

PENSION FUND NOTES

Volume XV
Number 1
Fall 2005

American Federation of
Musicians and Employers'
Pension Fund



IMPORTANT INFORMATION INSIDE THIS ISSUE

The Summary Annual Report for the AFM-EPF
Year ended March 31, 2004
appears in this issue of Pension Fund Notes.

It is very important
that you read this information carefully.
Please contact the Fund Office with any questions
that you may have about it.

SUMMARY ANNUAL REPORT

This is a summary
of the annual report for the
AMERICAN FEDERATION OF
MUSICIANS & EMPLOYERS'
PENSION FUND (the "Plan"),
EIN 51-6120204, Plan No. 001,
for the period April 1, 2003
through March 31, 2004
(the "Plan Year"). The annual
report has been filed with the
Internal Revenue Service,
as required under the
Employee Retirement Income
Security Act of 1974 (ERISA).

Basic Financial Statement

Benefits under the Plan are provided through a trust fund. Plan expenses for the Plan Year were \$97,578,483. These expenses included \$16,821,556¹ in administrative expenses and \$80,756,927 in benefits paid to participants and beneficiaries. A total of 47,911 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 \$1,651,482,533 as of March 31, 2004, compared to \$1,373,975,384 as of April 1, 2003. During the Plan Year the Plan experienced an increase in its net assets of \$277,507,149. This increase includes unrealized appreciation or 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 the assets acquired during the year. The Plan had total income of \$375,085,632 including employer contributions of \$45,046,589, gains of \$87,244,151 from the sale of assets and gains from investments of \$242,794,892.

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.

Your Rights To Additional Information

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

1. An Accountant's report;
2. Assets held for investment;
3. Transactions in excess of 5% of the Plan assets;
4. Actuarial information regarding the funding of the Plan; and
5. Information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the Plan participates.

To obtain a copy of the full annual report, or any part thereof, write or call OFFICE OF THE EXECUTIVE DIRECTOR, AMERICAN FEDERATION OF MUSICIANS & EMPLOYERS' PENSION FUND, ONE PENN PLAZA, NEW YORK, NY 10119, (212) 284.1314.

The charge to cover copying costs will be \$16.50 for a full annual report, \$.10 per page for any part thereof.

You also have the right to receive from the Executive Director, on request and at no charge, a statement of the assets and liabilities of the Plan and accompanying notes, or a statement of income and expenses of the Plan and accompanying notes, or both. If you request a copy of the full annual report from the Executive Director, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does 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 Plan at ONE PENN PLAZA, SUITE 3115, NEW YORK, NY 10119 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, N-5638, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, D.C. 20210.

Should you have questions concerning this Summary Annual Report, please call William Luebking at the Fund Office: (212) 284.1314.

¹The \$16,821,556 consists of \$6,088,729 in investment related expenses and \$10,732,827 in other administrative costs.



2004

Plan Assets as of April 1, 2003

plus

2003/2004 Plan Income

Employer contributions

Investment return on Plan assets

Realized gains from the sale
of Plan assets

minus

2003/2004 Plan Expenses

Benefits paid out to participants
and beneficiaries


Administrative expenses

(salary for Fund personnel,
payroll taxes & rent, benefit
check processing, depreciation,
PBGC premiums and other
insurance, legal, actuarial,
accounting fees, and other
administrative costs)

Investment advisory and
bank custody fees

equals

Plan Assets as of March 31, 2004



Every year, the Fund publishes a Summary Annual Report (SAR). The basic purpose of this report is to show you the financial condition of your Fund—how much we had at the start of the year, what we took in, what we spent, and how much we had at the end of the year.

The official 2004 Summary Annual Report (SAR) for the American Federation of Musicians and Employers' Pension Fund appears within this Newsletter. This statement simply provides easy-to-read highlights of the information contained in your 2004 SAR.

HIGHLIGHTS OF SUMMARY ANNUAL

REPORT

\$ 1,373,975,384

+ \$ 375,085,632

45,046,589

242,794,892

87,244,151

[-] \$ 97,578,483

80,756,927

10,732,827

6,088,729

= \$ 1,651,482,533

How Total Plan Assets Relate to Plan Participants

The total number of participants in or beneficiaries of the Plan for the 2003–2004 plan year was 47,911.

This includes:

1. participants who are vested*,
2. participants who are not yet vested*,
3. retirees, and
4. beneficiaries.

As required by the Employee Retirement Income Security Act of 1974 (ERISA), the Plan's actuary has certified that enough money was contributed during 2003/2004 to maintain the present level of benefits provided by the Plan.

This statement is intended only as a highlight of the information contained in the official Summary Annual Report. It is not intended to replace or modify the official Annual Report, Summary Annual Report or the information provided by those Reports.

If there is a conflict between this statement and the Annual Report or Summary Annual Report, the information in those Reports shall prevail under all circumstances.

*When you become vested, you have earned a non-forfeitable right to a pension from the Plan when you retire. In most cases, participants become vested in their benefits after five years of covered employment.



Re-determinations:

Recent Changes in the Calculation of Additional Benefits Earned After Normal Retirement Age

Participants who are receiving a retirement benefit from the Fund and continue to work in covered employment after reaching normal retirement age (generally age 65) may become entitled to an additional benefit called a “re-determination benefit.” Re-determination benefits are calculated annually based on additional contributions of at least \$50 earned during each calendar year after normal retirement age, and begin to be paid on the July 1 following that calendar year.

Historically, the amount of the monthly re-determination

benefit that would begin to be paid on any July 1 (payable in the form of a life annuity) would equal the amount of contributions earned during the prior calendar year (rounded to the nearest \$100), divided by 100, and then multiplied by the age-65 benefit multiplier in effect (presently, \$3.50). If the re-determination benefit is to be paid in the form of a joint and survivor annuity, the life annuity monthly amount is reduced to account for the survivor annuity portion of the benefit, in the same manner as the joint and survivor annuity benefit was calculated.

Example 1

	A	B	C	D	E	
Re-determination Benefit Effective Date	Age at Effective Date	Contributions Earned in Previous Calendar Year	Monthly Benefit before Offset (amount from Column A rounded to nearest \$100/ 100 x \$3.50)	Offset Amount	Monthly Re-determination Benefit Commencing on Effective Date (Column B - Column C)	Total Monthly Re-determination Benefit (Column D + Column E from previous year)
7/1/2005	66	\$ 4,500.00	\$ 157.50	\$0.00	\$ 157.50	\$ 157.50
7/1/2006	67	\$ 3,000.00	\$ 105.00	$157.50 \times 6 = \$945.00 / 135.8088 = \6.96	\$ 98.04	\$ 255.54
7/1/2007	68	\$ 600.00	\$ 21.00	$[(\$157.50 \times 6 = \$945.00) + (\$255.54 \times 6 = \$1533.24) = \$2478.24] / 132.0591 = \18.77	\$ 2.23	\$ 257.77
7/1/2008	69	\$ 725.00	\$ 24.50	$[(\$255.54 \times 6 = \$1533.24) + (\$257.77 \times 6 = \$1546.62) = \$3079.86] / 128.2496 = \24.01	\$ 0.49	\$ 258.26
7/1/2009	70	\$ 995.00	\$ 35.00	$[(\$257.77 \times 6 = \$1546.62) + (\$258.26 \times 6 = \$1549.56) = \$3096.18] / 124.3745 = \24.89	\$ 10.11	\$ 268.37
7/1/2010	71	\$ 178.00	\$ 7.00	$[(\$258.26 \times 6 = \$1549.56) + (\$268.37 \times 6 = \$1610.22) = \$3159.78] / 120.4196 = \26.24	\$ 0.00	\$ 268.37

The factor used to determine the actuarial equivalent value in the Offset Amount calculation (column C) in both examples is based on the Re-determination Benefit Effective Date

You were previously notified that the method of calculating re-determination benefits has been modified by the addition of an offset feature. Specifically, the amount of the new re-determination benefit due to begin each July 1 will be reduced (but not below zero) by the Offset Amount. The Offset Amount is the actuarial equivalent value of the portion of the total re-determination benefits paid during the previous calendar year that is based on contributions earned during 2004 or later. The actuarial equivalent value is calculated using an actuarial factor based on the participant's age at each July 1st, the Fund's mortality assumption, and an interest factor that changes each year depending on the 30-year Treasury securities rate in effect the prior December (with a 7½% cap). Since the actuarial factors fluctuate from year to year, it is not possible to project the Offset Amount for any future year.

The offset feature will be applied for the first time to re-determination benefits that will begin to be paid on July 1, 2006. The applicable Offset Amount will be calculated using

the re-determination benefit paid beginning July 1, 2005.

The examples below illustrate the new method of calculating re-determination benefits. Please note that the Offset Amounts in these examples are calculated using 2005 actuarial factors throughout. These actuarial factors change every April 1st.

Beginning with contributions earned in 2005, for purposes of calculating re-determination benefits, contributions will be deemed earned in the year in which the contributions are received by the Fund (or the year in which the Fund determines the employer is obligated to pay the contributions, if earlier). For example, if you perform work in 2005 for which the employer pays the Fund contributions in 2006, and the Fund is unaware that the employer has an obligation until the Fund receives the contributions, the contributions will be deemed earned in 2006. The contributions will be included in the re-determination benefit that begins to be paid on July 1, 2007 and will be included in the Offset Amount for 2007 that is used in calculating the re-determination benefit beginning July 1, 2008.

Example 2

	A	B	C	D	E	
Re-determination Benefit Effective Date	Age at Effective Date	Contributions Earned in Previous Calendar Year	Monthly Benefit before Offset (amount from Column A rounded to nearest \$100/100 x \$3.50)	Offset Amount	Monthly Re-determination Benefit Commencing on Effective Date (Column B - Column C)	Total Monthly Re-determination Benefit (Column D + Column E from previous year)
7/1/2005	66	\$ 4,500.00	\$ 157.50	\$0.00	\$ 157.50	\$ 157.50
7/1/2006	67	\$ 4,500.00	\$ 157.50	$\$157.50 \times 6 = \$945.00 / 135.8088 = \$6.96$	\$ 150.54	\$ 308.04
7/1/2007	68	\$ 4,500.00	\$ 157.50	$[(\$157.50 \times 6 = \$945.00) + (\$308.04 \times 6 = \$1848.24) = \$2793.24] / 132.0591 = \21.15	\$ 136.35	\$ 444.39
7/1/2008	69	\$ 4,500.00	\$ 157.50	$[(\$308.04 \times 6 = \$1848.24) + (\$444.39 \times 6 = \$2666.34) = \$4514.58] / 128.2496 = \35.20	\$ 122.30	\$ 566.69
7/1/2009	70	\$ 4,500.00	\$ 157.50	$[(\$444.39 \times 6 = \$2666.34) + (\$566.69 \times 6 = \$3400.14) = \$6066.48] / 124.3745 = \48.78	\$ 108.72	\$ 675.41
7/1/2010	71	\$ 4,500.00	\$ 157.50	$[(\$566.69 \times 6 = \$3400.14) + (\$675.41 \times 6 = \$4052.46) = \$7452.60] / 120.4196 = \61.89	\$ 95.61	\$ 771.02

and age of the Participant on that date. For these examples, the factors in effect for the 12 months beginning April 1, 2005 were used. These factors change every year on April 1st.

DESIGNATING A BENEFICIARY FOR THE PRE-RETIREMENT DEATH BENEFIT

Under the terms of the Fund’s plan document, a death benefit known as a “pre-retirement death benefit” is payable if a vested participant dies before he or she begins to receive a pension benefit. If the participant is *married* on the date of death, the pre-retirement death benefit will be payable to the participant’s spouse, even if the participant has designated a different person as a beneficiary or failed to designate anyone as a beneficiary. (If the participant is married to a same-sex spouse, the pre-retirement death benefit will be payable to the participant’s spouse only if there is no other living designated beneficiary upon the participant’s death.)

If an *unmarried* vested participant dies before beginning to receive a retirement benefit, the pre-retirement death benefit will be payable to the person that the participant has designated on a form provided by the Fund. The death benefit will be forfeited if the participant has not designated a beneficiary, or the designated beneficiary dies before the participant. Accordingly, if you are unmarried and have not begun your pension, and you have not designated anyone to receive the death benefit payable if you die before your pension begins, you should contact the Fund Office for a beneficiary form.

Information, please!

Here is a list of important telephone numbers and people at the Fund Office to call for specific information.

The regular telephone number
for the Fund is212.284.1200

The toll-free number800.833.8065

The regular business hours are 9 am to 5 pm, Eastern time, Monday through Friday. However, you may leave a message anytime at this toll-free number.

Retirement/Death/Disability/Beneficiary/ Change of Address Information and Pension Credit Inquiries

Select “1” on the automated phone menu

Other Related Organizations

Although the Fund works closely with these organizations, they are all legally separate entities. Please call them directly if you have questions that relate to one of these entities.

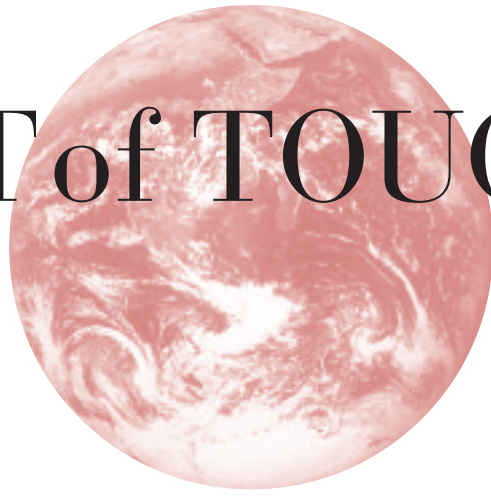
American Federation of Musicians212.869.1330
1501 Broadway, Suite 600
New York, NY 10036-5501

AFM Sound Recording
Special Payments Fund212.310.9400
570 Lexington Avenue
New York, NY 10022-6837

Film Musicians Secondary
Markets Fund818.755.7777
12001 Ventura Place, Suite 500
Studio City, CA 91604



OUT of TOUCH



The Benefits Department does not have a current address or contact number for these participants. Unfortunately, they will not receive this newsletter, or any other important announcements or information from the Fund. If you know anyone on this list, please have them contact the Benefits Department at One Penn Plaza, Suite 3115, New York, NY 10119-3115 or call 800.833.8065.

<u>Name</u>	<u>Last Known Local</u>	<u>Name</u>	<u>Last Known Local</u>	<u>Name</u>	<u>Last Known Local</u>	<u>Name</u>	<u>Last Known Local</u>
Abelin, Etienne	—	Daubek Tatiana H.	—	Jamison, Darryl L.	—	Salvatierra, Patricio Alberto	60-471
Adams, Brandon D.	—	Daulton, Mailliw	—			Sanford, Jerome	—
Akui, Albert	—	Daum, Glenn	—	Kang, Eyvind	—	Schwartz, Paul	802
Allison, Kurt M.	—	Davenport, Clyde T.	—	Kenyatta, Robin	—	Shallit, Ariel J.	—
Anderson-Horner, Lynn	—	Davila, Ayla M.	—	Kipperman, Jeffrey Philip	9-535	Sherbakov, Alla	—
Andeson, Robert Graham	—	Davis, Andrew Frank	—			Sherbakov, Igor	—
Arenas, Herman R.	60-471	De Gracia, Rafael	—	Lacinak, Christopher J.	—	Silber, Ira	802
Arnadottir, Palina	—	De Krom, Sebastian	—	Laing, Lawrence	—	Simongauz, Vadim G.	—
		Deal, Robert Alan	—	Lance, Derek W.	77	Smith, Edward Milton	6
Bach, Holger	—	Desouza, Harvey	—	Lapointe, Simon	—	Spohnheimer, Deb Sue	802
Bacu, Andrei	—	Dixon, Scott	—			Stewart, Jonathan	—
Baptiste Pierre Andre	—	Drummond, Zac	802	Mahone, Jr., Carlton	—	Swanson, Anders Neil	47
Barber, Jimmy W.	—			Marcano, Modesto J.	60-471	Sylvestre, Christian	—
Barron, Robert Earl	—	Eade, Kristen A.	—	Martin, Terrace J.	—		
Belcon, Patricia E.	—	Ekeland, Jan	—	McKenzie, Tommie L.	161-710	Varela, Freddy A.	—
Bell, Kahlil	—	Emert, Alan Klee	—	McKinney, Niles R.	—		
Bevilacqua, Anthony	—	Emmanuel, William Thomas	—	Moore, Desmond	—	Weber, Jonathan A.	—
Biaggini, Richard Christian	60-471	Enouiti, Abdelaziz	—	Morrow, Alvaron M.	47	Wharton, Gilbert	—
Blankenship Ben S.	—			O'Brien, Brian Michael	—	Womer, Steve D.	—
Burrus, Robert M.	—	Fankouser, Lena Melissa	802	Odom, Derwin A.	—		
Butler, Charles	—	Fechner, Robert J.	—	O'Malley, Emmett	—		
		Freeman, Don	47				
Caldwell, Antone	—			Papp, Miriam R.	40-543		
Camese, Andre Alexander	—	Gallegher, James E.	—	Pappalardi, Felix H.	802		
Cannon, Randall Wayne	—	Gargioni, Carlo	802	Parker, Leon E.	—		
Canton, Pete J.	—	Gaskin, Roderick Victor	802	Pelicci, Leroy J.	—		
Capizzi, Peter V.	—	Gommels, Daryl J.	—	Pendleton, Charles	—		
Carfi, Carmen	—	Graves, Beth	—	Powell, Matt	—		
Carter, Christine	—	Greso, Selina C.	—	Price Thomas P.	802		
Cassery, Robbie Joseph	802						
Clery-Fox, Miles Peter	—	Haegele, Maria	—				
Colelli, Charles Jason	369	Halachmi, Michal Beit	—	Redford, Margo B.	—		
Cooper, Jeffrey Philip	171-710	Harel, Mattieu	—	Reilly, John	802		
Corpus, Hector	77	Hills, Floyd Nathaniel	—	Reimers, Kechner Ruth	—		
Courtney, Tom	—			Roberts, Tiger	—		
		Iordanov, Theodosii Spassov	802	Rott, Reynard N.	—		
		Izumitani, Makoto	—				

PENSION FUND NOTES

**American Federation
of Musicians and Employers'
Pension Fund**

**One Penn Plaza, Suite 3115
New York, NY 10119-3115**

Address service requested

PENSION FUND NOTES is a publication of the Communications Committee of the American Federation of Musicians and Employers' Pension Fund. It is published for the benefit of the participants and beneficiaries of the Pension Fund. Additional copies are available upon request. For any questions about the newsletter or your Pension Fund benefits, contact Maureen B. Kilkelly, Executive Director, American Federation of Musicians and Employers' Pension Fund, One Penn Plaza, Suite 3115, New York, NY 10119-3115, 800.833.8065.

This newsletter does not change or otherwise interpret the official Plan documents. To the extent that any of the information contained in this newsletter is inconsistent with the official Plan documents (which, of course, includes the Trustees' right to amend or modify the Plan at any time), the Plan documents will govern in all cases. No official (other than the Trustees) has any authority to interpret the Plan, or other official Plan documents, or to make any promise to you about it.

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