



## CONFIDENTIAL

### **EMPLOYER FREQUENTLY ASKED QUESTIONS**

This document was designed to give AICP General Members a better understanding of how the Producers' Health Benefits Plan (PHBP) operates, and how it might work for their companies.

#### **BACKGROUND**

After an epic, decade-plus journey the AICP successfully built the foundation for comprehensive health benefits for qualified non-union Freelance Production Employees in covered categories in September 2007, with benefits made available on February 1, 2008. A plan such as PHBP recognized the need for comprehensive health benefits for our valued Freelance Employees. The Plan is entirely separate from the AICP, though you must be a member of AICP to participate.

Since its inception five years ago, the PHBP has continued to grow and change. It is with great pleasure that the Board of Trustees of PHBP invites you to join the Plan. The PHBP will now offer benefits to both "freelance" and "staff" employees. Our comprehensive benefits offering will allow you to offer medical, dental and vision effective March 1, 2013. This is nothing short of a milestone, and amounts to the greatest achievement in the 40-year history of AICP.

PHBP is managed and administered by a Third Party Administrator, that process and handles all eligibility, contributions, COBRA, enrollment and various other administrative services., Our Third Party Administrator is BeneSys effective February 1, 2014. . Anthem Blue Cross, one of the nation's largest healthcare providers, is the Plan's carrier as of March 1, 2013. The Dental PPO Plan will be offered through Anthem Blue Cross and vision will be offered through VSP Vision Plan Network.

We have put together a frequently asked questions document for your reference, so you will have a better understanding of PHBP, and what is offers Participating Employers.

#### **ABOUT ELIGIBILITY AND ENROLLMENT FOR FREELANCE EMPLOYEES**

##### **How does a company become a PHBP Participating Employer?**

In order for your company to take part in PHBP your company will need to complete and sign the Participation Agreement (PA). If a company also wants to participate in staff coverage they must make sure that they also submit the staff coverage election form which will initiate the enrollment process for your staff (all info about staff will be in a later section). The PA binds your company to the terms of your financial obligations to the PHBP, akin to a trust acceptance of a union welfare plan.

You can log onto [www.phbp.org](http://www.phbp.org) for a PA and PHBP Plan Guidelines. Once you have signed your agreement(s), please forward to:

Producers' Health Benefits Plan  
Attn: Diana Nappi  
3 West 18<sup>th</sup> Street 5<sup>th</sup> Floor  
New York, NY 10011  
646-370-1431

Please note that if you chose to enroll your staff in PHBP, you will need to cancel your existing health plan policy—you should be aware of the terms of your current policy.

**1. Once a company signs the PA which employees will be covered?**

All qualified non-union freelance employees in covered categories of a Participating Employer. Employees with any of the following titles working for a Participating Employer should have contributions made on their behalf by Participating Employers so that employment credit can be earned:

- Producer
- Production Manager
- Production Coordinator
- Production Supervisor
- Bidder
- Production Assistant

(Covered categories included the above categories in combination with “assistant”, and/or any modified, prefix and/or suffix)

**2. How about employees working in feature films, music videos or TV programs?**

No. The only days credited to employees, and the only contributions that will be accepted are those worked in a covered category on a commercial for a production company that is a participant in the PHBP only.

**3. Will pre/post production work be used towards eligibility?**

All earnings and employment days worked by a freelancer will be credited so long as employees are working in one of the covered categories for a PHBP-participating company.

**4. How do I contribute on behalf of the non-union participating freelance employees?**

The Producer shall commence contributions on the date the Participation Agreement (PA) is executed on behalf of the Plan and the Producer. If the Producer was not signatory to a PA with the Plan before January 1, 2013, the Producer shall contribute to the Plan at the contribution rate of twelve percent (12%) for the first sixty (60) days following countersignature by the Plan of this Participation Agreement, and thereafter at eight percent (8%) (or, if the Producer

was a signatory to a PA with the Plan before January 1, 2013, the Producer shall contribute eight percent (8%) effective as of that date) of the gross daily earnings of each “freelance” employee employed in the covered categories and whose employment on the commercial production is not covered by a collectively bargained health plan.

## **5. How does a freelance employee qualify for coverage?**

### **Freelance Employees**

If you are a freelance employee, you become an eligible employee by meeting one of these requirements during a “qualification period”:

- Working 100 days or more; or
- Earning \$30,000 or more.

### ***Initial Qualification Period (IQP)***

Newly-hired freelance employee of a contributing Producer must satisfy an “initial qualification period (IQP)” of 120 days, beginning on the first of the month of the freelancer’s date of hire. This means you must work 100 days or more or earn \$30,000 in the IQP to become eligible.

If you do not satisfy the work requirements during the IQP of 120 days, the plan will examine contributions made on your behalf on a monthly basis. During each monthly review, the plan will look back a maximum of 12 months to determine whether you have satisfied the work requirements. The initial 12-month period will begin on the first of the month of your date of hire. If a freelance employee does not meet a coverage requirement during the IQP or during a subsequent monthly review (which looks back over a 12-month period), they will not receive coverage.

**Example:** Bill is hired as a freelancer on February 14, 2014. Bill’s IQP is 120 days from February 1, 2014. If Bill has not met the work requirement during the initial 120 days, his contributions will be reviewed monthly, up to a maximum measurement period of 12-months. If Bill meets the work requirement within the 12-month period, he will attain initial eligibility. The plan will examine whether Bill met the work requirement monthly, but will test for a maximum time period of 12-months.

### ***Coverage Start Date***

When a freelance employee meets a requirement for coverage, the freelancer’s IQP ends. The freelancer’s Plan coverage begins on the first of the month that falls closest to, but no more than, 60 days after the end of the freelancer’s IQP.

**Example:** Julia is hired as a freelance employee on January 10, 2014. Her IQP begins on January 1, 2014 and ends on April 30 (120 days). During that period, Julia works 40 days and earns \$21,000. Because she has not met either requirement for Plan coverage, her IQP is extended for another 30 days to May 31. During this 30-day extension, Julia earns \$10,500 by working 20 days. Julia’s earnings now exceed the Plan’s \$30,000 coverage requirement. As a result, her IQP ends on May 31, and her Plan coverage begins on July 1.

### **Continuing Coverage**

Freelance employee coverage continues for 12 consecutive months. Your coverage renews automatically if you remain an eligible employee by, during a 12-month qualification period before your coverage expires:

- Meeting one of the coverage requirements (working 100 days or more, or earning at least \$30,000);
- Using a total of at least 100 work days and banked days (described below); or
- Using a total of at least 50 work days and banked days and paying a contribution for bridge coverage (described below).

**Example:** In the example above, Julia's IQP ended on May 31, 2014. The next day she begins a new, one-year qualification period, during which she must meet one of the above requirements to continue her Plan coverage beyond June 30, 2015.

If you do not meet any of the above requirements, your Plan coverage ends on the last day of the month before the anniversary of the date coverage began.

For more plan details visit [www.phbp.org](http://www.phbp.org)

### **ABOUT FREELANCE ELIGIBILITY USING WORK HISTORY AND REPORTED DAYS**

#### **1. How can a freelance employee track their employment days?**

BeneSys the Plan's Administrator, calculates work history based on reporting from the payroll companies. An employee may review this information at any time at [www.phbp.org](http://www.phbp.org).

#### **2. Why isn't employee work history listed correctly?**

If an employee believes days have not been properly credited, they can go to [www.phbp.org](http://www.phbp.org), log-in and download a Work Statement Correction Form. Fill out and remit, along with the requested documentation, and BeneSys will investigate.

#### **3. Why might an employee be ineligible even when they work the required hours?**

The employees may not have worked under the categories/positions covered by the PHBP, or you may not have worked for a Participating Employer. To review work history, an employee can go to [www.phbp.org](http://www.phbp.org), and log-in. If the employee believes days that should be credited are not included, they should complete the form and remit to BeneSys, along with proper documentation and the Work Statement Correction form. BeneSys will review the request, and can adjust coverage if deemed appropriate.

### **HOW DOES A COMPANY COVER STAFF EMPLOYEES?**

#### **Definitions of Terms Used in This Section**

**Open Enrollment Period:** Open Enrollment Period means a time when employees who have declined coverage may elect coverage by "enrolling". Newly hired *does not need to*

wait for an open enrollment period as these employees enroll all the time, per the rules of the trust, throughout the year.

**Employer staff Coverage Election:** The points in time when the participating employer may elect to have staff coverage and it comes in two varieties:

- a. Initial election is the time that the Employer enrolls all its employees when it first becomes involved in the staff plan. These options are different for Employers that were participating in PHBP before or after January 1, 2013.
- b. Annual election period ( by December 15<sup>th</sup> for coverage to begin the January 1 of any succeeding year)

**1. For New Participating Employers Active after January 1, 2013:**

Coverage for the staff of new signatory companies will begin the first of the month following a 30 day period after the Staff Election form is accepted (i.e. Staff Election Form is accepted February 14, coverage begins April 1, Form is accepted February 26, coverage still begins April 1, Form is accepted March 2 coverage begins May 1).

**2. Once a company signs the Staff Coverage Election Form which employees will be covered?**

“Staff” employees means the permanent, common law employees of the Producer hired for an indefinite period of employment (i.e. not on a freelance, project by project, or temporary basis), who are normally and regularly scheduled to work at least 30 hours per week.

Freelance or Staff employees who are working in a union job category that is covered by a collective bargaining agreement negotiated by AICP on behalf of its member companies (whether or not that individual is in the union, or working under a union agreement) cannot be covered by PHBP. Any employee covered under a union plan is not required to complete an enrollment form for the PHBP, as other employees who are “opting out” will need to do.

**3. Does Anthem have any employer contribution requirements for Staff employees?**

Anthem requires that each employer pays at least 75% of the actual amount due for each eligible staff employee only. Employers will be responsible for paying the Plan the full contributions for all employees each month, no matter what their company policy towards “employee contribution” might be.

**4. Must all eligible participants enroll during the open enrollment period when a company begins coverage?**

Yes. All eligible employees must be enrolled in the plan during the designated open enrollment periods.

**5. Can an Employee who has previously waived coverage be added by the employer mid-year?**

If the employee is covered in a qualified group plan through a spouse or domestic partner and they lose coverage for any reason, they may be enrolled

immediately upon "the event" that caused cancellation of coverage, otherwise the employee must wait for the open enrollment period.

**6. Can new hires be added during the year?**

Yes. New hires must be enrolled and benefits for the new hire will begin the first of the month following 30 days from date of hire. Any Freelancers hired as staff, and are qualified and covered by PHBP at the time of hire, maybe covered as staff immediately upon hire by a participating employer. Additionally, if the new employee was on staff at another participating employer, and covered by the PHBP plan at the time of the hire, they may also be covered immediately.

**7. Does an employer need to offer like benefits to all staff?**

Yes, an employer does need to offer all non-union staff employees medical coverage. They also must contribute at least 75% of the actual amount due for each eligible staff employee, and must do so across the board for all eligible employees. Employees can waive enrollment if they have other coverage. If an employer elects to pay for additional coverage, such as full Medical/Dental/Vision plan, they must offer that to all employees in the same manner.

If an employer wishes to cover any amount for dependent coverage, that too must be covered equally amongst all employees.

**8. Can an Employee enroll their dependents?**

Yes. Dependents can be covered under this plan. As explained above, an employer is obligated to pay at least 75% of individual employee coverage, but may choose to pay any portion of the offered dependent coverage ( + Spouse/Domestic Partner, + Child(ren), + Family). The Employer will need to contribute the entire amount for all employees and dependents to the administrator each month, and then must recoup the employee allocated portion - either through a 125 plan (the most common vehicle), or any other vehicle where the employer can legally deduct the employee contributed amount.

**9. Can eligible participants enroll their spouse/domestic partner/children at a later date or must they be enrolled right away?**

Spouses and children may only be enrolled during the initial eligibility period and during the annual open enrollment period each year. The only exceptions are if the spouse and/or children loose coverage under other qualified group plans or if an employee adopts or gives birth to a child.

**10. Do employees have to notify Anthem of any pre-existing conditions? Will the pre-existing conditions affect my coverage?**

Anthem has the right to screen claims for pre-existing conditions, at which time members may be asked to provide proof of prior coverage. However, this will not affect coverage of those conditions under the new plan provided the employee has had coverage under another plan for six (6) months or more.

## **ABOUT THE PLAN DESIGN**

**1. Is this plan an HMO or PPO?**

This is a PPO Plan.

**2. Does this plan include Dental and Vision Coverage?**

As of March 1, 2013 PHBP will offer dental and vision insurance as an optional benefit for employees in addition to the medical PPO coverage for staff. Vision and Dental will be included with the benefits package for freelancers. The Dental and Vision Coverage is bundled with Medical as option #2 on the staff coverage election form. .

All coverage (Medical or Medical/Vision/Dental) must be offered by the participating employer evenly to all employees- employees cannot elect additional coverage (Vision/Dental, when only medical is offered) on their own. Expenses up to 25% can be recovered by the Employer for either plan option.

**3. Can I elect only dental and/or only vision?**

No.

**4. What are the monthly staff contributions effective January 1, 2014- December 31, 2014?**

Option #1 Medical only monthly contributions are as follows:

Employee Only	\$348.00
Employee + Spouse/DP	\$765.60
Employee + Child(ren)	\$636.40
Employee + Family	\$1,078.81

Option # 2 Medical, Dental and Vision monthly contribution

Employee Only	\$390.00
Employee + Spouse/DP	\$849.16
Employee + Child(ren)	\$719.33
Employee + Family	\$1,209.72

**ABOUT ADDITIONAL COVERAGE**

**1. What about employees who have other insurance?**

For employees who have other active insurance, this new plan could work in conjunction with that policy, depending on the Coordination of Benefit (COB) rules associated with each policy. We recommend that you clarify how your other insurance coverage will coordinate with or affect your coverage under this new plan.

**2. Can an employee remain covered by another plan AND the new plan?**

Yes.

**3. Will DGA coverage be affected? What about coverage under MPIHP?**

If an employee is currently covered under the DGA or MPIIP plan (or if he or she is in the future) and is a union member, they are not eligible for benefits under the PHBP. If an employee is covered under the DGA plan as a spouse and qualifies for PHBP, PHBP will be his/her secondary plan and the DGA can continue as the primary plan.

MPIHP works in the same way as DGA coverage. However, if you are eligible for coverage in PHBP and you are covered by MPIHP as a spouse, you must enroll in PHBP and use it as your primary and utilize MPIHP as secondary coverage or your MPIHP coverage will be terminated (according to current MPIP Plan Documents). DGA has no such rule, at this time.

If an employee, or either combination of the employee and his/her spouse are covered by PHBP and elects coverage for children in both plans, there is a coordination of benefits process in both that are very specific to each situation. Plan documents or plan administrators should be consulted to make sure that rules are fully adhered to.

## **ABOUT DEPENDENT AND CONTINUING COVERAGE**

- 1. Can a covered employee elect to cover a same-sex domestic partner?**  
Yes, a same-sex domestic partner may be covered under PHBP provided the appropriate criteria are fulfilled.
  
- 2. COBRA coverage is available under PHBP. How long is COBRA in effect?**
  - a.** An employee is eligible for COBRA coverage for up to 18 months from the date of the qualifying event, if due to the end of employment or reduced hours.
  
  - b.** An employee is eligible COBRA coverage for 36 months from the date of the qualifying event for an enrolled dependent whose coverage ended because of the death, divorce or legal separation of the subscriber or loss of eligibility by an enrolled dependent who is over the age of 26.

*Terms of coverage, benefits and eligibility are governed by the Plan's Rules and Regulations, Insurance Policies, other Plan documents, and the decisions of its Trustees, and shall control in the event of any conflict with this summary.*