



It's the same refrain where our Health Fund benefits are concerned. But there is some good news in here on our 401(k) and Pension Plans.

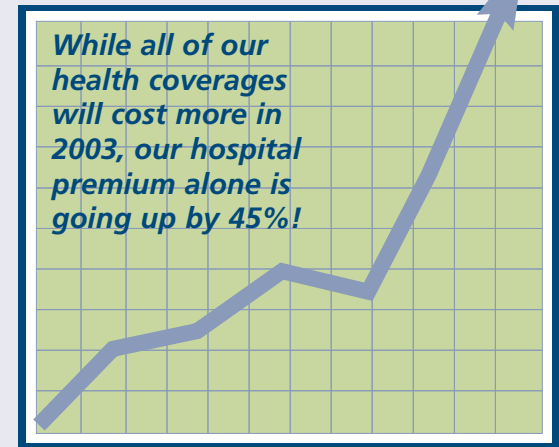
This Is Not A Dress Rehearsal

We set the stage for change in the September edition of *Now*. Playing by telling you that the Trustees were contemplating changes aimed at preserving the financial health of the Health Fund. With the Fund's expenses continuing to go up at an alarming rate (see inset), the Board of Trustees has approved changes aimed at controlling our expenses. These changes, which go into effect on July 1, 2003, are explained in this edition. If you have any questions about the effect of these changes on your Health Fund participation and/or benefits, contact the Fund Office.

AMENDING THE ELIGIBILITY RULES

The current requirement is 10 weeks, but starting with the **July 1, 2003 quarterly eligibility period**, you must have **at least 12 weeks** of work under covered employment to be covered under Health Fund benefits.

The Costs Are Off the Chart.



In the last fiscal year, the Health Fund's expenses were about \$7 million over what went into the Fund. For 2003, that number will more than double, which means expenses will exceed income by approximately \$15 million. Fortunately, we had the foresight to have enough in reserve to get us through. But if this trend continues, we will have no choice but to implement other changes that will help us preserve the Health Fund's fiscal health. We will keep you informed of any future changes.

If You're In The Indemnity Medical Plan, You'll Pick Up More Of Your Out-of-Network (Non-PPO) Expenses

These changes apply to out-of-network care only. Those of you who use the Indemnity Plan's PPO network will not be affected by the higher cost-sharing thresholds.

Out-of-network care is expensive because we have no control over what these doctors charge for their services.

PPO providers, on the other hand, charge the discounted fee they've agreed to. Paying this preferred rate lowers the Health Fund's costs and keeps your out-of-pocket costs to a minimum. While we're not taking away the option of going out-of-network, we have no choice but to make it a more expensive alternative. In fact, starting July 1, 2003, each time you choose to go to non-network providers instead of PPO providers, you'll pay more toward the cost of your eligible expenses.

The Deductible Is Going Up

The Indemnity Medical Plan deductible that applies to out-of-network major medical expenses will go from \$250 to \$350 per

person. If you have family coverage, your family's major medical deductible will be capped at \$700 for the year, but at least one family member has to meet his/her \$350 individual deductible. (The remaining \$350 still has to be met, but it doesn't matter how you get there. For example, two people with \$175 each in deductibles, one person with \$200 + one with \$150, one person with \$200 + two with \$75 each, and so on – as long as they add up to \$350.)

You'll Pay More In Coinsurance

Starting July 1, 2003, the Indemnity Medical Plan will reimburse 70% of your eligible out-of-network major medical expenses. That means your coinsurance will go from the current 20% to 30% of eligible charges. (Remember, you could

be on the hook for even more if your out-of-network expenses are over ULLICO's reasonable and customary charge.)

You'll Pay More Than Twice As Much Before the Plan Kicks In At 100%

Even though you'll be paying 30% coinsurance on your eligible out-of-network expenses, you don't pay your 30% share indefinitely, thanks to the annual coinsurance limit, which puts a cap

on what you pay toward your eligible medical expenses in a given plan year. Once you hit the coinsurance limit, your remaining expenses for that plan year are reimbursed at 100% of eligible charges. However, starting July 1st, you'll be paying more before getting to the 100% level, since the coinsurance limit is being raised from \$2,000 to \$5,000 per person.

Use The PPO!

The PPO offers quality, coordinated care for the least amount of money. Most in-network care is covered in full, with some services (like office visits) requiring only a

nominal copay. And you can't beat the simplicity of the PPO: there's no deductible to meet, no coinsurance to pay, no claims to file, no paperwork to keep track of. With thousands of PPO providers to choose from, there's no reason you can't find doctors right in your own neighborhood — and take advantage of the lower cost and sheer convenience of in-network care. For more information on the PPO, log on to our website, www.equityleague.org and click on Health.

The higher cost-sharing thresholds apply only to eligible out-of-network major medical expenses. All the more reason to use PPO network providers when you need medical care.

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Marjorie Gross & Company

The 401(k)... Now Also Playing Off Broadway

Effective October 1, 2002, actors and stage managers employed under the terms of the Off Broadway Contract became eligible for the Equity-League 401(k) Plan. Enrollment kits were mailed to eligible participants, but here's a brief recap of the benefits of being in the 401(k).

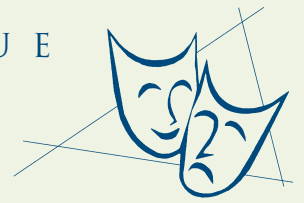
- You can put **up to 85% of your salary** into the 401(k), to a maximum deferral of \$4,675 a week. (Also note that the IRS limits total 401(k) deferrals. For 2002 the limit was \$11,000, but it's \$12,000 for 2003.)
- Your voluntary salary deferral is **automatically deducted** from your weekly salary on a **pre-tax** basis, before federal income taxes are calculated and deducted. That means you're reducing your current taxable income and your current tax liability.
- You can **invest** your savings for potential growth, choosing from MassMutual's 12 investment options. Better yet, any interest or investment income earned accumulates **tax-deferred**. For more information on the 401(k) funds, visit the Mass Mutual 401(k) website, www.massmutual.com (you can also get there from the Equity-League website, www.equityleague.org).
- You **do not owe federal income tax** on your 401(k) money until you take a **distribution** from the Plan.
- You can **change** your deferral rate and your investments **online**, as well as check on your 401(k) balance by logging onto the Mass Mutual 401(k) website, www.massmutual.com.

For more details on the 401(k) Plan, visit our website, www.equityleague.org and click on 401(k).

It's only five bucks, but it's going in your pocket.

You'll see a smaller deduction for your annual participant fee on your **401(k)** statements from MassMutual. That's because the Trustees got MassMutual to lower its annual fee from \$100 to \$95 per participant. (The annual fee will still be deducted from your account balance monthly.)





We Can't Guarantee A Break In Show Business, But We Can Protect You Against A Break In Service

GOOD NEWS!

If you were working under an AEA contract where Pension contributions are made on your behalf, and forfeited credited service because of a gap in your eligibility, you'll be glad to hear about the new rule that will restore "lost" pension credits.

The Board of Trustees of the Equity-League Pension Fund is delighted to announce that it has approved the Administrative Committee's recommendation to implement a **new rule** that will **restore lost pension credits** to many performers. Restoring this otherwise "lost" credit will give pension eligibility to many performers who wouldn't otherwise be eligible for any pension benefit; for some, it will increase the amount of the pension itself. Here's how it will work.

Under the Pension Plan rules in effect prior to 1992, non-vested performers who had an extended period of unemployment before returning to work would incur what's known as a "break in service." This break in service could potentially have wiped out all previous pension credits earned. But, under the new rules, your **prior service** will be **restored** to you as long as you meet these two requirements:

1. You had earned at least five years of vesting service based on participating employment before your break in service. (Note that the "two for one" rule will not apply in this instance, so the five years of prior service must be true years.)
2. You returned to work in participating employment after December 31, 1991 and subsequently earn at least one year of vesting service.

Pension benefits produced by the restored years of service will not be adjusted or made retroactive for periods of time before January 1, 2003, regardless of when you reached retirement age.

For an explanation of key Pension Plan terms, including "vesting service," "credited service" and the "two for one rule," go to the Equity-League website (www.equityleague.org) and click on *Pension*.

You can reach the Equity-League Fund Office by calling 1-212-869-9380; from outside New York City, call toll-free at 1-800-344-5220. Or contact us by email via the Fund's website, www.equityleague.org.

Important Reminder About The Women's Health and Cancer Rights Act

The Women's Health and Cancer Rights Act is a federal law that provides protection for breast cancer patients who elect breast reconstruction in connection with a mastectomy. All group health plans, including HMOs, that provide medical and surgical benefits in connection with a mastectomy must also provide coverage for reconstructive surgery, in a manner determined in consultation with the patient and attending physician. If you or an enrolled dependent are a breast cancer patient, your coverage includes the following:

- Reconstruction of the breast on which the mastectomy was performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
- Prostheses and treatment of physical complications at all stages of the mastectomy, including lymphedemas.

This coverage is subject to applicable Plan provisions. If you have any questions about this coverage, contact the Fund Office. (See FAQs for how to contact the Fund Office.)



What happens if I don't meet the new 12-week eligibility requirement for Health Fund benefits?

If you don't meet the eligibility requirements during the "look back," you can elect to temporarily self-pay under COBRA. (Your self-pay coverage has to be the same coverage that was maintained through your employment.) But remember, we do this "look back" quarterly, so while you may not qualify during one particular quarter, you could qualify in a subsequent one.

Is the Earnings Period for determining eligibility for Health Fund benefits changing?

No. The Earnings Period will continue to be from the first Sunday to the last Sunday in that period. (There are more details on the Earnings Period on our website, www.equityleague.org. We also covered eligibility issues in the April 2002 edition of *Now Playing*, also available on our website; look up Vol. 9 No. 1.)

Do the new deductible and coinsurance requirements apply if I'm on self-pay?

Yes. But note that the new cap on the family deductible that goes into effect on July 1st will limit your family deductible to \$700 for the 2003 calendar year, which is an improvement over how it works now. (Reminder: at least one family member has to meet the \$350 individual deductible.)

If you have a question that isn't answered here, try the Equity-League website "FAQ" page, which you get to by clicking on "FAQ." If the answer isn't there, or if your question is of a more personal nature, the Fund Office will be happy to help.

Will the new \$350 deductible count toward meeting the \$5,000 coinsurance limit?

No. The deductible is on top of your coinsurance, which means you'll pay a total of \$5,350 out of your own pocket before the Indemnity Medical Plan will cover your eligible expenses at 100%. (This is also a good time to remind you that if you go PPO, there's no deductible or coinsurance; you just pay your copay — assuming a copay is even required — after which your eligible expenses are reimbursed in full.)

Is the prescription drug deductible also going up?

No changes are contemplated for July 1st, which is not to say that they won't be adjusted in the future, especially since the cost of prescription drugs is a major contributor to our health care expense problem.

When is my next opportunity to enroll in the PPO?

You can enroll in the PPO during our Open Enrollment period, which will be held in May.

Are there any changes in our hospital benefits?

No changes are being contemplated at this time, but since hospital expenses are also going up at an alarming rate, we will be studying it for the future.

Aren't there ways to get the Health Fund's expenses under control other than raising deductibles and coinsurance?

We're trying. First of all, the Trustees and their consultants are constantly trying to negotiate better rates with our insurance companies. Implementing the PPO is another. But we're not there yet, which is why the Trustees will continue to explore all cost-saving avenues.

The PPO is sounding better and better to me. How do I get a provider Directory?

There's an online directory of PPO network doctors, so just log on to Beech Street's website (www.beechstreet.com) and follow the link to "Search for a doctor or hospital." The database is updated daily, so the online directory is always up-to-date.

Was the 401(k) catch-up contribution a one-shot deal for 2002?

No. The "catch-up" deferral will go up by \$1,000 a year for each of the next five years, until it reaches \$5,000 in 2006, after which it will be indexed to inflation.

How do I find out if the new rule restoring lost pension credits applies to me?

Call the Fund Office at (212) 869-9380; from outside New York City, call the toll-free number, (800) 344-5220.

Are survivor benefits payable under the Pension Plan's new break in service rules?

Survivor benefits attributable to restored credit will not be payable for participants who died prior to January 1, 2003.



Making Contact with the Fund Office

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This newsletter is a publication of the Board of Trustees of the Equity-League Trust Funds. Additional copies are available upon request, or online at our website (www.equityleague.org). For any question about the newsletter or your benefits, contact The Fund Office, Equity-League Pension, Health and 401(k) Funds, 165 West 46th Street, Suite 402, New York, NY 10036-2582. To call the Fund Office from the NYC area, phone (212) 869-9380; if you're calling from outside the NYC area, call the Fund Office toll-free at (800) 344-5220.

To the extent that any of the information contained in this newsletter is inconsistent with the official Plan documents (which, of course, includes the Trustees' rights to amend or modify the Plans at any time), the Plan documents will govern in all cases. No official (other than the Trustees) has any authority to interpret the Plans, or other official Plan documents, or to make any promises to you about them.