



Status of the Motion Picture Industry Pension & Health Plans

Presented to
I.A.T.S.E. New York Town Hall Meeting

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MPI's Mission

“To Improve
the Quality of Life
of Our Participants.”

MPI Participant Focus

- Created a Participant Services Center in Studio City
- Created a toll-free, nationwide Participant Service Line:

(855) ASK – 4MPI

2 7 5 – 4 6 7 4

Participant Calls to MPI

MPI received

283,856

Participant calls in 2010.

Participant Call Wait Times



Health Claims Submitted to MPI

MPI received

1.4 million

health claims in 2010.

Improved Health Claims Processing



Administrative Expenses

“95% of comparable Taft-Hartley employee benefit plans spend more on administrative expenses than MPI.”

*-Miller, Kaplan, Arase & Company
Certified Public Accountants*

Assets Under Management (\$ billions)



Total

Pension Plan

IAP Plan

Investment Results

Annual Plan Returns Through August 31, 2011

Plan (Target %)	1 Year	5 Year	10 Year	20 Year
Pension Plan (8%)	13.4%	5.3%	6.8%	8.2%
IAP (8%)	12.7%	5.7%	6.6%	8.0%

Health Care Reform

Effective January 1, 2011, for the Active Health Plan:

- Medical coverage for dependent children up to age 26
- Lifetime medical coverage maximum (\$2 million) was removed
- Annual dollar limits were removed:
 - TMJ (\$2,500)
 - Comprehensive Physical Exams (\$300)

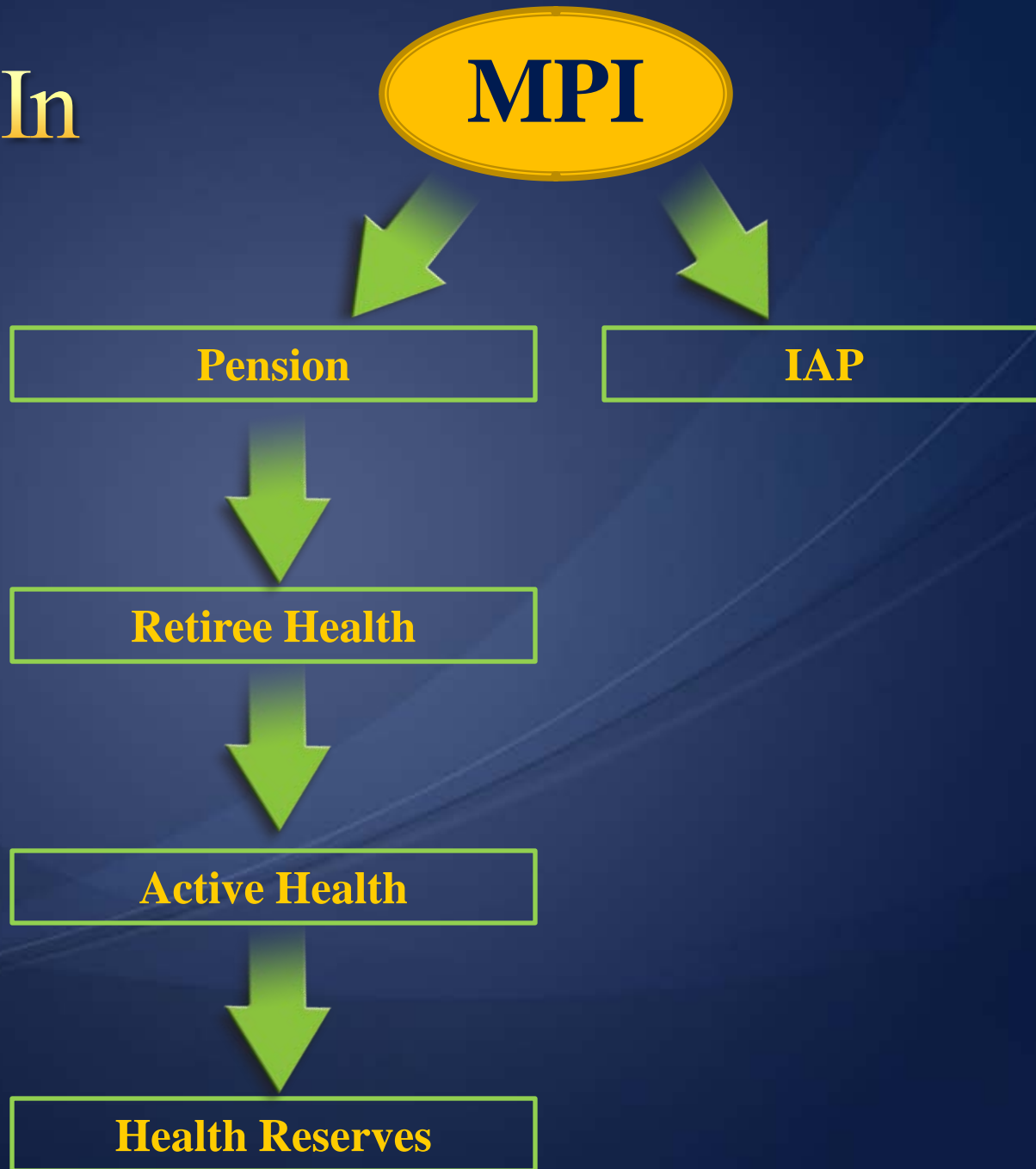
Health Care Reform: What's Next?



“It’s in their hands”

Some MPI Financial History

Money In



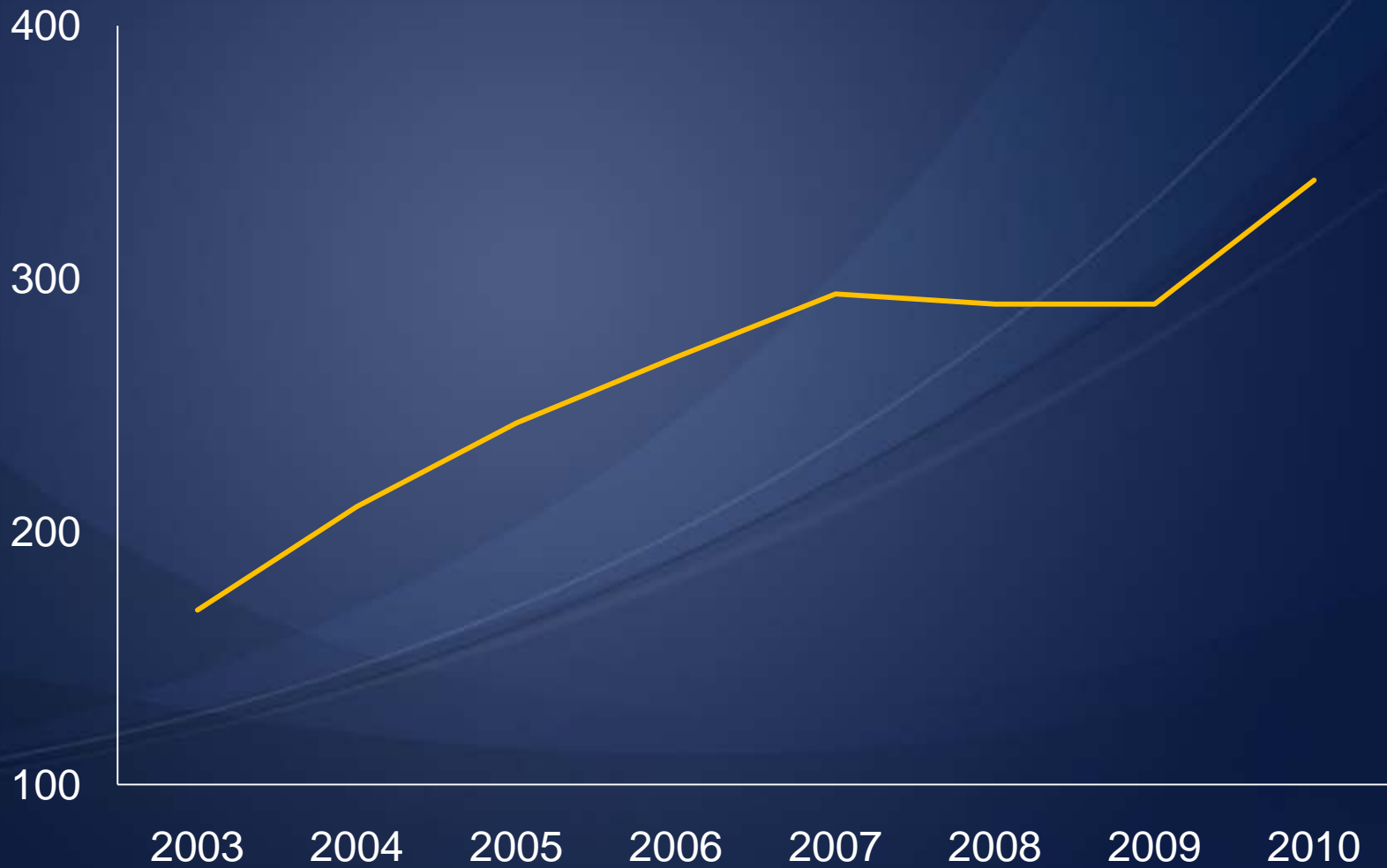
Total Employer Contributions: 2010

<u>Hourly Contributions</u> \$349 million	<u>Residuals</u> \$378 million	<u>IAP % of Compensation</u> \$159 million
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MPI
\$886 million

Hourly Contributions (\$ millions)



Residuals (\$ millions)



IAP % of Compensation (\$ millions)



Benefits Paid: 2010

MPI

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graph TD; MPI([MPI]) --> Pension["Pension Benefits  
$207 million"]; MPI --> IAP["IAP Benefits  
$71 million"]; Pension --> Retiree["Retiree Health Benefits  
$79 million"]; Retiree --> Active["Active Health Benefits  
$420 million"];
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Pension Benefits
\$207 million

IAP Benefits
\$71 million

Retiree Health Benefits
\$79 million

Active Health Benefits
\$420 million

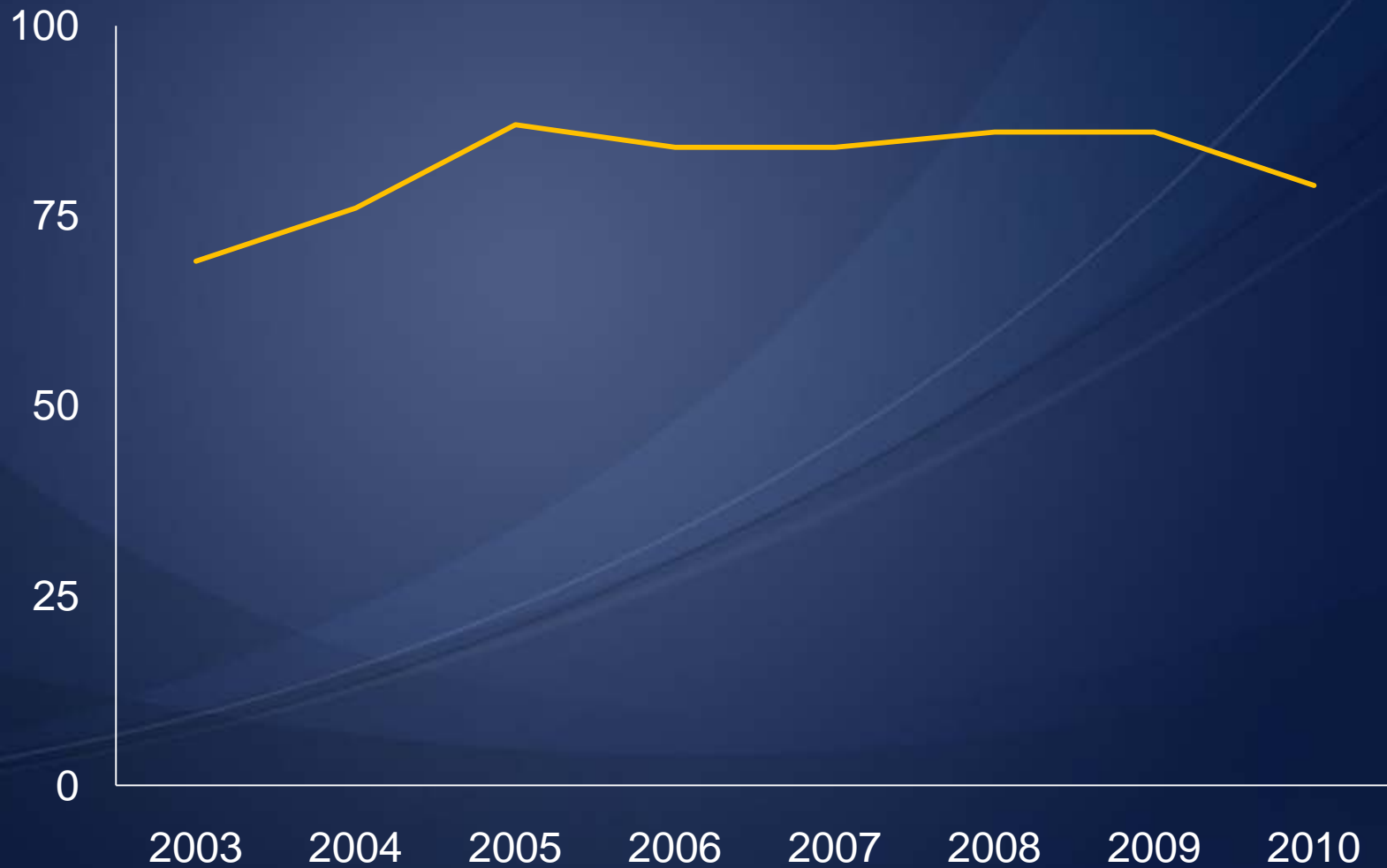
Pension Benefits Paid (\$ millions)



IAP Benefits Paid (\$ millions)



Retiree Health Benefits Paid (\$ millions)



Retiree Health Plan

Annual Cost Per Eligible Participant

	July 2011
Hospital, Medical / HMO	\$ 3,024
Prescription Drugs	2,556
Dental	720
Vision	120
Mental Health	48
Life Insurance / AD&D	108
Average Annual Cost Per Eligible	\$ 6,576
Avg. Number of Eligibles	12,018

2011 Estimated Retiree Health Plan Cost: \$79 Million

Active Health Benefits Paid (\$ millions)



Active Health Plan

Annual Cost Per Eligible Participant

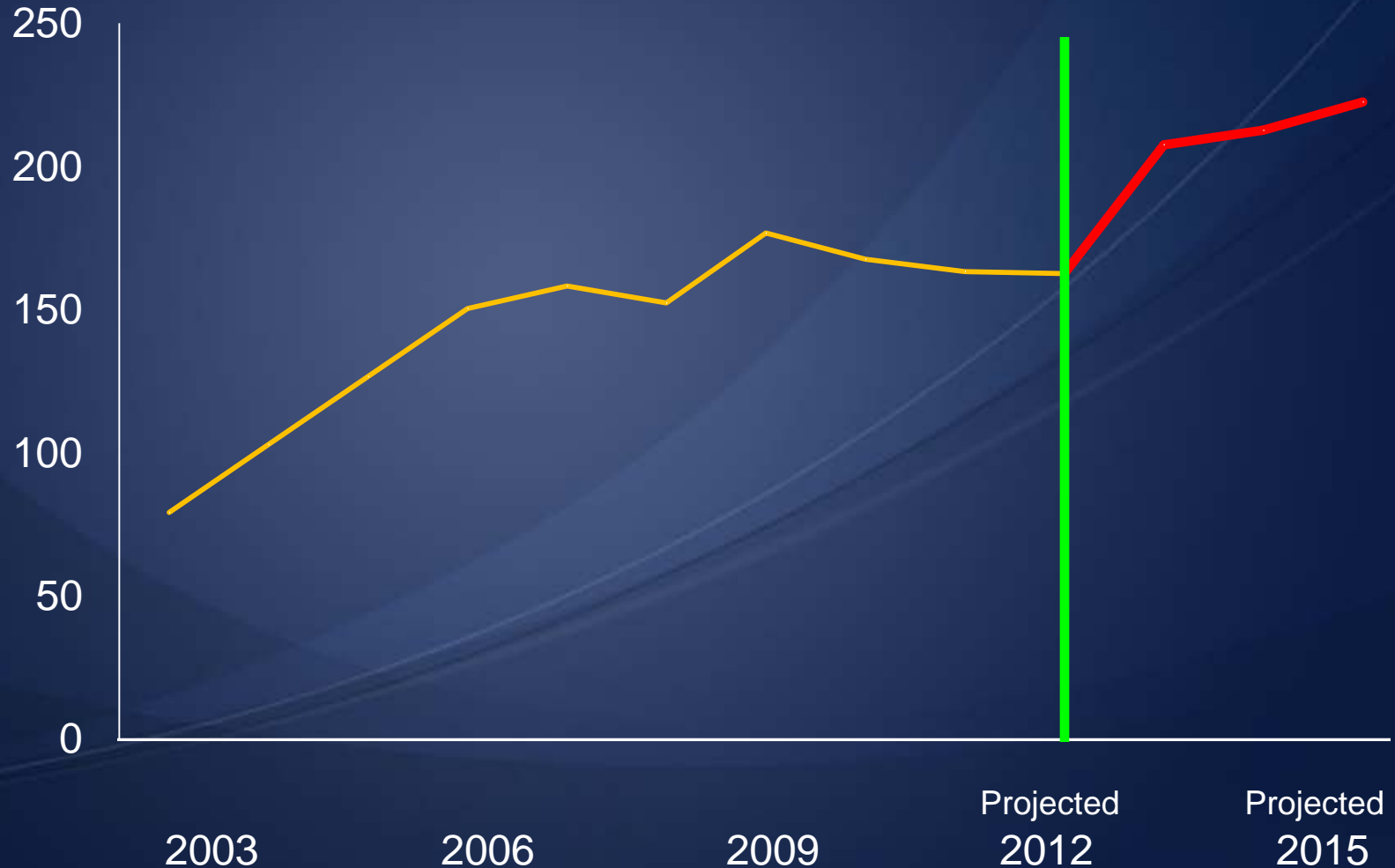
	July 2011
Hospital, Medical / HMO	\$ 7,452
Prescription Drugs	1,536
Dental	984
Vision	144
Mental Health	312
Life Insurance / AD&D	24
Average Annual Cost Per Eligible	\$ 10,452
Avg. Number of Eligibles	43,422

2011 Estimated Active Health Plan Cost: \$468 Million

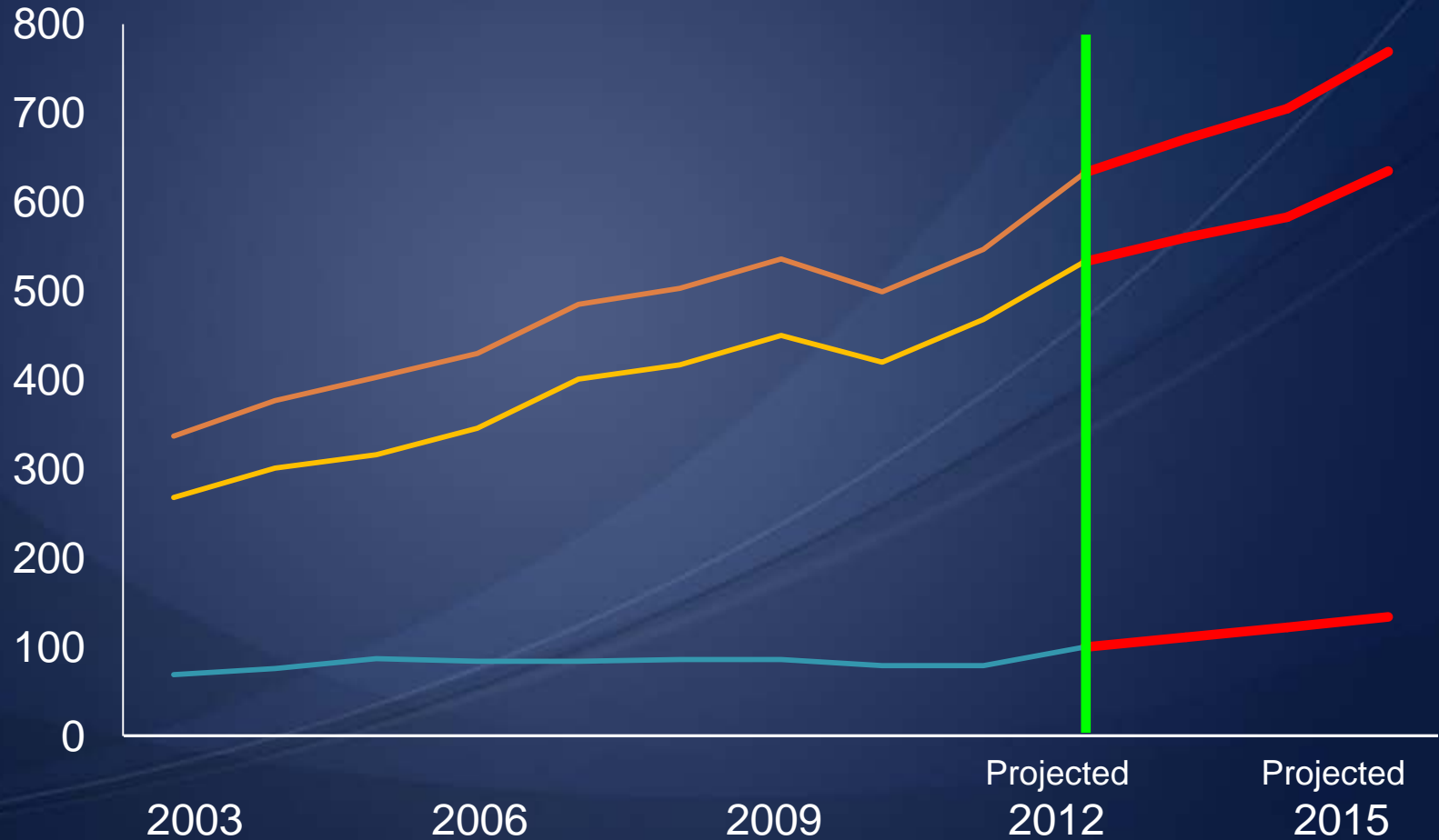
Now,
here's the issue...

2013, 2014 and 2015

Pension Plan Funding Requirement (\$ millions)

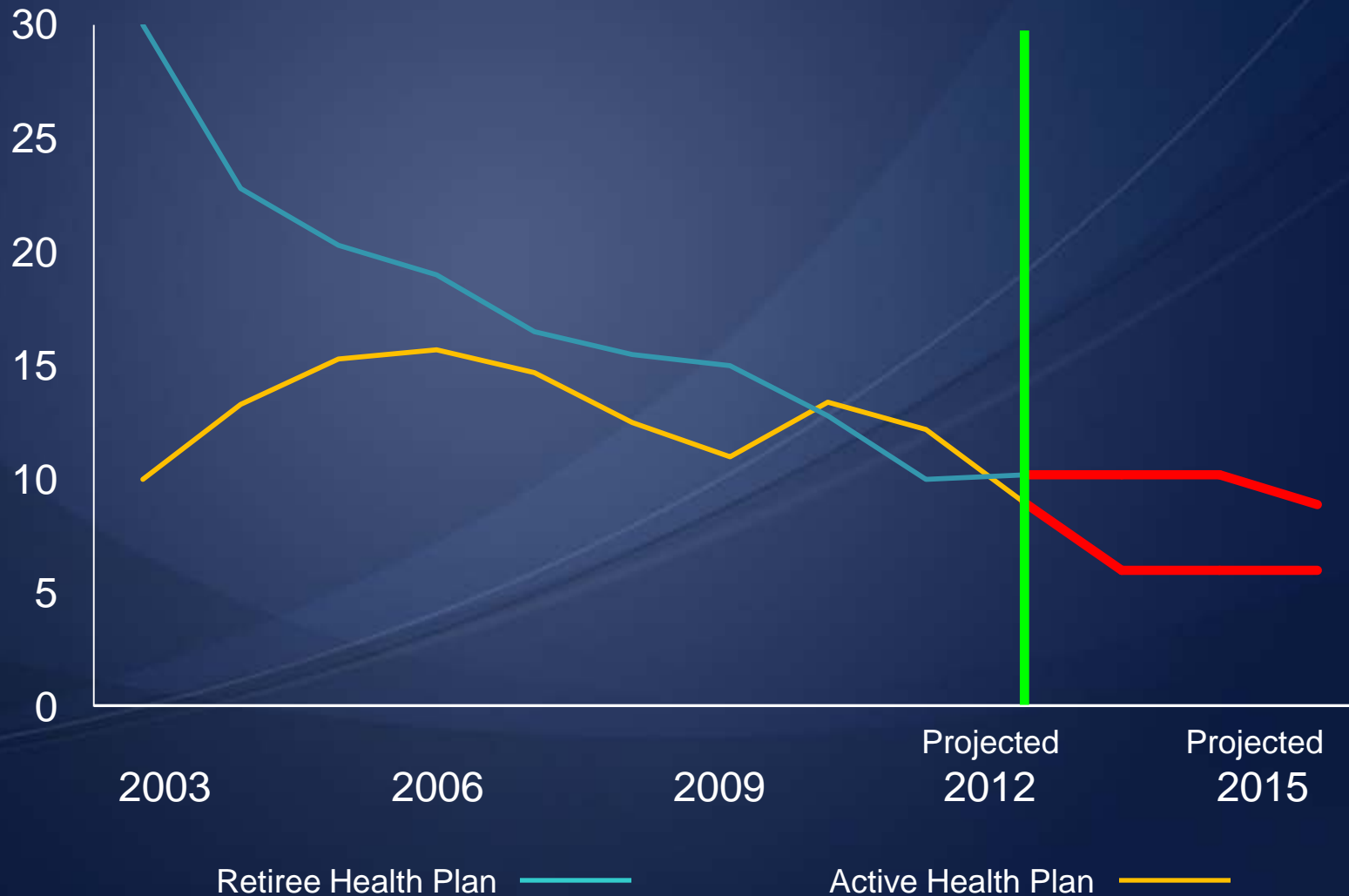


Health Care Expenses (\$ millions)



Total — Active Health Plan — Retiree Health Plan —

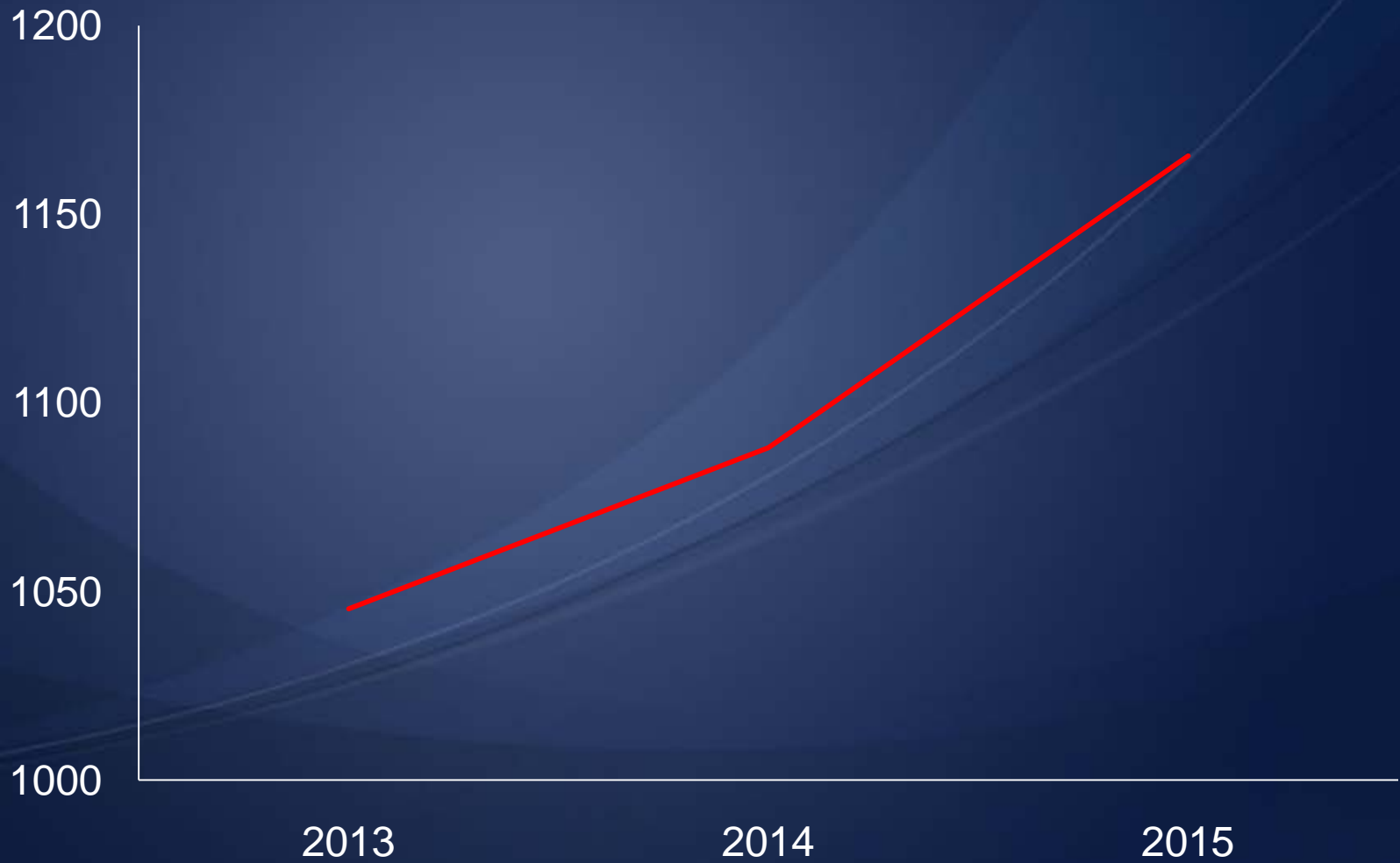
Health Plans' Reserves (# months)



2013-2015 Contribution Projections (\$ millions)



2013-2015 Expense Projections (\$ millions)



The Projected Shortfall (\$ millions)



Contribution & Excess Reserves

Expenses

The Bottom Line

Given today's projected contribution, reserve and expense trends through July 2015, the Bargaining Parties will need to address an estimated \$500 million funding shortfall in the Plans.

Thank You