

SCREEN ACTORS GUILD–PRODUCERS HEALTH PLAN

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2016

ELIGIBILITY and PREMIUM RULES

General Information

Eligibility for health coverage under the Screen Actors Guild-Producers Health Plan is established 1) through employment with producers who have signed Collective Bargaining Agreements with SAG-AFTRA and 2) upon receipt of the appropriate premium payment for coverage. This document provides a summary of the rules and requirements to qualify for coverage, premium amounts, premium due dates and time limits associated with open enrollment. This information is also available in your Health Plan Summary Description as well as on our website at www.sagph.org.

Please note that although the Screen Actors Guild and AFTRA have merged, the Screen Actors Guild-Producers Pension and Health Plans and the AFTRA Health & Retirement Funds remain separate and distinct entities. Contributions to the Screen Actors Guild-Producers Pension and Health Plans are reported based on the contract under which a project is produced.

Base Earnings Period

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 choose to 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
Oct. 1, 2014 through Sept. 30, 2015	Jan. 1, 2016 through Dec. 31, 2016
Jan. 1, 2015 through Dec. 31, 2015	Apr. 1, 2016 through Mar. 31, 2017
Apr. 1, 2015 through Mar. 31, 2016	Jul. 1, 2016 through Jun. 30, 2017
Jul. 1, 2015 through Jun. 30, 2016	Oct. 1, 2016 through Sept. 30, 2017

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

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.

Minimum Earnings Requirements

The minimum requirements for Earned Eligibility commencing on the first day of any calendar quarter in 2015 and 2016 are outlined below. Calendar quarters start on January 1st, April 1st, July 1st and October 1st. Minimum requirements for Earned Eligibility 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.

Benefits Commencing	Plan I	Plan II (Earnings)	Plan II (Days)	Plan II (Age and Service)	Plan II (Combined Earnings)*
Earnings Requirements					
2015 (Jan. 1, Apr. 1, Jul. 1, Dec. 1) 2016 (Jan. 1 only)	\$30,750	\$15,100	76 days	\$10,900 with 10 Health Plan Years and age 40 or over	\$15,100
2016 (Apr. 1, Jul. 1, Oct. 1)	\$32,000	\$16,000	78 days	\$11,600 with 10 Health Plan Years and age 40 or over	\$16,000
Quarterly Premium Payments					
2015 (Jan. 1 – Dec. 31) 2016 (Jan. 1 – Mar. 31)					
Participant only	\$273	\$324	\$324	\$414	\$324
Participant plus 1	\$315	\$372	\$372	\$477	\$372
Participant plus 2+	\$342	\$405	\$405	\$519	\$405
2016 (Apr. 1 – Dec. 31)					
Participant only	\$300	\$357	\$357	\$456	\$357
Participant plus 1	\$348	\$408	\$408	\$525	\$408
Participant plus 2+	\$375	\$447	\$447	\$570	\$447

Participants with Earned Eligibility who meet the requirements for Senior Performers coverage will pay the Senior Performer premium if it is lower than the Earned premium, even if they have not actually retired.

Special Rules for Combined Earnings Eligibility

***Combined Earnings** eligibility allows participants who do not otherwise qualify for coverage under the SAG-PHP or the AFTRA HP to qualify for Plan II benefits by combining their reportable SAG-PHP earnings and their reportable AFTRA HP earnings to meet the minimum earnings requirement under the SAG-PHP as reflected in the table above. The following rules apply:

1. You must not qualify for Earned or Retiree (Senior Performers or Senior Citizen) coverage in either Health Plan for the given Base Earnings Period, regardless of whether you enrolled and paid the premium.
2. Earnings reported to both plans in the applicable 12 month Base Earnings Period must total *at least* the Plan II minimum as reflected above when combined.

3. If you subsequently qualify for ANY Earned or Retiree coverage under the AFTRA HP, your Combined Earnings Eligibility will terminate, and self-pay will not be offered if your coverage is terminated for this reason.
4. Earnings will not be combined for purposes of earning a Pension Credit under the Pension Plan.

To see if you qualify, please submit your request at www.sagph.org. If you do not have access to the website, please contact a Participant Services Representative who can submit the request for you. You will receive a response via email advising you of the results to your inquiry. A response will be sent by mail for those who do not have an email address on file.

Maintaining Eligibility

In order to continue eligibility without interruption, you must meet the minimum earnings or days of employment requirement every year in your Base Earnings Period and pay your premium in a timely manner. The chart below illustrates the Base Earnings Periods established by the Health Plan.

Base Earnings Period	Approximate Eligibility Determination Date	Benefit Period
Jan. 1 through Dec. 31	Feb. 15	Apr. 1 through Mar. 31
Apr. 1 through Mar. 31	May 15	Jul. 1 through Jun. 30
Jul. 1 through Jun. 30	Aug. 15	Oct. 1 through Sep. 30
Oct. 1 through Sep. 30	Nov. 15	Jan. 1 through 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.

Senior Performer and Extended Spousal Requirements

If you are at least age 65 and have earned sufficient Pension Credits under the Pension Plan, you may be eligible for Senior Performers benefits. 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 occurred in the course of employment covered by the Pension Plan. Additionally, in the event of your death, your dependents may be eligible to continue coverage under the Extended Spousal Benefit. A brief description of the requirements and premiums is provided below.

Coverage commencing:	Senior Performers and Extended Spousal	With no spouse or with spouse age 65 and over	With spouse under age 65
2015 (Jan. 1 – Dec. 31)	20+ Pension Credits*	\$50/monthly**	\$100/monthly**
2016 (Jan. 1 – Mar. 31)	15-19 Pension Credits	\$155/monthly**	\$155/monthly**
2016 (Apr. 1 – Dec. 31)	20+ Pension Credits	\$60/monthly**	\$120/monthly**
	15-19 Pension Credits*	\$165/monthly**	\$165/monthly**

* Includes Senior Performers who had at least 10 Pension Credits as of 12/31/2001 and were at least age 55 as of 12/31/2002.

**Includes coverage for dependent children.

Participants with Earned Eligibility who meet the requirements for Senior Performers coverage will pay the Senior Performer premium if it is lower than the Earned premium, even if they have not actually retired.

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

The Extended Spousal benefit is provided to qualified dependents if, at the time of the participant's death, he or she was age 65 or older and had at least 15 Pension Credits. It is also available if the participant earned 10 Pension Credits as of 12/31/2001 and was age 55 as of 12/31/2002; or if the participant was at least age 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.

Special Rules Regarding Medicare

If you fail to enroll in Medicare Parts A and B when the Health Plan is secondary to Medicare the Health Plan will coordinate benefits as though you received reimbursement from Medicare and your benefits **will be reduced**. However, you do not need to enroll in a Medicare Part D prescription drug plan while you are covered under the SAG-PHP 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 Health Plan will inform you of any changes to your eligibility and can tell you which plan is primary at any time. **You should contact Medicare at least three months prior to turning age 65 to enroll in Medicare Parts A and B.**

Who Is Primary?

Federal law requires that the Screen Actors Guild-Producers Health 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." To determine whether you are "active" under Medicare's rules and therefore whether this Plan or Medicare is primary, refer to the table below.

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 than \$15,100* 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 \$10,900** in Sessions	Inactive	Medicare	SAG-Producers Plan
Self-Pay	Inactive	Medicare	SAG-Producers Plan

* Effective 4/1/2016 this increases to \$16,000.

**Effective 4/1/2016 this increases to \$11,600.

Your eligibility status can 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 Notice of Qualification and Notice of Eligibility reflect your eligibility type.** Additionally, the Health Plan can tell you which plan is primary at any time. Once you lose all eligibility under the Health Plan, Medicare will be your only coverage, and therefore, your primary coverage.

Coordination of Benefits with Other Entertainment Industry Health Plans (EICOB)

If you are entitled to primary coverage with another entertainment industry plan but fail to pay the premium in that plan, the SAG-PHP will maintain its secondary position. The Plan refers to this as EICOB and the rule serves to maintain the correct primary/secondary positions of the health plans based on your longest continuous coverage. The other entertainment industry plans include the AFTRA Health Plan, the Directors Guild of America–Producer Health Plan, the Equity–League Health Plan, the Motion Picture Industry Health Plan, and the Writer’s Guild–Industry Health Fund. These rules apply to participants and dependents in both Plan I and Plan II, regardless of whether your eligibility is Earned or Senior Performers. Please refer to the Health Plan Summary Description for more detailed information and exceptions, or call the Health Plan.

About Your Earnings

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

Covered Earnings (sessions and residuals) are those earnings generated in connection with your work as an actor in theatrical motion pictures, television motion pictures, television commercials, corporate or educational motion pictures, public television, music videos and interactive media projects in accordance with Collective Bargaining Agreements between SAG-AFTRA and Producers in the industry. Earnings are typically credited to the quarter in which payment is made.

Non-Covered Earnings do not require contributions to be made to the 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 hairdresser, 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) Television commercials produced prior to November 16, 1960
 - c) 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, television and commercial contribution limits. For a schedule of the applicable contribution "ceilings," please call the Health Plan or visit www.sagph.org, and click the link for “employers” or email the Plans at psd@sagph.org.
4. Payments for work performed for a non-signatory company.
5. Payments for services not covered by a SAG-AFTRA collective bargaining agreement, such as producing, directing and writing services.

Open Enrollment

You will receive a Notice of Qualification and an enrollment form listing your qualified dependents when you qualify for coverage. You can make changes to your enrolled dependents for any reason during your Open Enrollment Period by visiting www.sagph.org or by checking the appropriate box next to their name and returning the enrollment form to the Health Plan. If there are no changes to your dependents' enrollment, simply submit your premium before the premium due date. Please note, changes to your covered dependent(s) may affect your premium rate.

Important Note: Your dependents may only be covered if the participant is covered under the Plan, unless your dependents are covered under the Extended Spousal benefit. If you cancel enrollment for current dependents due to death, divorce or dissolution of a same-sex domestic partnership, please see the instructions on page 8.

New dependents can only be added by completing a New Dependent Form and submitting all required documents that verify your dependent(s) as qualified. Examples include: a recorded marriage certificate for a spouse; or a recorded birth certificate for your dependent child. Coverage will be extended to your dependents following processing of your legal documents, enrollment form and premium payment.

Once your enrollment and premium payment are processed, your Notice of Eligibility will be sent to you within 7-10 business days. You cannot make changes until your next Open Enrollment Period. (Please see pages 8 and 9 under Special Enrollment Opportunities for exceptions to this rule.)

Your Open Enrollment Period is based upon your Benefit Period. Please refer to the chart below and your enrollment materials to determine which period applies to you.

Benefit Period Start Date	Open Enrollment Period
January 1 st	December 1 st through January 15 th
April 1 st	March 1 st through April 15 th
July 1 st	June 1 st through July 15 th
October 1 st	September 1 st through October 15 th

Senior Performers and dependents covered under the Extended Spousal benefit are included in the January 1st Benefit Period and corresponding Open Enrollment Period.

Payment Options

Premiums can be paid in advance, regardless of your method of payment, with the exception of Auto Debit. However, you may not pay the premium for any period beyond your current Benefit Period.

Pension Deduction: (*only available to Senior Performers*): The easiest way to pay your premium is through an automatic deduction from your monthly pension benefit. If you qualify for Extended Spousal coverage, please contact the Health Plan to verify that this option is available to you. Automatic deduction ensures that your health coverage will continue without interruption and eliminates the inconvenience of mailing payments.

Auto Debit: Auto Debit deducts your premium automatically and on a recurring basis from a U.S. checking or savings account. Earned Eligibility premium is deducted quarterly and Senior Performer/Extended Spousal premium is deducted monthly. Payments are deducted on the 25th of the month prior to the due date. The Health Plan will continue to deduct your premium as long as you remain continuously eligible for coverage, even if there is a change

in the premium rate because you experience a change in your eligibility type or benefit plan. You can sign-up online or download an enrollment form by visiting our secure website at www.sagph.org.

Pay by Web: Pay your premium online with a credit card or bank account by visiting www.sagph.org. You will receive electronic confirmation that your payment has been received.

Pay by Phone: Pay your premium with a credit card by calling (818) 954-9400 or (800) 777-4013 before the due date, and following the prompts. You will receive instant confirmation that your payment has been received. For your security, a Service Representative will not be able to take your credit card information over the phone.

For your protection, pay by web and pay by phone payments are non-recurring. This means the Plan will not automatically charge your credit card or debit your account every time a payment is due.

Pay by Mail: A quarterly billing statement and payment coupon will be sent to you a few weeks before the due date. Make your check, money order or cashier's check from a U.S. bank payable to: Screen Actors Guild-Producers Health Plan, and send it to the SAG-PHP Payment Center with your coupon. To ensure proper credit, please include the account number from your billing statement on your check. Your payment must be received by the SAG-PHP Payment Center at P.O. Box 30110, Los Angeles, CA 90030-0110 by the due date to be considered timely. **DO NOT SEND YOUR PAYMENT TO THE HEALTH PLAN OR THE SAG-AFTRA UNION OFFICE.**

Premium Due Dates

Payment Due Dates: Your premium is due by the **1st** day of each calendar quarter for Earned Eligibility or by the **1st** day of the month for Senior Performers or Extended Spousal benefits. For example, the payment for the **1st** quarter of the calendar year (January through March) is due on January 1. There is a 15-day grace period. Health Plan coverage will not be extended until your payment is processed. You are encouraged to submit your premium prior to the due date to allow processing time and avoid any interruption in your coverage. **The due date applies even when traveling. The grace period is for unforeseen circumstances.**

Termination of Coverage: If the Plan does not receive your premium payment by the due date, you will not be entitled to any coverage under the Health Plan until your next Benefit Period. (Please see pages 8 and 9 under Special Enrollment Opportunities for special exceptions.) **You will not be entitled to self-pay coverage, nor will you be entitled to any conversion options if your coverage is terminated due to failure to pay your premium.**

For example: If you make quarterly payments and your Benefit Period is January 1, 2016 through December 31, 2016 and you fail to pay your first quarterly premium by January 15, 2016, you will not be entitled to any Health Plan coverage until January 1, 2017, provided you re-qualify for coverage by either meeting the minimum earnings requirement or meeting the Senior Performer requirements.

Late Payment Waivers: If your payment was not received by the due date you can reinstate your coverage by using a late payment waiver. The Plan allows one late payment waiver per Benefit Period with a maximum of two late payment waivers per lifetime for Earned Eligibility. Senior Performers and dependents covered under the Extended Spousal benefit are eligible for one late payment waiver per Benefit Period. Participants may use a late payment waiver up to the last day of the quarter for which a payment is due.

The Health Plan will automatically apply a late payment waiver (if available) when your payment is received after the due date. Your coverage will be automatically and retroactively reinstated.

Special Enrollment Opportunities

Special enrollment opportunities allow you to make changes to your dependent elections outside of the Open Enrollment Period. **Traveling is not considered a special exception.**

Adding New Dependents: If you do not pay the premium and subsequently acquire a new dependent, you can request coverage under the Health Plan within 30 days of the date of marriage, birth, adoption or placement for adoption. You will need to complete a New Dependent Form and submit the appropriate documents as outlined below:

- **Spouse** – copy of the recorded marriage certificate
- **Child** – copy of the recorded birth certificate, adoption or placement for adoption papers, or guardianship papers

Exception: While you are obtaining a recorded copy of your natural child's birth certificate, we will accept a copy of the birth certificate from the hospital to add your natural child who is younger than one year of age for a period not to exceed 120 days.

A new dependent will not be enrolled in the Health Plan until all the necessary documents have been received to verify your relationship to the dependent. Once the new dependent documentation is processed, he/she will not be eligible for coverage unless you, the Participant, are or become eligible and the appropriate premiums have been received.

Senior Performers also have an opportunity to make changes to their covered dependents in the event their spouse turns 65. In the case of Extended Spousal coverage, eligible dependents will have an opportunity to re-enroll in the Plan when the spouse turns 65.

If your Health Plan coverage is available under the Extended Spousal provision, you may only re-enroll outside of the Open Enrollment Period if you have other health coverage and your other coverage ends because of a reduction in employment, or if you are eligible for a Children's Health Insurance Program (CHIP) or Medicaid event. This is described on page 9.

Important Note: If you are covered under the Extended Spousal benefit and you remarry Health Plan coverage will terminate as of the date of remarriage.

Removing Dependents: If you are cancelling enrollment of a current dependent due to divorce, dissolution of a qualified same-sex domestic partnership or death, you are required to submit a copy of the final judgment of divorce, termination of domestic partnership form or recorded death certificate to the Health Plan. In the event of divorce or same-sex domestic partnership dissolution, you must notify the Health Plan **within 60 days** of the date your divorce or dissolution of your domestic partnership in order to preserve individual self-pay rights for the dependent, if they qualify.

Important Notes:

- Expenses incurred by your spouse, same-sex domestic partner or step-children on or after the date of divorce or domestic partnership dissolution are not covered by the Health Plan. You, the Participant, will be billed for expenses paid by the Health Plan from the date of divorce or dissolution of your same-sex domestic partnership. It is your responsibility, as the participant, to notify the Health Plan of any change to your qualified dependents.

- Enrolling and cancelling enrollment of current dependents can affect the amount of your premium. Premium changes will be effective the 1st of the month in which the event occurred if enrolling a new dependent(s) and the 1st of the following month if you are cancelling enrollment of a current dependent(s).

You may also wish to consider changing your beneficiaries when life events occur. A Designation of Beneficiary form can be obtained by visiting our website at www.sagph.org or contacting the Health Plan.

Supplementary Health Coverage: If you do not pay the premium due to supplementary group health coverage, you may be allowed to participate in the Screen Actors Guild - Producers Health Plan when your other coverage ends due to a reduction in employment, legal separation, divorce or death. If the supplementary coverage is under a COBRA provision and you exhaust your COBRA coverage, you may also be allowed to participate in the Screen Actors Guild –Producers Health Plan. You must submit a written request for coverage under the Health Plan **within 30 days** after your other coverage ends.

CHIP/Medicaid: Special enrollment opportunities are also available to:

- Participants and their dependents who lose coverage under Medicaid or CHIP;
- Participants and their dependents who become eligible for a state Medicaid or CHIP premium assistance program

The CHIP/Medicaid enrollment events require you to submit a written request to the Health Plan **within 60 days** of their occurrence.

CHIP is a federal/state program designed to provide health care coverage for uninsured children and some adults although benefits under this program are only provided by certain states. If you think you or any of your dependents might be eligible for Medicare or CHIP, you can call 1-877-KIDS-NOW (1-877-543-7669) or visit **www.insurekidsnow.gov** to find out how to apply. If you qualify, you can ask your state if it has a program that might help you pay the Screen Actors Guild – Producers Health Plan premiums.