

XIII. Pension Plan

(a) Producers, the IATSE and the respective West Coast Locals are parties to the "Motion Picture Industry Pension Plan" (hereinafter referred to as the "Pension Plan") made as of October 26, 1953. Such Pension Plan was established in accordance with the provisions of the "Producer-I.A.T.S.E. and M.P.M.O. Amendment Agreement of October 26, 1953."

(b) In accordance with Article III, Sections 2 and 3 of the Pension Plan and subject to the provisions of such Pension Plan relating to private retirement plans, the Producer shall pay into the Pension Plan one dollar eighty and sixty-five hundredths cents (\$1.8065) for each hour worked by or guaranteed an employee by such Producer during the period August 1, 2018 through July 31, 2021.

Such money paid by Producer into the Pension Plan shall not constitute nor be deemed to be wages due to the individual employees subject to this Agreement, nor shall said money paid into the Pension Plan in any manner be liable for or subject to the debts, contracts, liabilities or torts of such employees.

(c) When a minimum call is applicable and the employee works less than the minimum call, the minimum call shall constitute time worked. Employees subject to this Agreement employed for full weeks under guaranteed weekly salary schedules shall be credited with not less than the hours guaranteed the employee under such guaranteed weekly salary schedule. In the event such employee works in excess of such applicable number of hours guaranteed in such weekly schedule, then additional contributions shall be made on such excess hours worked.

(d) For purposes of this provision, studio, nearby and distant location employment under "on call" weekly schedules shall be considered as follows:

- (1) Partial week - twelve (12) hours per day;
- (2) Five day week - sixty (60) hours;
- (3) Six day week - seventy-two (72) hours; and
- (4) Seven day week - eighty-four (84) hours.

For the sixth day not worked on distant location, pension contributions for "on call" employees shall be based on seven (7) hours. For the seventh day not worked on distant location, pension contributions for "on call" employees shall be based on eight (8) hours.

It is understood that the parties will establish mechanisms at the Plan level so that when the Plans receive contributions on behalf of "on call" employees from multiple Employers for the same period, such Employers shall be entitled to a credit against future contributions on a *pro rata* basis.

(e) In the event additional crafts and classifications of work shall, as herein provided, become subject to this Agreement subsequent to July 31, 2018, then and in such event, this Article XIII shall only be effective and applicable to employees thereafter employed hereunder by Producer in such crafts and classifications of work, commencing as of a date thereafter upon which the Producer and the IATSE shall mutually agree.

(f) (1) The bargaining parties agree to recommend to the Directors of the Pension Plan the following pension benefit increase(s):

(i) Contingent Pension Benefit Increase for Active Participants Effective January 1, 2021

Effective January 1, 2021, increase the pension benefit accrual rates set forth in (A) through (C) below by ten percent (10%) for Credited Hours accumulated on or after January 1, 2017 through December 31, 2020 for those individuals who are active participants in the Pension Plan on or after January 1, 2017, provided that these new pension amounts or accrual rates shall not apply to pensions that went into pay status before January 1, 2017 and, provided further, that as soon as practicable following the end of the first quarter of 2021, the Health Plan's consultants, in conjunction with the Pension Plan's actuaries, certify that each of the Active Health Fund and the Retired Employees Fund has at least eight (8) months of reserves as of January 1, 2021, based upon the assumptions and methodologies, including but not limited to the funding priorities established for Supplemental Markets and Post '60s contributions, approved by the bargaining parties. For those individuals who had a Break in Service during the period commencing with January 1, 2017 to and including

December 31, 2020, the increase shall apply only to Credited Hours accumulated after the date of the most recent Break in Service. (For example, an active participant in the Pension Plan on January 1, 2021 who failed to accumulate at least two hundred (200) Vested Hours in 2018 and 2019 is entitled to the ten percent (10%) increase only for those Credited Hours accumulated on or after January 1, 2020.) Any retroactive payments required by the foregoing shall be made without interest and as soon as practicable following the consultants' certification of reserves as provided above.

In the event that the reserve levels are below eight (8) months in the Active Health Fund or the Retired Employees Fund on January 1, 2021, the benefit accrual rates for Credited Hours accumulated on or after January 1, 2017 shall remain at the following rates, unless changed pursuant to subparagraph (ii) below:

(A) \$0.03729 multiplied by the Participant's total Credited Hours accumulated during the Participant's first ten (10) Qualified Years;

(B) \$0.04972 multiplied by the Participant's total Credited Hours accumulated during the Participant's next ten (10) Qualified Years; and

(C) \$0.04972 multiplied by the Participant's total Credited Hours accumulated after the Participant has completed twenty (20) Qualified Years.

(ii) Contingent Pension Benefit Increase(s) Effective January 1, 2024 and Every Three (3) Years Thereafter⁵

As soon as practicable following the end of the first quarter of 2024 and every three years thereafter ("the evaluation year"), the Health Plan's consultants, in conjunction with the Pension Plan's actuaries, shall determine whether each of the Active Health Fund and the Retired Employees Fund has at least eight (8) months of reserves as of January 1st of the evaluation year, and the Pension Plan's actuaries shall determine whether to certify that the Pension Plan is in the Green Zone in the evaluation year. The foregoing determinations shall be based upon the assumptions and methodologies, including but not limited to the funding priorities established for Supplemental Markets and Post '60s contributions, approved by the bargaining parties.

⁵ This provision assumes that the term of the successor agreements to the 2018 IATSE Basic Agreement is three (3) years. If the term of a successor agreement is for a period other than three (3) years, the evaluation year shall be the final year of the applicable IATSE Basic Agreement and the period of the pension benefit increase shall be equivalent to such term.

In the event that the Health Plan's consultants certify that each of the Active Health Fund and the Retired Employees Fund has at least eight (8) months of reserves on January 1st of the evaluation year, and the Pension Plan's actuaries certify that the Pension Plan is in the Green Zone in the evaluation year, the pension benefit accrual rates shall be increased, effective January 1st of the evaluation year, by ten percent (10%) retroactively for Credited Hours accumulated during the three (3) year period immediately following the most recent increase in the pension benefit accrual rate. For those individuals who had a Break in Service during the three (3) year period immediately preceding January 1st of the evaluation year, the increase shall apply only to Credited Hours accumulated after the date of the most recent Break in Service. (For example, an active participant in the Pension Plan on January 1, 2024 who failed to accumulate at least two hundred (200) Vested Hours in 2021 and 2022 is entitled to the ten percent (10%) increase only for those Credited Hours accumulated on or after January 1, 2023.) Any retroactive payments required above shall be made without interest and as soon as practicable following the consultants' certifications as provided above.

In the event that the reserve levels are below eight (8) months in the Active Health Fund or the Retired Employees Fund on January 1st of the evaluation year, or the Pension Plan is not certified to be in the Green Zone in the evaluation year, the benefit accrual rates for Credited Hours accumulated since the most recent increase in the pension benefit accrual rate shall remain at the rates provided in subparagraph (f)(1)(i)(A)-(C) above.

(2) The bargaining parties agree to recommend to the Directors of the Pension Plan that the Pension Plan provide a thirteenth and fourteenth check on or about November 1st of each year of this Agreement to those retirees who retired on or before August 1, 2009, provided that the Pension Plan's actuaries, in conjunction with the Health Plan's consultants, determine, taking into account the costs of such thirteenth and fourteenth checks, that: (i) at least eight (8) months of reserves exist in each of the Active Employees Fund and the Retired Employees Fund at that time; (ii) the Plan is certified to be in the Green Zone in the calendar year in which the check(s) are paid; (iii) the cost of thirteenth and fourteenth checks, if any, granted during the term of the Agreement shall be amortized over the fifteen (15) year amortization period commencing January 1, 2017; and (iv) if there are insufficient funds in the Pension Plan after accounting for existing obligations to provide both a thirteenth and fourteenth check, then a thirteenth check will be provided.

The foregoing Pension Plan improvements shall not be applicable to any Plan participant who is covered by another collective bargaining agreement, unless such collective bargaining agreement contains this pension and health package on an equivalent economic basis.

(g) It is understood that the bargaining parties and the Directors of the Pension Plan will take all necessary steps to assure the tax deductibility of employer contributions under the provisions of the Internal Revenue Code as it now exists or is hereafter amended.