

BUSINESS RULES FOR CONTRIBUTION PROCESSING

This document sets forth the rules for contribution processing.

It is critical to note that contributions are an affirmative responsibility: companies have an obligation to pay contributions on “covered” writing services on all writers performing covered services, regardless of their membership status with the Writers Guild of America.

The PWGA does not bill for monies owed; that is the company's responsibility solely.

Please be aware, there are significant penalties for failure to make proper, timely contributions.

For more information on contribution calculation rules, please visit our website in the “Rates, Information and Forms” section for employers:
https://www.wgaplans.org/contributions/rates_information_forms.html

If you have any questions or concerns, we will be glad to assist you. Please contact the Contributions Department at:
(818) 846-1015, press “3”, then “1”.

Contributions Rules & Restrictions

(The following rules will be enforced by the Administrative Office of the Trusts to insure compliance with the requirements for contribution processing.)

PAYMENT must be made in US dollars only. Initial compensation contributions may only be paid by the Signatory Employer on the Signatory Employer's check stock or through a paying agent; not through the Parent Company, attorney, or any other company affiliate(s).

No personal checks will be accepted unless the Signatory Employer is a sole proprietor*

**(Payments may be submitted through payroll services.)*

EMPLOYERS MUST BE SIGNATORY to the appropriate Collective Bargaining Agreement(s) in order to report initial compensation. Contributions will not be accepted until the Funds have received the appropriate executed documentation.

REPORT OF CONTRIBUTIONS (ROC) must accompany the payments. The report should show the writer's Social Security number, subject earnings, period earned, contribution rates, hired services, contract dates, etc. for each employee and for each payment made to them. For information on the applicable fields, please see the Written Instructions on preparing the ROC.

DATA SUBMITTED ELECTRONICALLY will be entered as reported on the electronic file. No changes will be made to the electronic files. Corrections to any Report of Contributions must be submitted in writing (email is acceptable).

A CONTROL TOTAL SHEET must accompany reports from employers, payroll services and paying agents. The Control Total Sheet should show Subject Earnings and Contributions Due – per employer.

Companies who are submitting Reports of Contributions and electronic files covering multiple employers will not be processed without a Control Total Sheet.

ONE COLLECTIVE BARGAINING AGREEMENT may be submitted per report. Reports of contributions and electronic files must be identified by the collective bargaining agreement under which they are submitted. For example, contributions paid under the 2011 and 2014 MBAs must be on separate reports.

ONLY ONE PERIOD OF ACTIVITY may be submitted on a weekly or monthly Report of Contributions or electronic file. For example, only activity in June of 2014 may be reported on the June 2014 monthly report. Any other period of activity must be submitted on a separate report.

Do not report multiple months on a single report. For flat-deal employment, report the compensation due on the commencement or delivery date of the writing steps, or use the date of the event that triggers a payment from the writer's contract. Salary advances are reportable when the writer is paid, not when he/she performs the hired services. Do not report an amount that was earned on one single day over an entire quarter. Quarterly reporting of initial compensation is not permitted.

COMPENSATION TYPE must be indicated as either **Initial** or Residual on the electronic file or Report of Contributions. Initial Compensation and residual payments may not be combined on the same Report of Contributions or electronic file.

PROJECT TYPE OR INITIAL MARKET must be indicated as either TV, Theatrical (TH), New Media (NM), or Interactive (I) on the electronic file or Report of Contributions. If the compensation is for a Pilot, indicate P.

Reversion, return, or reinvestment of writing compensation is not considered earned payment. A credit should be requested if this has occurred.

CREDITS may not be taken on a current report if they are for a period prior to the current reporting period. For example, a credit for earnings originally reported in January 2017 may not be taken on the June 2019 report. Credits must be submitted separately with a valid explanation and the check numbers on which the original reporting was made.

Credits without valid explanations will be disallowed and the employer billed for the contributions withheld from the current payment as well as interest, if applicable.

REFUND REQUESTS must be made in writing and accompanied by the appropriate documentation (contract, payroll register, reason, etc.) to be considered.

Please do not put social security numbers in an email unless the social security numbers are inside a document that has been password protected.

QUARTER SWITCH If a company reported earnings in an incorrect quarter, submit a written request to transfer the earnings along with the back-up to support the change (contract, delivery schedule, payroll register, etc.).

Please note that earnings may not be moved for the sole purpose of obtaining eligibility for benefits.

10% OWNERSHIP If the signatory company is reporting on a writer, his/her spouse, his/her parents, his/her spouses' parents, his/her siblings, or his/her lineal descendants who own 10% or more of the reporting entity, or where a contributing employer is a non-profit or for-profit entity for which the writer is an officer, board member, or director, or related to, the following requirements must be met:

- The project must have unrelated third-party financing.
- If the Writer's contract does not separate writing compensation from compensation for other services, contributions must be made on the lower of: 100% of the Writer's total compensation under the project or \$125,000* (the amount necessary to pay the cost of the annual Health Fund coverage; figure may be adjusted yearly).
- If the Writer's contract specifically states the amount allocated for such writer's covered services, contributions shall be due on the greater of the amount so specified or the Basic Agreement's minimum compensation for such services. If the contract with the unrelated third-party does not specifically state the amount allocated for the writing services, contributions are based on the lower of:
 - 5% of the total compensation the contributing employer received from the unrelated third-party for producing non-

dramatic programming or 10% of the total compensation the contributing employer received from the unrelated third-party for producing dramatic programming, or

- At least \$125,000* (the amount necessary to pay the cost of the annual Health Fund coverage; this figure may be adjusted yearly).

*(In 2012, this amount was \$152,054.)

NEW MEDIA – 100% SELF-FUNDED OWNER/WRITER If the Owner/Writer does not receive any outside financing and is fully self-funded, contributions on the Owner/Writer's compensation will count towards the Owner/Writer's eligibility for benefits when there is a legitimate project produced and distributed. Contributions are payable upon first receipt of revenues* and are deemed earned and due at that time. The writing fee reportable amount would be 10% for Dramatic programming or 5% for Non-Dramatic programming, based on the actual production budget.

* Revenues are fees received from unrelated third-party for availability or exhibition of the project, i.e., program(s) or series, on New Media, including but not limited to, the Internet and mobile devices (such as cell phones and PDA's).

Please note: If the New Media Owner/Writer's project is not 100% self-funded, the standard rules apply.

For more information on 10% Owners, please call the Employer Compliance Department at: (818) 846-1015, press "3", then "1" when prompted or visit our website at: wgaplans.org and select the 10% Owners tab under Contributions.

It is important to be aware: reports may be rejected and returned if insufficient information or improper transactions are included.

If you have any questions or concerns it is best to contact us for the correct information rather than risk rejection of contributions or the possibility of incurring penalties.

Sincerely,

Contributions Processing Department