



October 1, 2013

TO: ALL COVERED PLAN PARTICIPANTS

FROM: THE WRITERS' GUILD-INDUSTRY HEALTH FUND

REGARDING: PLAN CHANGES RESULTING FROM THE REPEAL OF DOMA

SUMMARY OF MATERIAL MODIFICATION (“SMM”)

On June 26, 2013 the U.S. Supreme Court held that a portion of the federal Defense of Marriage Act (DOMA) is unconstitutional. The part of DOMA that was found to be unconstitutional limited “marriage”, for all federal law purposes, to a legal union between one man and one woman and limited “spouse” to a person of the opposite sex who is a husband or wife. The Court generally concluded that states have the right to determine issues relating to family matters, including the definition of marriage, and that the federal law should look to those state determinations. Since the Supreme Court’s decision, federal regulators have ruled that all same-sex couples legally married in jurisdictions that recognize same-sex marriages will be treated as married for federal tax purposes, regardless of whether the couple lives in a state or other jurisdiction that recognizes same-sex marriage.

This means that if you are legally married in a state or other jurisdiction that permits same-sex marriage, your same-sex spouse will be considered your spouse for all purposes under the Writers' Guild-Industry Health Fund regardless of the marriage laws of the state or other jurisdiction in which you currently live. For example, in that case:

- Your spouse will be considered a spouse for purposes of dependent eligibility, COBRA eligibility and HIPAA special enrollment rights.
- Your spouse’s children will be recognized by the Health Fund as Step-Children and they are eligible to be added to the plan as your covered dependents.

In addition, in that case, the value of your spouse’s coverage under the Health Fund would no longer be taxable income to you for federal tax purposes. Thus, the Health Fund no longer needs to collect the taxes when you pay your dependent premiums.

You should note that similar rights are not available to same-sex domestic partners who are not “spouses” under state law. So, for instance, couples in domestic partnerships, civil unions or other relationships that are not “marriages” under state law are not considered to be married for federal tax purposes.

Same-Sex Domestic Partner Coverage Ending in Certain States (After a Grace Period)

Given that federal law now recognizes same-sex marriages, the Health Fund has decided to eliminate same-sex domestic partner coverage for domestic partners who live in a state or jurisdiction that permits same-sex marriage. To provide for a transition period, this rule will not take effect until January 1, 2015.

Thus, all Health Fund participants currently covering a same-sex domestic partner as a dependent under the Health Fund that lives in a state that allows same-sex marriage will need to be married by December 31, 2014 in order to continue dependent coverage. A copy of the certified marriage certificate must be provided to the Fund within 30 days of the date of marriage. If no marriage certificate is received by the Health Fund, the same-sex domestic partner's coverage will be terminated effective December 31, 2014. When coverage is terminated, COBRA continuation coverage will not be offered.

If my registered Same-Sex Domestic Partner is a dependent on my health plan, are my partner's children eligible to be added as my Step-Children?

Yes, under certain circumstances. If you are considered the Step-Parent of your registered Domestic Partner's children under state law and you provide documentation of such, then you are also considered the Step-Parent for federal income tax purposes. Therefore, the children will be considered eligible dependents under the Health Fund.

Adding a Same-Sex Spouse

Some participants did not add their same-sex spouses as a dependent on the Health Fund's coverage because of the federal tax impact of doing so. If, as a result of the new tax treatment of these benefits, you can add your same-sex spouse to the Health Fund. Simply complete the steps outlined below:

- 1) complete a Dependent Enrollment form
- 2) attach a copy of your "certified" marriage certificate
- 3) enclose check for \$300.00 (\$150.00 per quarter)

And your spouse will be added effective July 1, 2013. **Enrollment and premium payment is time sensitive; dependents must be added within thirty days of the date of this letter. Otherwise you will have to wait until our Annual Open Enrollment period.** Dependents added during open enrollment will be covered effective January 1, 2014.

What if I have been paying SSDP taxes but am legally married?

If you have been paying the SSDP tax but have been legally married, please submit a copy of your certified marriage certificate and your 3rd quarter tax payment will be refunded to you and you will no longer be charged the SSDP tax. You should contact your tax advisor regarding whether you are entitled to a refund from the government for past overpaid income tax.

What if I plan to be married?

If you are planning to be married, your spouse can be added as of date of marriage, pursuant to the same rules that apply to opposite-sex spouses. Within 30 days of the marriage, you must provide a dependent enrollment form, a copy of the certified marriage certificate and a check for the quarterly dependent premium (\$50.00 per month/\$150 per quarter) paid through the end of the current quarter. If you do not do

so within 30 days of the marriage, you will have to wait until open enrollment to enroll your spouse prospectively.

If you have any questions regarding the information listed above, please contact the Eligibility Department at the Administrative Office by calling (818) 846-1015 or (800) 227-7863 and selecting option “1” from the main menu, followed by option “2”.

Sincerely,
Eligibility Department

This summary is a Summary of Material Modifications to the Health Fund. It constitutes an addendum to the Fund’s Summary Plan Description (“SPD”), which is available online at wgaplans.org or on request by calling the Administrative Offices. Coverage under the Fund is determined under the terms of its plan of benefits as reflected in the SPDs, this summary, and any other notice regarding coverage changes issued since the effective date of the SPDs. Nothing in this summary creates a right to be covered under the Fund. The terms “you” and “your” as used in this summary refer to an individual who meets all the eligibility and participation requirements under the Fund’s plan of benefits. Receipt of this summary does not guarantee that the recipient is a participant in and/or otherwise eligible for benefits from the Fund. The Board reserves the right to make changes or to terminate any benefit plan or fund for any reason at any time, without prior notice to or consent from any employee, former employee, participant or former participant (or their beneficiaries). If there is any inconsistency between this document and the official plan documents and contracts, the official plan documents and contracts will control to the extent not amended by this summary.