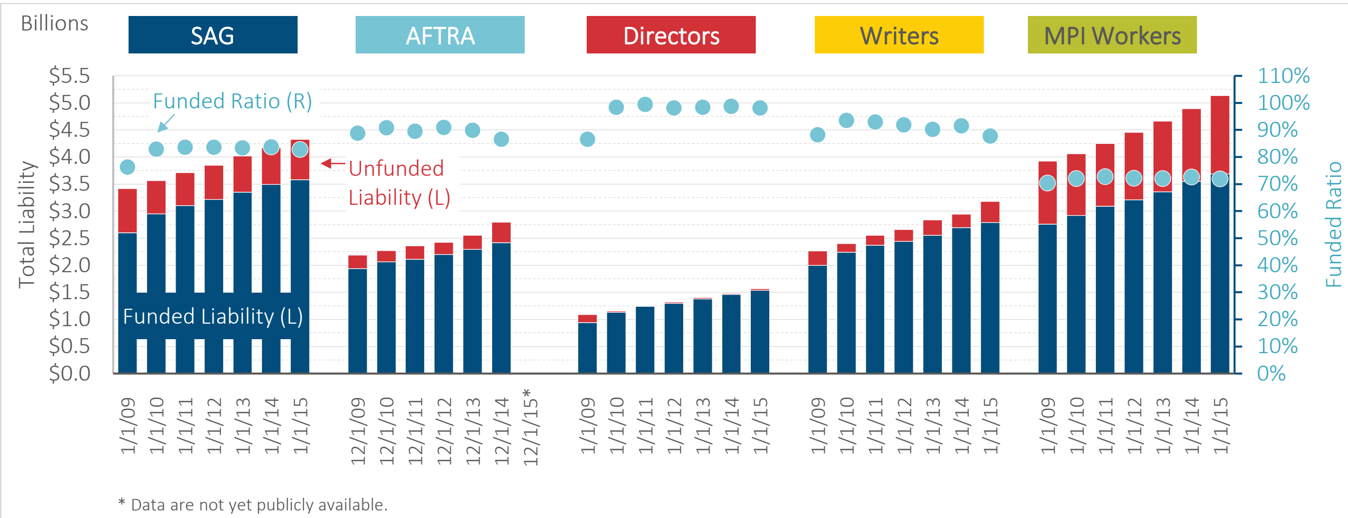
Entertainment Industry Pension Funding Stats for 2015

The following graph compares funded status as determined and reported by each of the following entertainment industry pension plans: Screen Actors Guild–Producers Pension plan (SAG), AFTRA Retirement Plan (AFTRA), Directors Guild of America –Producer Pension Plan (Directors), Producers–Writers Guild of America Pension Plan (Writers) and Motion Picture Industry Pension Plan (MPI Workers). Actuarial cost methods and assumptions vary across plans.

FUNDED STATUS COMPARISON[1]



* Data are not yet publicly available.

Since 2010, the Directors plan has bounced between 98% and 99% funded as determined for funding purposes—clearly the highest funded ratios among these plans. It is also the smallest plan in terms of number of participants and total liabilities. For 2015, its unfunded liability ws $31 million. In addition, since 2012, the Directors plan has used a 7.25% discount rate, the lowest among these plans—SAG and Writers use 7.50% and AFRA and MPI Workers use 8.00%. In general, these plans use discount rates based on a long-range expected return on assets. If these plans were to report funded status on a market value basis, funded ratios would likely be significantly lower because the discount rates would be lower.

MPI Workers is the largest plan in terms of numbers of participants and total liabilities. With a funded ratio of 71% and an unfunded liability of $1.4 billion for 2015, it is also the least well funded of these plans.

For more Society of Actuaries' research on multiemployer pension plan stats: http://www.soa.org/Research/Research-Projects/Pension/2016-multiemployer-pension-plan-stats.aspx

For more Society of Actuaries' research on pension plans and retirement issues in general: http://www.soa.org/research/research-projects/pension/default.aspx

[1] As calculated by the plan's actuary for funding purposes and documented on each plan's Department of Labor Form 5500 Schedule MB. Actuarial assumptions and cost methods vary across plans. The following are the discount rates used to determine liabilities shown: SAG 7.50%, AFTRA 8.00%, Directors 7.25% (7.50% prior to 2011), Writers 7.50%, MPI Workers 8.0%.

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The Society of Actuaries (SOA), formed in 1949, is one of the largest actuarial professional organizations in the world, dedicated to serving more than 27,000 actuarial members and the public in the United States, Canada and worldwide. In line with the SOA Vision Statement, actuaries act as business leaders who develop and use mathematical models to measure and manage risk in support of financial security for individuals, organizations and the public.

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