



## **Contribution Requirements**

The following information summarizes the rules in the Trust Agreements governing the Motion Picture Industry (MPI) Pension & Health Plans and in various Collective Bargaining Agreements (“CBAs”). Because this is only a summary, it will not be applicable to every situation. Complete copies of the Trust Agreements are available from the MPI office. For complete information, please consult the MPI’s Trust Agreements and/or your CBA. In the event there is a conflict between the provisions contained in the Trust Agreements and a CBA, the Trust Agreements prevail.

All Employers are subject to compliance audits and are required to maintain adequate records for audit purposes. If an Employer does not maintain adequate records, MPI may determine in its sole discretion the amount of covered work performed, or that covered work was not performed, and assess or remove contributions accordingly.

For all hours worked or guaranteed, contributions must be made for each Employee covered by your CBA, regardless of whether they are members of a participating Union at the time of employment. Contributions must begin as of the effective date of the CBA, or the Employee’s date of hire, whichever is later. Contributions must continue until the termination of the CBA or until the Employee is no longer employed.

Contribution reports must be made on a continuous basis covering all weeks of the year. All contributions are due on a weekly basis and are deemed due and owing within 5 days of the close of each payroll week. They will become delinquent 5 days thereafter.

Failure to submit contributions on a timely basis is a violation of the Employer’s obligation and will result in delinquency with interest and liquidated damages assessed as provided in the Trust Agreements.

Contributions are not due for vacations, bonuses, meal periods, severance or travel, unless the Employee also performs work on the travel day. Contributions are due for holidays and all other periods covered by the CBA.

If you have no Employees to report, you must submit a notice to the MPI office indicating the period of inactivity and the approximate date employment will recommence. You may use a Report of Contributions Form for this purpose. Controlled Employers may not report inactivity, and must contribute a minimum of 48 weeks each year (see below).

## **Controlled Employers**

Contributions for qualified Controlling Employees are required for 52 weeks of the year, at 56 hours per week, except under the following circumstances:

- 2 weeks of vacation time during each 6-month Health Plan Qualifying Period, for a total of 4 weeks per year.
- Periods of unemployment or Temporary Disability compensation. Copies of the benefit check stubs are required.
- Termination of the Employer's obligation under the CBA. MPI must receive written notification of such termination from the IATSE and/or other Unions with whom you have a CBA.
- Formal dissolution of the corporation or LLC. Dissolution documents from the Secretary of State must be provided to the MPI office.

Controlled Employers must employ one or more covered Employee(s) (in addition to the Controlling Employee(s)). If the Controlled Employer fails to have at least one such non-controlling Employee during any 12 consecutive month period, or fails to employ and contribute on a minimum of 1500 hours (in the aggregate) for work performed by such other non-controlling Employee(s) during any 12 consecutive month period ("the 1500 Hour Requirement"), then Employer status for the Controlled Employer will be terminated.

Effective August 1, 2010, Controlled Employers who fail to meet the above 1500 Hour Requirement during any 12 consecutive month period will be permitted to continue to contribute on Controlling Employee(s), but must contribute for such Employees at the rate of \$10.531 per hour, which is the rate calculated by MPI each year reflecting the actuarial cost of providing benefits. That increased rate must be paid for no less than one year from the date the company is notified that it failed to meet the 1500 Hour Requirement. Note that this contribution rate is revised once a year to reflect the Health Plan's costs and the \$10.531 rate will be adjusted accordingly.

If, at the end of the one-year period, the Controlled Employer again fails to meet the 1500 Hour Requirement, the Controlling Employee(s) will be permitted to continue participation in MPI at the higher contribution rate for one additional year. In the event the Controlled Employer fails to meet the 1500 Hour Requirement at the end of the second year, the Controlled Employer will be thereafter prohibited from making contributions for all Controlling Employees.

A Controlled Employer that fails to meet the 1500 Hour Requirement for two consecutive years will no longer default to the status of a "loan out" company, but shall become a standard Employer whose agreement excludes participation of all Controlling Employees, but requires contributions on behalf of all other Employees in accordance with the terms of the applicable collective bargaining agreement.

Owners or partners of unincorporated companies may not participate in MPI.