



BEHIND THE SCENES

WINTER 2006/2007

VOLUME 1 ISSUE 2



How You Can Reach Us

At the Fund Office, we welcome your questions or requests for information. There are a number of ways to reach us.

DROP IN. Our office will remain at 55 West 39th Street, 5th Floor, New York, NY 10018-3803 until around December 15. After that date, you'll find us at 417 Fifth Avenue, 3rd Floor, New York, NY 10016-2204.

CALL US. If you're in New York, the telephone number is 212-580-9092. The toll-free number is 1-800-456-FUND (3863).

SEND US A FAX. Our general fax number is 212-787-3607.

EMAIL US via our Web site (www.iatsenbf.org).

Please note that the Fund Office will be closed in observance of the following holidays:

Christmas Day	Monday, December 25
New Year's Day	Monday, January 1
Martin Luther King Day	Monday, January 15
Presidents' Day	Monday, February 19

FROM THE EXECUTIVE DIRECTOR

In this issue of **Behind the Scenes**, we bring you important news about changes planned for the Health & Welfare Fund in 2007. We report on the continued rise in national health care costs, its impact on future Plan C contributions and what we're doing to provide affordable health insurance to all our participants. We also introduce Delta Dental and Caremark, new administrators for our dental and prescriptions drug benefits. On the retirement front, we highlight the unique advantages of both the Pension and Annuity/401(k) Funds and shed light on the differences between "DB" and "DC" plans.

At about this time every year, we typically mail a series of notices to participants that contain financial information about the Funds and reminders of certain legal rights. This year, we've incorporated some of these messages into our newsletter. We encourage you to read them.

We hope you find this second issue of **Behind the Scenes** both informative and entertaining. If you have questions, comments or suggestions, please let us know.

On behalf of the staff of the Funds Office, I wish you a happy holiday season and a wonderful New Year.

Anne J. Zeisler



On the Move?

If you're moving, be sure to notify the phone and electric companies, the post office—and us! You can call us or download a Change of Address Form from our Web site (www.iatsenbf.org). (Be sure also to notify the International Union or your home Local.)



Pardon Our Enthusiasm

Our optimism got the better of us when we reported in our July edition of **Behind the Scenes** that the Fund Office would be moving to 417 Fifth Avenue "sometime in October." Though we're making steady progress, our new quarters are not quite ready. So we're likely to remain on West 39th Street for another month or so. Our move is targeted for December 15, 2006. Once we are settled in, we'll offer many improvements—including an automated phone system and a more efficient participant call center. In the meantime, we're working hard to minimize disruptions during the transition. That's why our main phone numbers (212-580-9092 and 1-800-456-3863) will remain the same—even after the move.

Attention Plan C Participants

It's annual enrollment time and your CAPP statement is on its way. See page 3 for more about annual enrollment.

Your January 2007 quarterly CAPP statement was recently mailed. It includes all employer contributions that were received, processed and credited to your CAPP account as of October 31. It also shows how much (if anything) you'll be required to pay for your current or another level of health & welfare coverage through March 31, 2007. Be sure to open it and respond by the deadline printed on the form. Failure to do so may result in a lapse in coverage.

Cost ReCAPP

With the holidays approaching, no one wants to talk about the serious business of rising health care costs. But come January 1, we'll have to face facts and understand their impact on the Health & Welfare Fund.

Fact #1: The recent rate of increase for national health care is more than double the rate of increase for either inflation or wages. According to the Kaiser Family Foundation (a leading research organization), between the spring of 2005 and spring of 2006, health care premium costs rose by 7.7% while overall inflation and wage gains increased by only 3.5% and 3.8%, respectively.

While the Fund will continue to subsidize 2007 enrollment in Plan C-1 (High Option), Plan C-2 (Low Option) and HMOs (Harvard and Kaiser), we cannot continue at the same level as in the past. As a result, CAPP account charges will be increased over time—in January and April (as shown in the chart below) and in October. October charges will be established early next year based on changes in costs and usage between now and then.

Fact #2: All predictions for 2007 suggest that health care cost increases will continue to significantly outpace other economic measures.

Fact #3: Our own participant claims for medical benefits are also increasing. Benefits paid in 2006 are exceeding our expectations.

Fact #4: The combined pressures of higher costs nationally and greater usage by our own participants are reducing the Health & Welfare Fund's ability to subsidize the future cost of the health insurance we offer our members.

	Quarterly CAPP Cost to You		Quarterly Cost to Health & Welfare Fund
	Effective January 1, 2007	Effective April 1, 2007	
Plan C-1 (High Option) and HMOs Individual Family	\$1,650	\$1,875	\$2,139
	\$3,180	\$3,780	
Plan C-2 (Low Option) Individual Family	\$885	\$1,020	\$1,287
	\$1,620	\$1,845	



What the Increase Means for New Participants

Because both voluntary and automatic enrollment for new Health & Welfare Fund Plan C participants depends on CAPP charges, the thresholds for enrolling will also increase on January 1, 2007. If your participation is pending, you'll be entitled to optional enrollment after the Fund Office receives an initial \$100 contribution from your employer to cover administrative expenses and employer contributions in your CAPP account reach the *monthly* charge for individual coverage under Plan C-2.

- If you want to enroll voluntarily in January, February or March 2007, your CAPP account must have at least \$295 in employer contributions (after the initial \$100) by the applicable month's enrollment cut-off date.

- If you want to enroll voluntarily in any month from April through September 2007, your CAPP account must have at least \$340 in employer contributions (after the initial \$100) by the applicable month's enrollment cut-off date.

If you don't voluntarily enroll in a Plan C option (and don't provide proof of medical coverage elsewhere), you will be automatically enrolled when your CAPP account balance includes \$100 for administration plus the *quarterly* charge for Plan C-2 individual coverage (\$885 from January through March; \$1,020 from April through September).

Spring Cleaning of CAPP Accounts

Each spring, we review all CAPP accounts. If there's been no activity in your account over the prior two calendar years, it is closed. Any remaining balance is forfeited.



Lower-Cost Options Under Consideration

If you're working only sporadically, you may feel that you can no longer afford health care coverage—particularly in light of the increases that are about to take effect. Though we may not have an immediate solution, the Board of Trustees and Executive Director are evaluating alternatives to keep our participants from joining the ranks of the uninsured. One option under consideration is a lower-cost Plan C-3, which would provide catastrophic coverage in the event of a serious illness or injury. Watch your mail in the months ahead for more information.



THIS IS NO REHEARSAL

Annual enrollment is underway. If you haven't received your 2007 enrollment materials by now, contact the Fund Office. This is your only opportunity to change your level of coverage for 2007 (unless you experience a qualifying event such as marriage or the birth or adoption of your child during the plan year). All payments and/or changes for January must be received by the Fund Office by December 15, 2006. If you're changing your coverage, be sure to include a copy of any required documentation, such as a marriage or birth certificate. And, if you're covering an overage child who is in school, be sure to send the required proof of student status. You must send student status proof prior to each semester to maintain your child's coverage with us. You can fax it to the Benefits Department at 212-730-7706.

Once again, we come to the Holiday Season, a deeply religious time that each of us observes, in his own way, by going to the mall of his choice.

~Author Unknown

Thanksgiving dinners take eighteen hours to prepare.



They are consumed in twelve minutes. Half-times take twelve minutes. This is not coincidence. ~Erma Bombeck

A Reminder about the Women's Health and Cancer Rights Act

The Women's Health and Cancer Rights Act of 1988 (WHCRA) includes important protections for mastectomy patients who elect breast reconstruction in connection with a mastectomy. Under WHCRA, group health plans offering mastectomy coverage must also provide coverage for certain services relating to the mastectomy in a manner determined in consultation with the attending physician and the patient. Required coverage includes all stages of reconstruction of the breast on which the mastectomy was performed, surgery and reconstruction of the other breast to produce a symmetrical appearance, prostheses and treatment of physical complications of the mastectomy, including lymphedema. Coverage of breast reconstruction is subject to the same coinsurance and other plan provisions as other benefits under the plan. If you have questions, contact the Fund Office.

Just for FUN #1

Can you recall the movie—and who had the following conversation?

Is it safe?...Is it safe?

You're talking to me?

Is it safe?

Is what safe?

Is it safe?

I don't know what you mean. I can't tell you something's safe or not, unless I know specifically what you're talking about.

Is it safe?

Tell me what the "it" refers to.

Is it safe?

Yes, it's safe, it's very safe, it's so safe you wouldn't believe it.

Is it safe?

No. It's not safe, it's...very dangerous, be careful.

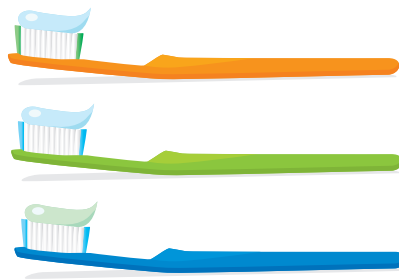
[Answer on page 6]

Setting the Stage for a Dental Change

We don't have all the details yet, but we're moving forward with a plan to replace Guardian with Delta Dental by April 2007. While our dental benefits and fee schedule will not change as a result, with Delta Dental, you'll have access to the largest dental network in the nation (close to 120,000 providers). You can continue to use any dentist you want, but you're likely to pay less out-of-pocket if you choose a Delta Dental provider. What's more, if you live in New York, you'll have a choice of joining Delta Dental or SIDS (Self-Insured Dental Services), which has been closed to new enrollees since we introduced Guardian in 2004. Lots more info will be available in the months ahead.

CHECK IT OUT

Delta Dental processed almost 70 million claims in 2005—with an accuracy rate of 99%!



No More Scripts

Within the next few months, Caremark will take over from Express Scripts as administrator of our prescription drug benefit. Your benefits will remain virtually unchanged—and both retail and mail-order options will be available for filling prescriptions. If you have a mail-order prescription on file with Express Scripts that has remaining refills, it will be transferred automatically to Caremark. Watch your mail for important announcements.

Many people look forward to the new year for a new start on old habits.

~Author Unknown

Privacy Matters

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) established standards to guarantee the privacy of personal health information. For details about the IATSE National Health & Welfare Fund's policy, you can find our Privacy Notice on our Web site at www.iatsenbf.org, or you can request a copy from the Fund Office. See page 1 for information about how to contact us.

THE VACATION FUND

Don't Save Your Vacation Check for Holiday Shopping

If you wait more than 180 days to cash your vacation check (it's mailed in May), it will no longer be valid and you'll have to contact the Fund office for a replacement. If you wait more than 24 months, it will be voided automatically and you'll forfeit the full amount.

Did You Know?

Vacation checks to be issued in May 2007 will include all employer contributions for work performed in calendar year 2006 (January 1 through December 31) that are received and processed by the date of the check run, plus or minus interest income and administrative expenses. Any contributions received after the cutoff date will be distributed later in 2007 or in May 2008.





Looking for Holiday Reading? Try a Retirement Plan SPD

It may not be a Stephen King thriller, but when it comes to must-read titles, there may be none more important. Whether you like non-fiction (it's filled with facts), intrigue (it helps you sort out the mystery of your financial future) or biography (it's all about you and your retirement), there's something in an SPD for every participant.

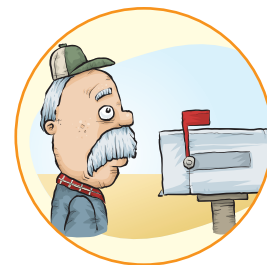
Consider this: IATSE offers four retirement programs—Pension Plan B, Pension Plan C, the Annuity Plan and the 401(k) Plan. (The SPDs describe the eligibility requirements for each.)

Pension Plans B and C are known as *defined benefit (DB)* plans; Annuity and 401(k) are *defined contribution (DC)* plans. While there are a number of differences between DB and DC plans, one of the most important is this: A DB plan guarantees a level of benefit generally based on employer contributions and your pension credit when you retire—not fluctuations in the marketplace. A DC plan benefit, on the other hand, depends on contribution levels and investment returns.

Depending on the Collective Bargaining Agreements covering the productions you work on, you may be eligible for more than one retirement plan. If you're in a DB plan, employer contributions accumulate over time to provide you with a reliable source of monthly income when you retire. Reassuring as that may be, you should take full advantage of all the programs by contributing to those that accept participant contributions. Since DC programs are tax-advantaged, saving through the IATSE programs can both increase your peace of mind and decrease your payment to Uncle Sam in April.

An optimist stays up until midnight to see the new year in. A pessimist stays up to make sure the old year leaves.

~Bill Vaughan



You Have Likely Received This in Your Mailbox by Now

Under new regulations, the Pension Fund is required to provide participants with updates each year about the funding status of their defined benefit plan. Known in the benefits biz as a PFEA Notice (for the Pension Funding Equity Act), it provides information about the plan's funding status and government guarantees provided by the PBGC (Pension Benefit Guaranty Corporation).

JUST FOR FUN #2

What movie drew fierce criticism when it was released in 1946 for its political statements about post-WWII society and was charged by the FBI with using "a common trick used by communists" in its portrayal of a nasty, Scrooge-like businessman?

(Answer on page 6)

Calling All Retirees

In no way does your relationship with the IATSE National Benefit Funds end when you retire. We have a special place in our organizational heart for our 2,500 or so retired participants, and we're committed (and sometimes legally required) to stay in touch.

Along those lines, we're currently preparing a notice to remind you that you can change the amount withheld from your pension check for federal income taxes. You can request a change at any time, but we like to remind you once a year at about this time. We'll also be sending you a request to acknowledge that you're receiving your benefit regularly. Please be sure to complete the accompanying Annual Pension Verification form, have it notarized, and return it as quickly as possible.

Still Cashing Checks?

You may not be ready for a Blackberry or an iPod, but you may want to consider going electronic with your pension checks. If you haven't already, you can take advantage of our direct deposit program. If you sign up, we'll send your retirement benefit directly to your bank account—no paper, no mail. It's faster, it's easier, and there's no possibility of a lost check. For more information, contact the Fund Office.

Keeping Your Financial Outlook in the **PINK**

Here's an important notice for individuals employed under the **PINK CONTRACT** between IATSE and the League of American Theaters and Producers and certain other agreements that provide for participation in the 401(k) feature of the IATSE Annuity Plan.

Salary, as currently defined in the **PINK CONTRACT**, does not include overtime, penalties, per diem or any other additional payments.

A New Year's resolution is something that goes in one year and out the other.

~Author Unknown

For the 2007 Plan year, you may contribute up to 85% of your salary (subject to certain limitations) earned while you are a participant in the 401(k) portion of the Annuity Plan on a tax deferred basis, subject to the IRS maximum (\$15,500 for 2007). This contribution, called a *deferred salary contribution*, is completely voluntary and does not affect your employer's obligation to contribute to the Annuity Fund. Those who are age 50 or older as of December 31, 2007, may contribute up to an additional \$5,000 in 2007 as a "catch-up contribution" for a total maximum deferral of \$20,500.

You may elect to start or change these contributions at any time while you are employed under the Pink Contract or any other agreement providing for Annuity Plan 401(k) participation. Any change will take effect as soon as practical after the Fund Office receives a revised Deferred Salary Agreement.



Who's Eligible?

Participation in the Annuity Plan's 401(k) option is limited to those Plan participants whose employers contribute at least 3% of compensation to the Annuity Fund on their behalf, as required by a collective bargaining or participation agreement, provided that the employer has agreed in its collective bargaining or participation agreement to participate in the Annuity Plan's 401(k) option.

Currently, the Pink Contract requires contributing employers to contribute an amount in excess of 3% of salary (as defined in the circle to the left) to the Annuity Fund on behalf of eligible employees. Other employers participating in the 401(k) feature contribute to the Annuity Fund (either weekly or monthly) the amounts set forth in the applicable contract, which will be no less than 3% of compensation. This employer contribution is called a *non-elective contribution*. Both your deferred salary contribution and the employer's non-elective contribution are 100% immediately vested and non-forfeitable and are subject to a combined annual limit set each year by the IRS (for example, \$45,000 in 2007). "Catch-up" contributions for those who are age 50 or older as of December 31, 2007 are not included in the combined annual limit.

ANSWERS TO JUST FOR FUN

#1 **Marathon Man**
(Laurence Olivier and
Dustin Hoffman)

#2 **It's a Wonderful Life**

Even if Pink Isn't Your Color, You Can Still Save a Little Green

If you work under a CBA that provides for participation, you can save for retirement through the IATSE 401(k) Plan. Your savings are automatically deducted from your paycheck, deposited in your individual account and invested according to your instructions. At any time, you can change how much you're saving (up to the legal limit) and/or how your savings are invested.

Besides offering the convenience of automatic, don't-even-think-about-it saving, 401(k) accounts also boost your income. That's because your contributions are made on a pre-tax basis—which means the amount you save is deducted from the amount you report to the IRS as taxable income. If you earn \$40,000, for example, and save \$4,000 in your 401(k) account, your taxable income will be reduced to \$36,000.

You can call the Fund Office to find out if you are eligible to participate in the 401(k), or check with us online at www.iatsebf.org.

When Can You Receive a Distribution?

You are eligible to receive a distribution from the Annuity Plan if any of the following occurs:

- you retire on or after normal retirement age (65)
- you separate from service with all contributing employers (there is a two-month waiting period if you are between age 55 and 65 and a six-month waiting period if you are under age 55)
- you are *permanently* and totally disabled (as defined by the Plan).

You are not eligible to receive a distribution from the Plan if you cease to be eligible to make deferred salary contributions but you remain employed by a contributing employer to this Plan.

If you die, the Plan will distribute the balance of your account as a death benefit under the rules of the Plan.

For further information on these contributions or the Plan, refer to your Summary Plan Description. If you do not have a copy, or have any questions about this benefit option, contact the Fund Office or view the Fund's Web site (www.iatsenbf.org).

Remember, participation in the Annuity Plan's 401(k) feature is voluntary. Regardless of whether you elect to make any deferral salary contributions to the Plan, your employer will continue to make the required non-elective contributions to the Plan on your behalf.

FAQs

Should I choose benefits under Delta Dental or SIDS?

Only participants in New York will have this choice. All others will be enrolled automatically in Delta Dental. If you're a New Yorker, you'll receive information about both programs in advance of having to make a decision.

Where can I find my Pension SPD?

All summary plan descriptions can be downloaded from the National Benefit Funds Web site (www.iatsenbf.org), or you can request copies from the Fund office.

What is the PBGC?

The PBGC, which stands for Pension Benefit Guaranty Corporation, is a government organization that protects the pensions of 44.1 million American workers and retirees in defined benefit (DB) pension plans in the event of plan terminations. PBGC operations are financed primarily by insurance premiums paid by sponsors of DB plans.

[We've summarized many important plan rules in this newsletter, but we don't intend for these summaries to replace or amend the official plan documents of each of the plans. We will follow the rules of the official plan documents if those rules differ from the summaries in this newsletter.](#)

Supporting Cast

Here's a list of the organizations that support and administer our programs. You can find contact information in the SPDs or link to their Web sites from ours (www.iatsebf.org).

Hospital and Health

Empire Blue Cross Blue Shield

HMOs and PPOs (Plan C)

Harvard Pilgrim

COSVI

Triple S

Kaiser Permanente

Prescription Drug

NPA, a division of Express Scripts

(through [[\]](#))

Caremark (starting [[\]](#))

Vision

Davis Vision

Comprehensive Professional Systems

General Vision Services

Dental

A.S.O./S.I.D.S.

Guardian (through March 2007)

Delta Dental (starting April 2007)

Medical Reimbursement

Program (Plan C)

A.S.O./S.I.D.S.

Physical Exam and

Hearing Aid Benefit

A.S.O./S.I.D.S.

Life Insurance

ULLICO

Annuity and 401(k)

Prudential

Member Assistance

Program (MAP)

PacificCare

Board of Trustees

	UNION TRUSTEES	EMPLOYER TRUSTEES
Health & Welfare Fund Pension Fund Annuity Fund	Thomas C. Short Brian J. Lawlor Matthew D. Loeb Peter J. Fitzpatrick Deborah A. Reid James B. Wood Daniel DiTolla John V. McNamee	Irving W. Cheskin Steve Rapaport Howard S. Welinsky Jeffrey Ruthizer Harriet Slaughter Carol A. Lombardini Seth Popper Dean Ferris
401(k) Fund	Thomas C. Short Matthew D. Loeb	Carol A. Lombardini Dean Ferris
Vacation Fund	Thomas C. Short James B. Wood	Irving W. Cheskin Jeffrey Ruthizer
EXECUTIVE DIRECTOR Anne J. Zeisler		



Set forth below are summary annual statements for each of the five IATSE National Benefit Funds summarizing the information in the Funds' annual statements for 2005. For your convenience we are including the summary for all Funds in this newsletter. However, the fact that all Funds are included does not mean that you participate in all five Funds. Most participants do not. Eligibility and participation in each of the five Funds are governed by the rules of the Funds. For further information, consult the Summary Plan Description or contact the Fund Office.

Once a year, each of our Funds is required to prepare and distribute to participants a summary annual report (SAR). While the language may be dry, the SAR tells a story about performance—financial, that is. Read on for details.

What follows are summaries of annual reports covering January 1, 2005 through December 31, 2005 for the following:

IATSE 401(k) Fund, EIN 74-3038452, Plan No. 001

IATSE National Pension Fund, EIN 13-1849172, Plan No. 001

IATSE National Health & Welfare Fund, EIN 23-7333434, Plan No. 501

IATSE National Vacation Fund, EIN 23-7345994, Plan No. 501

IATSE Annuity Fund, EIN 13-3088691, Plan No. 001

Each annual report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

IATSE 401(k) Fund

Basic Financial Statement. Benefits under the plan are provided through insurance and through a trust fund. Plan expenses were \$51,126. These expenses included \$34,397 in administrative expenses and \$16,729 in benefits paid to participants and beneficiaries. A total of 6,089 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was \$1,081,800 as of December 31, 2005, compared to \$697,821 as of January 1, 2005. During the plan year, the plan experienced an increase in its net assets of \$383,979. This increase includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. The plan had total income of \$435,105 including employee contributions of \$373,662 and earnings from investments of \$61,443.

IATSE National Pension Fund

Basic Financial Statement. Benefits under the plan are provided through a trust fund. Plan expenses were \$13,569,285. These expenses included \$2,853,511 in administrative expenses and \$10,715,774 in benefits paid to participants and beneficiaries. A total of 10,704 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was \$197,658,731 as of December 31, 2005, compared to \$188,084,636 as of January 1, 2005. During the plan year, the plan experienced an increase in its net assets of \$9,574,095. This increase includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. The plan had total income of \$23,067,417 including employer contributions of \$8,217,816, realized gains of \$13,440,829 from the sale of assets, earnings from investments of \$1,344,248, and other income of \$64,524.

Minimum Funding Standards. An actuary's statement shows that enough money was contributed to the plan to keep it funded in accordance with the minimum funding standards of ERISA.

IATSE National Health & Welfare Fund

The Board of Trustees of the IATSE National Health & Welfare Fund has committed itself to pay certain health benefit claims incurred under the terms of the plan.

Insurance Information. The plan has contracts with Harvard Pilgrim Health Care, Union Labor Life Insurance Company, Davis Vision, CIGNA Healthcare, Guardian Life Insurance Company, Kaiser Permanente, Triple-S, and Cooperativa De Seguros De Vida De PR, to pay medical, life insurance and temporary disability claims incurred under the terms of the plan. The total premiums paid for the plan year ending December 31, 2005, were \$1,911,911.

Basic Financial Statement. The value of plan assets, after subtracting liabilities of the plan, was \$37,724,529 as of December 31, 2005, compared to \$39,329,384 as of January 1, 2005. During the plan year, the plan experienced a decrease in its net assets of \$1,604,855. This decrease includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. During the plan year, the plan had total income of \$54,747,955 including employer contributions of \$45,061,406, employee contributions of \$8,441,335, realized losses of \$663,763 from the sale of assets, and earnings from investments of \$1,908,977.

Plan expenses were \$57,977,148. These expenses included \$2,819,740 in administrative expenses and \$55,157,408 in benefits paid to participants and beneficiaries.

IATSE National Vacation Fund

The Board of Trustees of the IATSE National Vacation Fund has committed itself to pay vacation benefit claims incurred under the terms of the plan.

Basic Financial Statement. The value of plan assets, after subtracting liabilities of the plan, was \$3,126,715 as of December 31, 2005, compared to \$2,763,410 as of January 1, 2005. During the plan year, the plan experienced an increase in its net assets of \$363,305. This increase includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. During the plan year, the plan had total income of \$3,302,399 including employer contributions of \$3,238,535, realized gains of \$1,330 from the sale of assets, and earnings from investments of \$62,534.

Plan expenses were \$2,939,094. These expenses included \$223,520 in administrative expenses and \$2,715,574 in benefits paid to participants and beneficiaries.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report for any of the Funds, or any part thereof, on request. The items listed below are included in the reports:

	401(k) Fund	Pension Fund	Health & Welfare Fund	Vacation Fund	Annuity Fund
An accountant's report	x	x	x	x	x
Financial information and information on payments to service providers	x	x	x	x	x
Assets held for investment	x	x	x	x	x
Insurance information, including sales commissions paid by insurance carriers	x		x		x
Information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the plan participates	x		x		x
Actuarial information regarding the funding of the plan		x			
Transactions in excess of 5% of the plan assets			x	x	

To obtain a copy of a full annual report, or any part thereof, write or call the office of the Executive Director, IATSE National Benefit Funds, 55 West 39th Street, 5th Floor, New York, NY 10018, (212) 580-9092. The charge to cover copying costs will be:

- **401(k) Fund:** \$8.25 for the full annual report or \$0.25 per page for any part thereof
- **Pension Fund:** \$34.75 for the full annual report or \$0.25 per page for any part thereof
- **Health & Welfare Fund:** \$17.00 for the full annual report or \$0.25 per page for any part thereof
- **Vacation Fund:** \$5.50 for the full annual report or \$0.25 per page for any part thereof
- **Annuity Fund:** \$78.75 for the full annual report or \$0.25 per page for any part thereof

IATSE Annuity Fund

Basic Financial Statement. Benefits under the plan are provided through insurance and through a trust fund. Plan expenses were \$6,836,672. These expenses included \$1,167,744 in administrative expenses and \$5,668,928 in benefits paid to participants and beneficiaries. A total of 44,078 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was \$208,981,481 as of December 31, 2005, compared to \$175,181,646 as of January 1, 2005. During the plan year, the plan experienced an increase in its net assets of \$33,799,835. This increase includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. The plan had total income of \$40,591,795 including employer contributions of \$26,707,139, employee contributions of \$2,292,944, and earnings from investments of \$11,591,712.

Other Information

You also have the right to receive from the Fund Office, on request and at no charge, a statement of the assets and liabilities of the plans and accompanying notes, or a statement of income and expenses of the plans and accompanying notes, or both. If you request a copy of the full annual report, these two statements and accompanying notes will be included as part of that report. The charges to cover copying costs given above do not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the Funds at 55 West 39th Street, 5th Floor, New York, NY 10018 and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.