to the Health Plan.

Covered Earnings (sessions and residuals) are those which require contributions to be made to the Pension and Health Plans by producers who are signatory to the Screen Actors Guild contracts in connection with employment in theatrical motion pictures, television motion pictures, television commercials, corporate/educational and non-broadcast motion pictures (formerly known as industrial and educational motion pictures), public television, music videos and interactive media projects.

What Earnings Count Towards Eligibility? Continued

Non-Covered Earnings are those which do not require contributions to be made to the Pension and Health Plans. For example:

1. Payments for various penalties and allowances such as meal penalties, payments for rest period violations, traveling, lodging or living expenses, interest or liquidated damages (late fees), reimbursement for special hairdress, for wardrobe damage, or for the use of personal automobile or other equipment.
2. Residual payments for the following:
 - a) Television Motion pictures produced prior to June 1, 1960.
 - b) Theatrical Motion Pictures produced prior to January 31, 1966, and released to free television. (Theatrical Motion Pictures produced after that date and released to television after July 31, 1971 may be counted for eligibility.)
3. Earnings in excess of the theatrical and television contribution limits. For a schedule of the applicable contribution "ceilings", please contact the Plan Office or refer to the reverse side of your Summary of Earnings Statement.
4. Payments for work performed for a non-signatory company.

Qualifying for Senior Performer or Extended Spousal Benefits

If you are at least age 65 and earned sufficient Pension Credits under the Pension Plan, you may be eligible for Senior Performers Plan I coverage. If you are an Occupational Disability pensioner who has earned sufficient Pension Credits for Senior Performers coverage, you are eligible at any age, provided your disability was the result of an injury incurred while working under a Screen Actors Guild contract. Additionally, in the event of your death, your dependents may be eligible to continue Plan I coverage under the Extended Spousal Benefit. A brief description of the requirements is below.

Coverage commencing after January 1	20 or More Pension Credits	15-19 Pension Credits
2011	Senior Performer at age 65 if receiving a pension* \$25/month	Senior Performer at age 65 if receiving a pension \$135/month
	Extended Spousal if participant was at least age 65 at the time of death** \$25/month	Extended Spousal if participant was at least age 65 at the time of death** \$135/month

*Also available if you earned 10 Pension Credits as of 12/31/01 and were age 55 as of 12/31/02.

**Also available if the participant earned 10 Pension Credits as of 12/31/01 and was age 55 as of 12/31/02; or if the participant was at least 50 and had at least 20 Pension Credits and his or her age plus years of Pension Credits was at least 75. Coverage begins when the participant would have reached age 65 had he or she lived.

Participants with Earned Eligibility who meet the requirements for Senior Performers coverage and the \$25 monthly premium will pay the reduced amount even if they have not actually retired.

NOTE: Alternative Pension Credits do not count toward eligibility for Senior Performers coverage.

Special Rules for Medicare Eligible Participants

If you fail to enroll in Medicare Parts A and B or Medicare Part C when the Health Plan is secondary to Medicare, the Health Plan's benefits will be reduced. The Health Plan will coordinate benefits as though you received reimbursement from Medicare. However, you do not need to enroll in a Medicare Part D prescription drug plan while you are covered under the SAG-Producers Health Plan because the Plan's prescription drug coverage is considered "creditable coverage." If you enroll in a Medicare drug plan you will no longer receive any prescription drug coverage from the Health Plan.

The Plan Office will let you know any changes to your eligibility and can tell you which plan is primary at any time. **You should contact Medicare at least three months before you turn 65 to enroll in Medicare Parts A and B or Medicare Part C.**

Determining Who Is Primary

Federal law requires that this Plan be primary to Medicare for "active" participants who are age 65 or older. If you qualify for Alternative Earned Eligibility under the number of days requirement you are "active". With respect to covered earnings, Medicare does not consider residual earnings as "active" earnings. Only sessional earnings are considered "active". Accordingly, in determining whether you are "active" under Medicare's rules and, therefore, whether this Plan or Medicare is primary, the rules in the following table apply.

If Your Eligibility is Based on	You Are	Primary Plan	Secondary Plan
All Sessional Earnings	Active	SAG-Producers Plan	Medicare
All Residual Earnings	Inactive	Medicare	SAG-Producers Plan
Combination Residual and Sessional Earnings but less \$14,800* in Sessions	Inactive	Medicare	SAG-Producers Plan
Days of Employment	Active	SAG-Producers Plan	Medicare
For participants at least age 40 with at least 10 years of Earned Eligibility – Combination Residual and Sessional Earnings but less than \$10,700** in Sessions	Inactive	Medicare	SAG-Producers Plan

* The minimum earnings requirement increases to \$15,100 for eligibility commencing in 2012.

** The minimum earnings requirement increases to \$10,900 for eligibility commencing in 2012.

The Notice of Eligibility you receive from the Plan Office indicates your eligibility type.

It is possible for your status to change from year to year. If you return to work and earn the minimum requirement in sessional earnings or work the minimum Days of Employment, the Plan becomes your primary plan. If your sessional earnings are less than the minimum requirement the next year, Medicare would become your primary plan. The Plan Office will let you know of any change in your eligibility and can tell you which plan is primary at any time.

In addition, once you lose all eligibility under the Health Plan, Medicare would be your only coverage and, therefore, your primary coverage. The Health Plan will notify you when your eligibility type changes.

Questions ?

Please visit our website at www.sagph.org. You can also contact our Participant Services Department at (818) 954-9400 or (800) 777-4013.