

BUSINESS RULES FOR CONTRIBUTION PROCESSING

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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.

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.

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

PAYMENT must be made in US dollars only.

EMPLOYERS reporting initial compensation must be signatory to the appropriate Collective Bargaining Agreement. Contributions will not be accepted until the Funds have received the appropriate executed documentation. Initial compensation contributions may only be paid by the Signatory Employer on the Signatory Employer's check stock, not through the Parent Company. No personal checks will be accepted unless the Signatory Employer is an sole proprietor. Payments may be submitted through payroll services.

INITIAL COMPENSATION and residual payments may not be combined on the same Report of Contributions or electronic file. Please indicate the Compensation Type, Initial or Residual, on the electronic file or Report of Contributions.

CONTRIBUTIONS are due on all writers performing covered services, regardless of their membership status with the Writers Guild of America.

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. Do not report an amount that was earned on one single day over an entire quarter. Quarterly reporting of initial compensation is not

permitted.

REPORTS OF CONTRIBUTIONS AND ELECTRONIC FILES must be identified by the collective bargaining agreement under which they are submitted. Only one collective bargaining agreement may be submitted per report. For example, contributions paid under the 2011 and 2014 MBA's must be on separate reports.

ALL COMPENSATION must be submitted on a per writer/per project/per payment/ per earned period basis (no lump sum reporting). For example, if Writer A receives six payments for work performed in June 2014, each payment must be reported on a separate line and identified by the applicable fields. For information on the applicable fields, please see the Written Instructions on preparing the Report of Contributions (ROC). Salary advances are reportable when the writer is paid, not when he/she performs the hired services.

EMPLOYERS, PAYROLL SERVICES, AND PAYING AGENTS who are reporting must include a Control Total Sheet that shows Subject Earnings and Contributions Due per employer. Reports of Contributions and electronic files covering multiple employers will not be processed without a Control Total Sheet.

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 2012 may not be taken on the June 2014 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.

DATA SUBMITTED ELECTRONICALLY will be entered as reported on the electronic file. No changes will be made to the electronic files. Corrections to the paper Reports of Contributions must be submitted in writing (email is acceptable). Please do not put social security numbers in an email unless they are in 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 Writers' contract does not separate writing compensation from compensation for other services, contributions must be made on the lower of: 100% of the Writers' 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).

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

Please call the Employer Compliance Department for more information on 10% Owners 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.

Your call may be recorded for quality assurance.

Please be advised that reports may be rejected and returned if insufficient information or improper transactions are included.