AFTRA H&R FUNDS

BENEFITS UPDATE

April 2009

2009 Retirement Plan Changes

This "Benefits Update" provides important information about upcoming changes to the AFTRA Retirement Plan ("Retirement Plan") which were recently adopted by our Board of Trustees. As you are aware, global financial markets have seen unprecedented steep declines over the last several months. The union and management Trustees have been proactively working with the AFTRA Retirement Fund's ("Retirement Fund's") actuaries and investment consultants to protect the Retirement Fund and to preserve its ability to continue to provide benefits now and in the future despite the economic and financial uncertainties in today's markets.

This difficult investment environment has had an impact on the Retirement Fund as it has all pension plans, including multiemployer, corporate and public funds. (See the chart below.) The Trustees of the Retirement Fund recognize the importance of continuing to provide meaningful retirement benefits to Retirement Plan participants. Therefore, the Trustees have concluded that changes to the Retirement Plan are needed to address the long-term viability of the Retirement Fund through this challenging economic climate.

In view of the foregoing, the Board of Trustees has approved the following two changes to the Retirement Plan that will go into effect during 2009.

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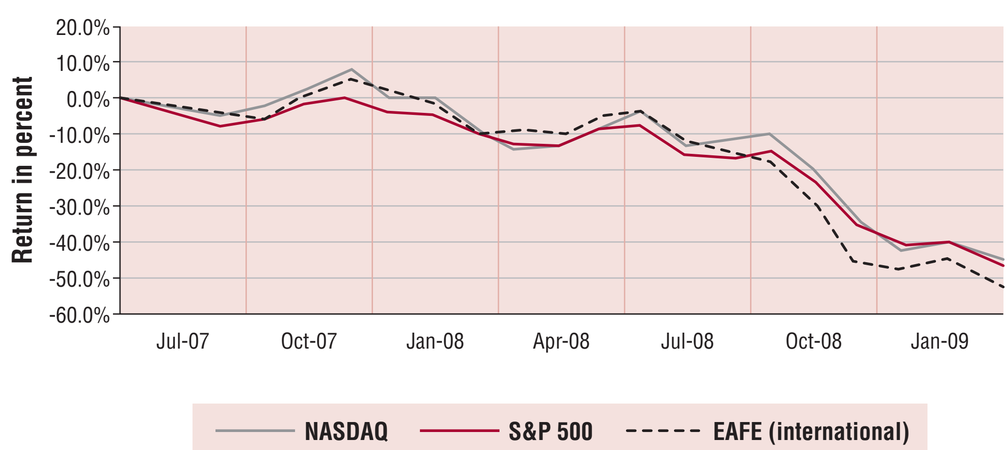
IMPORTANT: The major global equity markets were down close to 40% during 2008. For the same period, the Retirement Fund lost significantly less than that. In 2008, the Fund limited its losses to 24% of the value of its investment portfolio because its investments are diversified across asset classes. As of December 31, 2008, for the most recent three-year period, the Retirement Fund's total rate of return has ranked within the top 23% in the Wilshire Taft-Hartley Sponsor universe of multiemployer plans and the top 6% in the same universe for the last five years.

This chart shows equity market returns for some of the major indices for the period July, 2007 to February, 2009.

Major Equity Market Returns

Cumulative returns July 2007 to February 2009



NOTE: Certain terms in this "Update" are capitalized. This denotes a defined term under the Retirement Plan. Definitions of these terms can be found in the Glossary that begins on page 8 of the 2006 Retirement Plan SPD which you should have. Or, you can access the SPD at www.aftrahr.com.

Change in Retirement Plan Benefit Formula

- Effective May 1, 2009, the Retirement Plan benefit formula will be revised to a contribution-based methodology (the "Contributions formula"). All AFTRA-Covered Employment resulting in employer contributions credited[1] on or after May 1, 2009 will be applied toward future retirement benefits under this new formula. Earnings prior to May 1, 2009 will be credited under the previous earnings-based formula (the "Earnings formula").

IMPORTANT: The change from an Earnings formula to a Contributions formula will **not** affect the benefits you have earned prior to May 1, 2009, whether or not you are vested as of that date.

Change in Minimum Covered Earnings Threshold

- Effective on and after December 1, 2009, the minimum Covered Earnings required to earn a Pension Credit and, in some cases as described in "Change in Earnings Threshold" on page 3, a year of Vesting Service, will be increased from $7,500 to $15,000 per Base Year (December 1 through November 30).

Looking Forward

Just as the Trustees are taking proactive steps to safeguard the Retirement Fund in today's uncertain investment climate, they will again be proactive in strengthening the Retirement Fund's funded status when economic and investment conditions again demonstrate healthy and stable characteristics. The Trustees will continue to monitor the Retirement Fund's financial stability and will make every effort to align the Retirement Plan's benefit levels to reflect the results of its improved financial status whenever that occurs.

The rest of this "Benefits Update" includes detailed information regarding the two changes to the Retirement Plan described in the previous section and includes examples to assist you in understanding how these changes may affect you.

You may also want to refer to the 2006 Retirement Plan SPD to learn more about your benefit options and how they affect your annual benefit. You can call Participant Services at 1-800-562-4690 to request a copy of the SPD or you can go to the AFTRA H&R Web site at www.aftrahr.com to view or download a copy.

In addition, you can call Participant Services and ask to speak with a Retirement Services representative who can assist you if you have further questions. Remember, it's a good idea to consult your accountant or financial advisor before making any benefit decisions.

Calculating Your Retirement Benefit Under the New Contributions Formula

Under the Earnings formula, to determine the portion of your retirement benefit you earned **for periods prior to May 1, 2009,** we calculate the annual amount of your Regular Annuity payable at age 65, the Normal Retirement Age, based on:

- your Covered Earnings for each Base Year in which you earned a Pension Credit

Multiplied by

- the Retirement Plan's benefit accrual rate.[2] (Under the Earnings formula, **the annual accrual rate for periods from December 1, 2007 through April 30, 2009** is 1.7% of Covered Earnings up to $50,000 and 1.5% of Covered Earnings on the next $150,000 of Covered Earnings – up to a maximum of $200,000).

Under the new Contributions formula, to determine the portion of your retirement benefit earned **for periods on and after May 1, 2009,** we will calculate the annual amount of your Regular Annuity payable at age 65, the Normal Retirement Age, based on:

- the total amount of employer contributions credited on your behalf to the AFTRA Health and Retirement ("H&R") Funds in each Base Year in which you earn a Pension Credit

Multiplied by

- the contribution-based accrual rate of 4.86%.

Exception: This rate will not be applied to contributions based on Covered Earnings in excess of the current maximum limit of $200,000 or to any one-time

[1] Generally, Covered Earnings and employer contributions for original production are credited as of the performance date unless otherwise provided in a collective bargaining agreement. Different rules apply for the crediting of Covered Earnings and contributions related to various types of Covered Employment including reuse, replay, royalty earnings and contingent scale payments.

[2] For a summary of historical benefit accrual rates, please refer to Example 3, Table B, on page 7 of this Update or the 2006 Retirement Plan SPD, page 15, which is available at www.aftrahr.com.

Sound Code payments to the Health Fund or to the employer contributions on behalf of participants who have previously chosen, under certain collective bargaining agreements ("CBAs"), for those employer contributions to be made to the Health Fund only.

The Contributions formula means that the benefit amount you will earn under the Retirement Plan for Covered Employment resulting in employer contributions credited on and after May 1, 2009 will no longer be based on earnings. It will take into account the amount of employer contributions due on your behalf to the AFTRA H&R Funds. These contributions are required by the CBAs under which you work and vary from agreement to agreement, but generally range from 10% to 14.5% of Covered Earnings.

This new formula recognizes the fact that you work under many different contracts with different contribution rates and at different salary levels. Therefore, when you work under a CBA that requires a higher employer contribution rate, you will accrue a larger benefit under the Retirement Plan.

Both the Earnings formula and the Contributions formula reflect the amount payable to an individual electing the Regular Annuity at age 65, Normal Retirement Age. Under both formulas, the amount of your monthly benefit will be affected by other factors which include:

- the age you elect to begin receiving your retirement benefit,
- whether you are married or single, and
- the payment option you choose at retirement.

On pages 4-7 of this "Benefits Update" you will find examples of how retirement benefits under the Earnings formula (pre-May 1, 2009) and the Contributions formula (post-May 1, 2009) will apply to vested participants.

IMPORTANT: The change from an Earnings formula to a Contributions formula applies to the Retirement Plan only. Your eligibility to participate in the Health Plan continues to be based on your Covered Earnings – not employer contributions. The current Health Fund minimum Covered Earnings requirements – $10,000 for Individual Plan coverage and $30,000 for Family Plan coverage – remain unchanged.

Change in Earnings Threshold – Increase in Minimum Covered Earnings Requirement

Under the current Retirement Plan you need at least $7,500 of Covered Earnings in a Base Year (December 1 through November 30) to earn a Pension Credit and a year of Vesting Service.[3]

Beginning December 1, 2009, you will need at least $15,000 in Covered Earnings to earn a Pension Credit and a year of Vesting Service. This means that if you earn less than $15,000 in Covered Earnings during a Base Year, those earnings will not count toward Pension Credits or a year of Vesting Service. (To become fully vested you need five years of Vesting Service.)

Exception: If, as of November 30, 2009, you are not yet vested but have earned at least one Pension Credit under the Retirement Plan, you will still earn a year of Vesting Service – but not a Pension Credit – for each Base Year when you have at least $7,500 but less than $15,000 in Covered Earnings.[4] Under this special transition rule, it is important for you to understand, the earnings that will be counted for vesting purposes will not count for the purpose of increasing your benefit amount.

IMPORTANT: The $7,500 minimum has been in effect since December 1, 2002. The new $15,000 earnings threshold is still lower than many similar industry retirement plans.

Once you become vested you cannot lose your right to a benefit under the Retirement Plan even if you stop performing AFTRA-covered work before you reach the age when you can apply for a benefit.

[3] Before December 1, 2002, the Retirement Plan had different minimum Covered Earnings requirements. You can find them on page 12 of the 2006 Retirement Plan SPD.

[4] A special vesting rule continues to apply for non-vested participants who had at least one Pension Credit as of November 30, 1989 (in which case the Covered Earnings need only be $2,000 to earn a year of Vesting Service) or had at least one Pension Credit as of November 30, 2002 (in which case the Covered Earnings need only be $5,000 to earn a year of Vesting Service). (See page 12 in the 2006 Retirement Plan SPD for more information.)

Examples for Calculating Your Retirement Benefit

Now let's look at some examples that illustrate the difference between the Earnings formula and the new Contributions formula:

Example 1:

This example compares the benefit accrual for a one-year period under the Earnings formula (if it continued unchanged) and the new Contributions formula based on the following assumptions:

- Base Year: December 1, 2009 through November 30, 2010
- Participant's total Covered Earnings: $80,000 from two different contributing employers
- $40,000 of Covered Earnings are under a CBA with a 14.5% contribution rate to the AFTRA H&R Funds
- $40,000 of Covered Earnings are under a CBA with a 12% contribution rate to the AFTRA H&R Funds

Covered Earnings and Contributions for Base Year Beginning December 1, 2009

	Covered Earnings	Contribution Rate	Employer Contributions
Employer A	$40,000	14.5%	$5,800
Employer B	$40,000	12.0%	$4,800
Total	$80,000		$10,600

In the chart above, contributions of $10,600 were required to be made to the AFTRA H&R Funds on the participant's behalf for the year.

Annual Benefit Accrual under Retirement Plan for Base Year Beginning December 1, 2009

	Earnings Formula (if it continued unchanged)	Contribution Formula
Benefit Based on	Covered Earnings	Employer Contributions
Benefit Formula	($50,000 x 1.70%) + ($30,000 x 1.50%)	$10,600 x 4.86%
Annual Benefit Accrual	$1,300.00	$515.16

The calculation of a participant's retirement benefit payable as a Regular Annuity at Normal Retirement Age would be as follows:

- **Under the current Earnings formula,** the participant would have earned $1,300 for the year.
- **Under the new Contributions formula,** the participant would have earned $515.16 for the year.

Example 2:

This example compares the benefit accrual for a one-year period under the Earnings formula (if it continued unchanged) and the new Contributions formula for a participant with Covered Earnings exceeding the $200,000 maximum limit.

- Base Year: December 1, 2009 through November 30, 2010
- Participant's total Covered Earnings: $250,000
- $150,000 of Covered Earnings under a CBA with a 14.5% contribution rate to the AFTRA H&R Funds
- $100,000 of Covered Earnings under a CBA with a 10% contribution rate to the AFTRA H&R Funds

Covered Earnings and Contributions for Base Year Beginning December 1, 2009

	Covered Earnings	Contribution Rate	Employer Contributions
Employer C	$150,000	14.5%	$21,750
Employer D	$100,000	10.0%	$10,000
Total	$250,000	12.7%*	$31,750
Maximum under Plan	$200,000		$25,400**

* The weighted average (see "Note" below) contribution rate is 12.7%, or total contributions of $31,750 divided by total Covered Earnings of $250,000. Therefore, the pro rata amount** of contributions to be considered in determining the benefit you will accrue for this year is $25,400, or 12.7% times the Covered Earnings maximum of $200,000.

Note: If you have employer contributions based on Covered Earnings exceeding $200,000, a "weighted average" contribution rate is defined as total earnings credited to the AFTRA H&R Funds for a Base Year divided by your total Covered Earnings (not limited to the $200,000 maximum). That amount will then be multiplied by the $200,000 limit to calculate your benefit.

Annual Benefit Accrual under Retirement Plan for Base Year Beginning December 1, 2009

	Earnings Formula (if it continued unchanged)	Contribution Formula
Benefit Based on	Covered Earnings	Employer Contributions
Benefit Formula	($50,000 x 1.70%) + ($150,000 x 1.50%)	$25,400 x 4.86%
Annual Benefit Accrual	$3,100.00	$1,234.44

The calculation of a participant's retirement benefit payable as a Regular Annuity at Normal Retirement Age would be as follows:

- **Under the current Earnings formula,** the participant would have earned $3,100 for the year.
- **Under the new Contributions formula,** the participant would have earned $1,234.44 for the year.

Example 3:

This example compares the calculation of retirement benefits under the Earnings formula and the new Contributions formula over a **20-year career** based on the following assumptions:

- Base Years: December 1, 1998 through November 30, 2018
- Participant's Covered Earnings: A constant $60,000 in Covered Earnings in each Base Year
- Contribution rate: Remains constant at 13% in each Base Year (which means that you have contributions of $7,800 ($60,000 x 13%) in all Base Years in this example)

In Table 'A' below, only benefits earned from May 1, 2009 forward are affected by the change. Benefits earned under the Retirement Plan through April 30, 2009 remain the same.

TABLE A:

Annual Benefit Accruals under Retirement Plan over 20-Year Period

Period Beginning	Period Ending	Covered Earnings	Contributions	Before 5/1/2009 Change	After 5/1/2009 Change
12/1/1998[1]	11/30/2008	$60,000/year	$7,800/year	$14,840.00	$14,840.00[3]
12/1/2008	11/30/2009	$60,000/year	$7,800/year	$1,000.00	$699.54[2]
12/1/2009	11/30/2018	$60,000/year	$7,800/year	$9,000.00[4]	$3,411.72[5]
20-Year Total				$24,840.00	$18,951.26

TABLE A NOTES:

[1] For the Base Year December 1, 2002 to November 30, 2003, Covered Earnings were assumed to be $30,000 for the first six months and $30,000 for the second six months of the period.

[2]For the Base Year December 1, 2008 to November 30, 2009, Covered Earnings were assumed to be $30,000 for the first six months and $30,000 for the second six months. Therefore, the amounts of the annual benefits were calculated as follows:

- December 1, 2008 to April 30, 2009
  $30,000 Covered Earnings x 1.70% = $510.00
- May 1, 2009 to Nov. 30, 2009
  $30,000 Covered Earnings x 13% = $3,900 Contributions
- $3,900 Contributions x 4.86% = $189.54
  Total Annual Benefit for December 1, 2008 to November 30, 2009 = $510.00 + $189.54 = $699.54

[3]The $14,840 figure represents the cumulative benefit accrued from December 1, 1998 through November 30, 2008, based on the accrual rates in Table B on page 7 and constant Covered Earnings of $60,000 per year.

TABLE A NOTES *continued*

[4]The $9,000 figure represents the cumulative benefit that would have been accrued during the 9-year period from December 1, 2009 through November 30, 2018 under the current Earnings formula, assuming constant Covered Earnings of $60,000 per year. In other words, ($50,000 x 1.70%) + ($10,000 x 1.50%) = $1,000.00 per year, or $9,000.00 for the 9-year period.

[5]The $3,411.72 figure represents the cumulative benefit that will be accrued during the 9-year period from December 1, 2009 through November 30, 2018 under the new Contributions formula, assuming constant contributions of $7,800 per year. In other words, $7,800 x 4.86% = $379.00 per year, or $3,411.72 for the 9-year period.

For your reference, we have also included Table 'B' below that shows the benefit accrual rates under the Earnings formula that were in effect prior to May 1, 2009 (also see page 15 in the 2006 Retirement Plan SPD)

TABLE B:

Pension Benefit Accrual Rates Prior to May 1, 2009, Based on Covered Earnings							
Beginning	12/1/1954	12/1/1995	12/1/1997	12/1/2002	6/1/2003	12/1/2004	12/1/2007
Ending	11/30/1995	11/30/1997	11/30/2002	5/31/2003	11/30/2004	11/30/2007	4/30/2009
$0 - $50,000	3.1%	3.1%	3.6%	3%	2%	1.5%	1.7%
$50,000 - $100,000	3.1%	3.1%	3.1%	3%	2%	1.5%	1.5%
$100,000 - Maximum	1.05%	3.1%	3.1%	3%	2%	1.5%	1.5%

Important Contact Information	
AFTRA H&R Participant Services Department	1-800-562-4690
AFTRA H&R Web Site	www.aftrahr.com

This Benefits Update constitutes a Summary of Material Modifications and is provided to you in accordance with the provision of Sections 102(a) and 104(b) of the Employee Retirement Income Security Act of 1974, as amended (a federal law known as "ERISA"). This notice is also provided to you pursuant to Section 4980F of the Internal Revenue Code of 1986 and Section 204(h) of ERISA. While every effort has been made to make this description as complete and as accurate as possible, this notice, of course, cannot contain a full restatement of the terms and provisions of the AFTRA Retirement Plan. If any conflict should arise between this summary and the Plan, or if any point is not discussed in this notice or is only partially discussed, the terms of the Plan will govern in all cases. The Board of Trustees (or its duly authorized designee) reserves the right, in its sole and absolute discretion, to amend, modify, terminate or interpret and decide all matters under the Plan, or any benefits provided under the Plan, in whole or in part, at any time and for any reason.