

NOTICE OF APPLICATION OF SPECIAL FUNDING RELIEF RULES
for the
AFTRA RETIREMENT FUND
July 8, 2011

On June 25, 2010, President Obama signed into law the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 (the Pension Relief Act). The Pension Relief Act revises the minimum funding requirements for pension plans nationwide that were affected by the downturn of the financial markets in 2008 and 2009. Specifically, it gives multiemployer plans additional time to recognize the investment losses incurred during one or both of the first two plan years ending after August 31, 2008 due to the broad impact of the extraordinary economic conditions during this time period.

You are receiving this notice because the Board of Trustees of the AFTRA Retirement Plan (the Plan) has decided to apply two of the Pension Relief Act's special funding relief rules to the Plan.

Explanation of the Special Funding Rules

The following explains the special rules that the Board of Trustees has decided to apply to the Plan.

- Special amortization rule: Under this special rule, the Plan will amortize, or recognize, investment losses incurred during the Plan Year that ended November 30, 2008 in its funding standard account over the next 29 Plan Years ending November 30, 2037. This special rule will first apply during the Plan Year beginning December 1, 2008. If not for the special rule, the Plan would have had to recognize the losses over a 15-year period, requiring higher contributions to satisfy the statutory minimum funding rules.
- Special asset valuation rule: Under this special rule, the Plan will change its asset valuation method, which is used to calculate the value of assets for the Plan's statutory funding requirements, to spread investment losses incurred during the Plan Year that ended November 30, 2008 into its actuarial value of assets over a 10-year period. If not for the special rule, the Plan would have had to spread the losses over 5-year period, again, requiring higher contributions to satisfy the statutory minimum funding rules.

As described above, applying the special rules will permit the Plan to recognize and fund the investment losses incurred during its Plan Year that ended November 30, 2008 over a longer period of time, thereby reducing for a period of time the contributions required to satisfy the minimum funding rules established by law (although the actual contributions are set by the collective bargaining agreements and will not change as a result of these rules). Applying the special rules will make it easier for the Plan to comply with its funding requirements under the Pension Protection Act of 2006 ("PPA"). Relief is not being elected for the following Plan Year that ended November 30, 2009, because the Plan did not have net investment losses during that Plan Year.

The Retirement Plan is currently in the Green Zone, even without the election of these special funding rules. However, the election of the special funding relief rules will provide more cushion to enable the Plan to remain in the Green Zone more easily than if the special funding rules had not been elected.

Effect of Special Funding Rules

Under the PPA, the Plan's actuary is required to certify whether the Plan is in critical status (commonly referred to as the "Red Zone"), endangered status (commonly referred to as the "Yellow Zone"), or neither (commonly referred to as the "Green Zone"). This certification is done each year and is based on certain specified financial measurements.

The Retirement Plan is currently in the Green Zone, even without the election of these special funding rules. However, the election of the special funding relief rules will provide more cushion to enable the Plan to remain in the Green Zone more easily than if the special funding rules had not been elected.

It is important to note that while the special funding relief rules will make it easier for the Plan to remain in the Green Zone under PPA and to satisfy statutory minimum funding requirements, the rules do not add any money to the Plan and therefore do not change its funding level over the long-term.

Restrictions on Benefit Improvements

Because the special funding relief rules apply, the Plan's Board of Trustees of the Plan is temporarily restricted from adopting any amendment that improves benefits under the Plan, subject to the exceptions described below. This restriction applies for the two plan years immediately following any plan year in which the special rules are applied. Specifically, the restriction will apply through November 30, 2016 at the latest.

This restriction does not apply if the benefit increase is paid for with additional employer contributions that were not previously allocated to the Plan at the time the relief was elected. This restriction also does not apply if the benefit increase is required to comply with applicable law. Furthermore, at any point during the period the relief is in effect, the Trustees may choose to "opt out" of the relief early. In that case, the restriction period would be shortened to the two plan years following the plan year for which the Trustees opted out.

Where to Get More Information

For more information about this notice, you may contact:

Board of Trustees, Plan Administrator
AFTRA Retirement Fund Office
261 Madison Avenue, 7th Floor
New York, NY 10016
(212) 499-4800

For identification purposes, the official Plan Number is 001 and the Plan sponsor's Employer Identification Number (EIN) is 13-6414972.