SAG·Producers
PENSION PLAN

3601 W. Olive Ave., Burbank, CA 91505
Mailing Address: P.O. Box 7830, Burbank, CA 91510-7830
P (800) 777-4013
www.sagaftraplans.org/sag-pension

ERISA SECTION 204(H) NOTICE

The Board of Trustees has approved the following changes to the minimum earnings required to earn a Pension Credit (also called a year of current service credit) commencing **January 1, 2028** and **January 1, 2030**, pursuant to the recommendations set forth in the 2026 Memorandum of Agreement between The Screen Actors Guild-American Federation of Television and Radio Artists and The Alliance of Motion Picture and Television Producers. This notice provides details of these changes and is being provided to you under Section 204(h) of ERISA and Section 4980F of the Internal Revenue Code.

What Is Changing?

To earn one Pension Credit (also called a year of current service credit) in a Plan Year (January 1 – December 31), you must have at least a minimum amount of covered earnings in that year. That minimum is increasing:

Plan Years	Minimum Earnings to Earn a Pension Credit	Minimum to Avoid a One-Year Break in Service
Through Dec. 31, 2027 (current)	$20,000	$10,000
Jan. 1, 2028 – Dec. 31, 2029	$22,000	$11,000
Jan. 1, 2030 and later	$24,000	$12,000

A one-year Break in Service occurs if your earnings are less than half the minimum needed for a Pension Credit. Five consecutive one-year Breaks in Service can cause a permanent Break in Service, which may cancel Pension Credits for Limited Five-Year Vesting purposes (though they still count toward Ten-Year Vesting and benefits calculation).

Why Does This Matter?

Pension Credits primarily affect the following:

1. **Benefit accruals.** You only get credit toward your pension benefit for a year's earnings if you meet the earnings minimum and earn a Pension Credit for that year.
2. **Maximum monthly pension.** The maximum monthly pension that applies to you depends on how many Pension Credits you earn.
3. **Vesting and when you can start benefits.** Generally, you need 5 Pension Credits (and to meet an activity test) to vest under the Limited Five-Year Vesting rule, or 10 Pension Credits for Ten-Year Vesting (which allows benefits to start as early as age 55).
4. **Eligibility for certain pensions.** Regular, Early Retirement, Disability, Occupational Disability, Terminal Illness, and Service Pensions generally require earning a minimum number of Pension Credits.

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Where to Get More Information
A brief summary of the Plan's rules on vesting, Breaks in Service, and benefit formulas, and why Pension Credits matter to them, is in the Basic Concepts Attachment to this notice. A more detailed description can be found in the Summary Plan Description (SPD), available at www.sagaftraplans.org/sag-pension/spd. Capitalized terms in this notice are defined in the SPD.

Examples of How these Changes Can Affect You
See the attached Examples Attachment for some examples of how the change to the earnings requirement for a Pension Credit can impact benefits.

For more information about this notice, contact the Plan at 1-800-777-4013 or visit our website at www.sagaftraplans.org/sag-pension/spd.

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This notice is provided pursuant to Section 204(h) of ERISA and Section 4980F of the Internal Revenue Code. It is intended as a summary only and is not a complete restatement of the Plan. If there is any conflict between this notice and the Plan documents, the Plan documents control. The Board of Trustees (or its duly authorized designee) reserves the right, in its sole and absolute discretion, to amend, modify, terminate, or interpret the Plan or any benefits under it at any time and for any reason.

Certain special rules (including the Alternative Days rule and rules for Plan Office / Union Office Participants) may apply. See the SPD for complete information.

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Basic Concepts Attachment

This Basic Concepts Attachment is a brief summary of some of the rules that can be impacted by the amount of Pension Credits that you earn. See the SPD (available at www.sagaftraplans.org/sag-pension/spd) for more detailed information.

Pension Amount

Accrual in a year requires a pension credit: As described above, a Participant needs to earn a Pension Credit in a Plan Year in order for their Earnings Credit to count toward their benefit.

Maximum monthly pension: The maximum monthly pension is calculated based on your Pension Credits, as shown in the chart below. (These amounts are for retirement at age 65 in the normal form of benefit for unmarried participants. They are adjusted for benefits at other ages and in other forms.)

Pension Credits	Maximum monthly pension
Less than 20	$6,500
20-29	$7,000
30-34	$7,500
35 or more	$8,000

Vesting/Retirement Timing

Limited Five-Year Vesting: Generally, a Participant needs at least five Pension Credits (without a permanent Break in Service), and must satisfy the Plan's activity test if it applies to them, to become vested in their benefit under the Plan, which they can then commence starting at age 65.[1] If a Participant is not vested and has a permanent Break in Service, their Pension Credits are generally cancelled for the purposes of Limited Five-Year Vesting (but still count toward Ten-Year Vesting).

Ten-Year Vesting. If a Participant accumulates at least 10 Pension Credits, they may be eligible for a pension any time after reaching age 55. Even after a permanent Break in Service, all of their Pension Credits will be counted in determining if they meet the 10 Pension Credit requirement.

[1] There is a special "activity test" for Participants who had at least five but fewer than 10 Pension Credits as of December 31, 1998. See page 12 of the SPD for more details.

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Breaks in Service. A Participant experiences a permanent Break in Service if they have at least 5 consecutive[2] one-year Breaks in Service. Generally, a Participant has a one-year Break in Service if their earnings for the Plan Year are less than half of the minimum earnings needed for a Pension Credit for the Plan Year.[3] The earnings required to avoid a one-year Break in Service are shown in the following chart:

	Amount required to avoid one-year Break in Service
Current rule	$10,000
January 1, 2028 – December 31, 2029	$11,000
January 1, 2030 and later	$12,000

Breaks in Service matter because a Participant who is not vested who experiences a one-year Break in Service will cease to be a Participant on the last day of that Plan Year. They can become a Participant again only after meeting the Plan's eligibility criteria again. A Participant with Pension Credits who has not had a permanent Break in Service becomes vested at age 65 (or, if later, the fifth anniversary of becoming a Participant), even if they have not earned at least five Pension Credits.

Eligibility for Types of Pensions

The amount of Pension Credits you have impacts what type of pension is available to you as follows:

Type of pension	**Pension Credits needed**[4]	**Other requirements**
Regular	10	Reached age 65
Early Retirement	10	Reached age 55
Vested Pension	Satisfy Limited Five-Year Vesting requirement or earn Pension Credit after you reach age 65 (or if later fifth anniversary of participation)	

[2] A Plan Year in which a Participant does not have a one-year Break in Service but does not earn a Pension Credit does not interrupt the count of consecutive one-year Breaks in Service.

[3] A different rule applies if you are a Plan Office Participant or Union Office Participant. Your Breaks in Service will be determined based on your Hours of Service and are not impacted by the increase in the minimum earnings threshold for current service Earnings Credit.

[4] Pension Credits earned through the Alternative Days rule are not counted for purposes of whether the Participant is eligible for a minimum pension, an Early Retirement Pension, a Disability Pension, an Occupational Disability Pension, or a Terminal Illness Benefit.

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Disability	10 (1 of which was earned in the 6 calendar years prior to and including the year you become totally disabled)	Totally disabled, under age 65
Occupational Disability	5 (1 of which was earned in the 6 calendar years prior to and including the year you become totally disabled)	Totally disabled, under age 65, disability incurred in the course of employment
Terminal Illness	10	Totally disabled and terminally ill, under age 65
Service Pension	10 (at least 5 of which were earned as a Plan Office Participant and/or Union Office Participant)	Reached age 55 and age plus Pension Credits is at least 75

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Examples Attachment

This Examples Attachment provides a few examples of how the change in the earnings requirement to earn a Pension Credit can affect benefits. Please keep in mind that these are simplifications of scenarios and are intended to be used as examples only. Your actual situation depends on your earnings history, age, and other factors.

Example 1 – Participant earning $21,000 every year starting in 2026
Under the new rules, this person earns two Pension Credits (in 2026 and 2027 only). Starting in 2028 they fall short of the new $22,000 (and later $24,000) minimum, so they earn no more Pension Credits and no additional benefit accruals. However, $21,000 is still above the Break-in-Service threshold, so their earlier credits are not cancelled. They can potentially still vest at age 65 under the Normal Retirement Age rules provided they continue to earn enough to avoid a permanent Break in Service and pass the Activity Test.

Without the change, the same person would have earned a Pension Credit every year and would have vested upon earning their fifth Pension Credit in 2030.

Assuming this Participant continued to earn $21,000 through 2040, at which point they retire at age 65 and take their benefit in the normal form for unmarried Participants, under the old rule they would have earned 10 additional Pension Credits for this period and have an increase to their monthly benefit of $350. Under the new rule, they will earn two additional Pension Credits and have an increase to their monthly benefit of $70.

Example 2 – Participant earning $23,000 every year starting in 2026
Under the new rules, this person earns four Pension Credits - through 2029. Starting in 2030 they fall short of the new $24,000 minimum so they earn no more Pension Credits and no additional benefit accruals. However, $23,000 is still above the Break-in-Service threshold, so their earlier credits are not cancelled. They can potentially still vest at age 65 under the Normal Retirement Age rules provided they continue to earn enough to avoid a permanent Break in Service and pass the Activity Test.

Without the change, the same person would have earned a Pension Credit every year and would have vested upon earning their fifth Pension Credit in 2030.

Assuming this Participant continued to earn $23,000 through 2040, at which point they retire at age 65 and take their benefit in the normal form for unmarried Participants, under the old rule they would have earned 10 additional Pension Credits for this period and have an increase to their monthly benefit of $383.50. Under the new rule, they will earn four additional Pension Credits and have an increase to their monthly benefit of $153.50.

Example 3 – Participant earning $25,000 or more every year starting in 2026

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The change has no effect. This person continues to earn a Pension Credit (and benefit accruals) every year.

Example 4 – Participant who drops to low earnings
A participant begins work under the Plan in 2026 and earns $30,000 in 2026 and 2027 (two Pension Credits), then only $10,000 each year afterward. Under the new rules, $10,000 is below the Break in Service threshold starting in 2028. After five consecutive one-year Breaks, a permanent Break in Service occurs and the earlier credits are cancelled for Limited Five-Year Vesting purposes (they still count toward Ten-Year Vesting). Unless earnings rise enough to earn new Pension Credits, the participant will not be entitled to a benefit.

Without the change, $10,000 would have been enough to avoid Breaks in Service, and the participant could still have vested at age 65 under Normal Retirement Age Vesting. Assuming this Participant continued to earn $10,000 through 2040, at which point they retire at age 65 and take their benefit in the normal form for unmarried Participants, under the old rule their two Pension Credits would have entitled them to a monthly benefit of $100.