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SUMMARY OF MATERIAL MODIFICATION TO PRODUCERS' HEALTH BENEFITS PLAN

Important Information Regarding Your Health Fund Benefits

This notice contains important information concerning benefits provided by the Producers' Health Benefit Plan. Please save this letter along with a copy of the Summary Plan Description (SPD) which is posted on the Plan website at <https://phbp.org/documents>. It should be read and retained with your SPD for future reference.

Date: November 11, 2019

To: All Plan Participants

From: The Board of Trustees

INTRODUCTION

The Board of Trustees is proud of the valuable benefits provided to you and your families through the Producers' Health Benefits Plan (the Plan). As Trustees to the Plan, we continually monitor the financial stability of the Plan to ensure that the Plan will continue to provide these important benefits well into the future. In order to maintain the high level of benefits provided by the Plan, revisions to our plan of benefits are necessary from time to time.

This notice describes important changes to the Producers' Health Benefits Plan.

EFFECTIVE JANUARY 1, 2020

MAXIMUM BANKED DAYS FOR FREELANCE EMPLOYEES

- The maximum number of banked days a freelance employee may credit towards eligibility will be capped at 50% of the total number of days needed for eligibility for the next qualification period. For 2020, the requirement is 100 days so the maximum number of banked days a freelance employee can apply toward eligibility is 50 days for that next qualification period. Other Plan rules relating to banked days continue to apply, please refer to the SPD for more information about banked days.

REGISTERED DOMESTIC PARTNER ELIGIBILITY

- Effective January 1, 2020, California eliminates the requirement that at least one member of an opposite-sex couple be at least age 62 and eligible for Social Security benefits in order for the couple to register as domestic partners with the state of California.
- To register as domestic partners in California, a couple must file a Declaration of Domestic Partnership with the California Secretary of State which attests that the couple

meets certain criteria at the time of filing. One of the requirements (which remains in effect through December 31, 2019) is that one or both members of an opposite-sex couple must be at least age 62 and eligible for Social Security benefits. Beginning January 1, 2020, opposite-sex couples can register their domestic partnership with the California Secretary of State, even if no partner is at least age 62 and eligible for Social Security benefits.

- Additional information is available on the California Secretary of State's website.
- The required documentation to enroll a domestic partner remains unchanged. Please see the SPD for requirements.

FREELANCE NEW PLAN OPTION: HIGH DEDUCTIBLE HEALTH PLAN AND HSA AVAILABLE

- The High Deductible Health Plan (HDHP) with the option to open a Health Savings Account will be available to all Freelance employees nationwide.
 - Tier One employees will have the choice of the HDHP plan or HMO / Plus PPO plans (depending on state of residence),
 - Tier Two employees will have the choice of the HDHP plan or HMO / Plus PPO plans (depending on state of residence) or buy-up to Premier PPO plan,
 - Tier Three employees will have the Premier PPO plan or can choose the HMO / Plus PPO plans (depending on state of residence) or the HDHP and have the next \$300 enrollment fee waived.
- If you enroll in the HDHP plan during the Special Enrollment window period, October 21, 2019 to November 17, 2019, the Plan will waive your next \$300 annual fee, and you'll get \$125 per month credited against any dependent fees you pay for all of 2020.

STAFF AND FREELANCE SUPPLEMENTAL LIFE

- Staff and freelance employees offered the basic life and disability bundle have the option to purchase additional life insurance fully funded by the employee.
 - Employees may purchase amounts in increments of \$10,000 up to a maximum of \$1,000,000 (evidence of insurability is required for amounts greater than \$100,000).
 - Employees may purchase coverage for a spouse in increments of \$5,000 up to a maximum of \$100,000, not to exceed 50% of the employee's supplemental life benefit (evidence of insurability is required for amount greater than \$25,000).
 - Employees may purchase \$10,000 of coverage per child.

VOLUNTARY BENEFITS FOR STAFF AND FREELANCE EMPLOYEES

- All employees enrolled in medical coverage have the option to purchase the offered voluntary benefit plans. The plans offered can provide additional coverage and protection in addition to the PHBP medical plan.
 - Accident
 - Critical illness
 - Hospital indemnity

Questions?

For more information, please contact PHBP staff@PHBPBenefits.org or by telephone at 855-696-2909.

Plan Sponsor: Producers' Health Benefits Plan

Sponsor's EIN: 31-6654730

Plan Number: 501

Plan Year: January 1st to December 31st

You should keep this Notice together with your Summary Plan Description at all times. The two documents should be read together for an accurate depiction of your current health plan benefits. If you have any questions, contact the Fund Office.

The Board of Trustees or its duly authorized designee, reserves the right, in its sole and absolute discretion, to amend, modify or terminate the Plan, or any benefits provided under the Plan, in whole or in part, at any time and for any reason, in accordance with the applicable amendment procedures established under the Plan and the Agreement and Declaration of Trust establishing the Plan (the "Trust Agreement").

No individual other than the Board of Trustees (or its duly authorized designee) has any authority to interpret the plan documents, make any promises to you about benefits under the Plan, or to change any provision of the Plan. Only the Board of Trustees (or its duly authorized designee) has the exclusive right and power, in its sole and absolute discretion, to interpret the terms of the Plan and decide all matters arising under the Plan.