



Writers' Guild-Industry Health Fund

Jim Hedges, Chief Executive Officer

April 25, 2014

TO: ALL PARTICIPANTS

CHANGE IN QUALIFYING EARNINGS AMOUNT FOR ACTIVE (Earned) ELIGIBILITY

Eligibility for Health Fund coverage is based on earnings which equal the WGA minimum for a one hour, network prime time story and teleplay. Through the period ending June 30, 2014, you must earn \$35,568 in covered (reportable) compensation within four (4) consecutive calendar quarters to qualify for one year of employer paid eligibility. Under the Writers Guild of America 2014 Theatrical and Television Minimum Basic Agreement, that minimum increases to **\$36,457**, effective May 2, 2014.

Consequently, starting **July 1, 2014**, the minimum of covered (reportable) earnings required for Health Fund eligibility will be **\$36,457, earned within four (4) consecutive calendar quarters**. This change will affect eligibility accrual periods beginning with the calendar quarter which commences July 1, 2014. Please note that some of your earnings may not be reportable to the Health Fund if you have reached the ceiling on a project or received compensation that is not subject to reporting.

Examples of non-reportable compensation include excerpt payments, royalties, character payments, options, late fees, expenses, theatrical residuals, over ceiling TV residuals, separated rights payments, publication fees, and amounts over the weekly staff, 14K and 14E2 minimums (unless otherwise contracted).

Note: Writers of thirteen (13) breakdowns during one thirteen-week cycle for a one-hour daytime serial program, who have been paid a total of less than \$36,457, may still be eligible to receive one year's Health Fund eligibility. Please call the Administrative Office for details.

EXAMPLE OF BASIC INITIAL ELIGIBILITY (not currently on earned coverage)

If your covered (reportable) earnings total **\$35,568**, earned within four (4) or less consecutive calendar quarters, you will be eligible for twelve (12) consecutive months of earned coverage after a lag period of one (1) quarter.

Earnings Cycle Ends	Lag Quarter	Coverage Cycle
March 31, 2014 - \$35,568	April 1, 2014 – June 30, 2014	July 1, 2014 – June 30, 2015
June 30, 2014 - \$35,568	July 1, 2014 – Sept. 30, 2014	Oct. 1, 2014 – Sept. 30, 2015
Sept. 30, 2014 - \$36,457	Oct. 1, 2014 – Dec. 31, 2014	Jan. 1, 2015 – Dec. 31, 2015
Dec. 31, 2014 - \$36,457	Jan. 1, 2015 – March 31, 2015	April 1, 2015 – March 31, 2016
March 31, 2015 - \$36,457	April 1, 2015 – June 30, 2015	July 1, 2015 – June 30, 2016
June 30, 2015 - \$36,457	July 1, 2015 – Sept. 30, 2015	Oct. 1, 2015 – Sept. 30, 2016

EXAMPLE OF CONTINUATION OF ELIGIBILITY

If your earnings cycle ends December 31, 2013, March 31, 2014, or June 30, 2014 and you earned at least \$35,568 in reportable earnings by the end of your earnings cycle, you can qualify for an additional twelve (12) months of earned coverage.

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Or:

If your earnings cycle ends September 30, 2014, December 31, 2014, or March 31, 2015 and you did not earn \$36,457 by June 30, 2015, but earned at least \$35,568 by June 30, 2014, you can qualify for another twelve (12) months of earned coverage.

Earnings Cycle	Minimum for Eligibility	Coverage Cycle
Oct. 1, 2013 – Sept. 30, 2014	\$35,568 by June 30, 2014, \$36,457 thereafter	Jan. 1, 2015 – Dec. 31, 2015
Jan. 1, 2014 – Dec. 31, 2014	\$35,568 by June 30, 2014, \$36,457 thereafter	April 1, 2015 – March 31, 2016
April 1, 2014 – March 31, 2015	\$35,568 by June 30, 2014, \$36,457 thereafter	July 1, 2015 – June 30, 2016
July 1, 2014 – June 30, 2015	\$36,457	Oct. 1, 2015 – Sept. 30, 2016

EXTENDED COVERAGE PROGRAM- HOW POINTS ARE EARNED

The Fund's Extended Coverage Program provides an extension of Health Fund coverage should a Writer not have the required amount of covered (reportable) earnings to qualify for regular, employer-paid coverage by awarding points as indicated below. Once a Writer accumulates a sufficient number of points, the points are applied to provide Health Fund coverage without cost to the Writer and precede any COBRA coverage which the Writer will eventually be able to purchase. For each earnings cycle (the four quarters during which a Writer's reportable earnings are calculated for employer-paid Health Fund Coverage), up to three (3) points may be earned as follows:

One (1) point for each 4-quarter eligibility cycle which resulted in Health Fund eligibility.

One (1) additional or *second point* for each four-quarter earnings cycle during which the writer earned covered compensation as reported to the Health Fund* for the indicated earnings cycles listed below.

Earnings Minimum For Second Point	Earnings Cycle Effective Date	Earnings Cycle Effective Date	Earnings Cycle Effective Date	Earnings Cycle Effective Date
130,205	07/01/10	10/01/10	01/01/11	04/01/11
132,809	07/01/11	10/01/11	01/01/12	04/01/12
135,133	07/01/12	10/01/12	01/01/13	04/01/13
137,498	07/01/13	10/01/13	01/01/14	04/01/14
125,000	07/01/14	10/01/14	01/01/15	04/01/15

*Under the rules of the Extended Coverage Program, on January 1, 2001, and the first day of each calendar year thereafter, the initial \$100,000 eligible earnings level for which a *second point* is awarded

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will be increased by an amount proportionally equivalent to the increase (if any) in the Guild minimum for a ½ hour network prime time story and teleplay. Effective July 1, 2014 the Trustees of the Health Fund agreed to set the second point qualification level at \$125,000. This number will not change with increases to minimum compensation.

Accordingly, the amount for which an additional or *second point* may be awarded is **\$125,000** for earnings cycles beginning July 1, 2014, October 1, 2014, January 1, 2015 and April 1, 2015 and thereafter.

Extended Coverage Program- Adjustment to Point Award Continued:

One (1) additional or *third point* for each four-quarter earnings cycle during which the writer earned covered compensation as reported to the Health Fund** for the indicated earnings cycles listed below.

Earnings Minimum For Second Point	Earnings Cycle Effective Date	Earnings Cycle Effective Date	Earnings Cycle Effective Date	Earnings Cycle Effective Date
233,631	07/01/10	10/01/10	01/01/11	04/01/11
238,304	07/01/11	10/01/11	01/13/12	04/01/12
242,474	07/01/12	10/01/12	01/01/13	04/01/13
246,717	07/01/13	10/01/13	01/01/14	04/01/14
250,000	07/01/14	10/01/14	01/01/15	04/01/15

**In 2004, the Board of Trustees evaluated how a *third point* is awarded. The decision was made to amend the program as follows: Effective January 1, 2005, and the first day of each calendar year thereafter, the eligible earnings level for which an additional or *third point* is awarded will be increased by an amount proportionally equivalent to the increase (if any) in the Guild minimum for a ½ hour network prime time story and teleplay. Effective July 1, 2014, the Trustees of the Health Fund agreed to set the third point qualification level at \$250,000. This number will not change with increases to minimum compensation.

Accordingly, the amount for which a *third point* may be awarded is **\$250,000** for earnings cycles beginning July 1, 2014, October 1, 2014, January 1, 2015, and April 1, 2015 and thereafter.

If you should have any questions regarding the changes or their impact on your individual situation, please contact the Eligibility Department at (818) 846-1015, press “1”, then “2” when prompted or visit our website at wgaplans.org. Your call may be recorded for quality assurance.

Sincerely,

BOARD OF DIRECTORS/TRUSTEES