



SUMMER 2020

MPI

CORONAVIRUS UPDATE

July 31, 2020

Dear Business Agent:

COVID-19 (Coronavirus) news is changing rapidly, almost hour by hour. The purpose of this email is to inform you of the steps MPI has taken to help Participants and dependents deal with this current health crisis. Feel free to share the following with your members.

No-Cost COBRA for Certain Benefit Periods

Over the past few months, Participants who meet certain conditions have been provided with additional hours to allow them to meet the minimum hours necessary to qualify for eligibility as an Active Participant through the Motion Picture Industry Health Plan (MPIHP). These included providing Participants with eligibility for the following benefit periods: June 1, 2020 through November 30, 2020; July 1, 2020 through December 31, 2020; and August 1, 2020 through January 31, 2021.

The Board of Directors of MPIHP enacted another measure that provided Active Health Plan eligibility to certain Participants – no-cost COBRA coverage for certain Participants for the benefit period of September 1, 2020 through February 28, 2021. This no-cost COBRA coverage is now being offered to certain Participants for the benefit period of October 1, 2020 through March 31, 2021 so long as certain conditions are met.

Specifically, for Active Participants in MPIHP (excluding those currently on COBRA) who are currently enrolled and whose benefit period ends on September 30, 2020, MPIHP has granted up to six months of special no-cost COBRA coverage for the benefit period commencing October 1, 2020, provided that such currently enrolled Participant has at least 100 worked and/or banked hours combined, but less than the 400 worked and/or banked hours combined required to gain eligibility for the benefit period commencing October 1, 2020 to and including March 31, 2021. For purposes of this provision, the term “worked and/or banked hours” does not include hours granted under the short-term or long-term disability provisions of MPIHP.

No-cost shall mean that the standard COBRA premiums will be waived during the applicable benefit period; however, payment of the premiums otherwise due under the MPIHP for Active Participants will be required.

All of the Participant’s banked hours and worked hours for the qualifying period from

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January 26, 2020 to July 25, 2020 will be applied to the benefit period of October 1, 2020 to March 31, 2021 prior to the granting of the special no-cost COBRA coverage, and no hours will be retained in the Participant's bank of hours.

Participants are required to complete a COBRA election form with MPIHP by September 30, 2020 in order to qualify for this special one-time benefit.

Application Period for Individual Account Plan Hardship Withdrawal is Extended

Participants who are vested in the Motion Picture Industry Individual Account ("IAP" or "Plan") as of the year ended December 2019 may continue to apply for a one-time special early withdrawal of an elected amount of need of up to 20% of their 2018 IAP account balance not to exceed a maximum dollar limit of \$20,000 through November 30, 2020. This is the same one-time benefit that was offered to Participants starting in May 2020; the benefit application period has been extended to November 30, 2020 to give Participants additional time to apply for it.

Again, Participants must apply for this one-time special withdrawal by November 30, 2020 and payments must be completed no later than December 31, 2020 to be reported on a 2020 Form 1099-R issued by the Plan for tax purposes.

This is a one-time hardship withdrawal provision under IRS regulations, pursuant to the newly enacted legislation known as the CARES Act. Participants who are requesting the maximum available amount of \$20,000 will be allowed to "gross up" their withdrawal to account for federal and state tax withholdings (i.e., Participants are able to withdraw up to \$20,000, excluding federal and state tax withholdings).

The law permits Participants who take a hardship withdrawal to spread their taxes over three years from the withdrawal date. In addition, any amounts repaid to the IAP within three years will not be subject to taxes. For more information about the repayment option, please visit the "COVID-19" tab at www.mpiphp.org.

Sincerely,

David Asplund
Chief Executive Officer