



CONTRIBUTION REQUIREMENTS

The following is a summary of your obligations as a participating Employer in the Motion Picture Industry (MPI) Pension & Health Plans (“MPI”). For complete information, please consult the Trust Agreements and/or your collective bargaining agreement (CBA). In the event there is a conflict between the provisions contained in the Trust Agreements and your CBA with respect to reporting requirements, the provisions of the Trust Agreements will control. Copies of the Trust Agreements governing MPI are available from the MPI office. This summary is intended to assist you in meeting your obligations to MPI by informing you of the basic MPI contribution reporting rules. Please note, the Trust Agreements give the MPI Board of Directors the sole discretion to interpret and apply these rules.

OBLIGATION TO MAINTAIN RECORDS FOR AUDIT

As a signatory Employer you are required to maintain adequate records to allow the MPI to verify the accuracy of your reporting and payment of contributions. The Trust Agreements require that you make your records available for audit by the MPI upon demand. If you fail to maintain adequate records, MPI’s rules provide that the Board of Directors may determine in their sole discretion the amount of covered work performed, or that covered work was not performed, and may assess or remove contributions accordingly.

The following is a list of the categories of documents that are requested and required to be provided when the Employer is contacted for an audit:

A. Payroll Records for Each Pay Period

- Weekly, monthly, bi-weekly
- Is it manual, computer generated, etc.
- Timecards / Time Sheets
- Employees earnings records
- Payroll register / Journal
- Payroll check stubs
- Start Cards / W-4
- Deal Memos / Personal Services Agreement

B. Payroll Tax Reports

- Employer’s Quarterly Federal Tax Return
- Quarterly Form DE-9
- 1099’s & 1096’s
- W-3 / 940- If necessary

C. Accounts Payable Records

- Cash Disbursement Journal
- Check Register
- Cancelled Checks/Bank Statements
- Substantive Documentation- As needed

D. Accounts Receivable

- Accounts Receivables Register / Journal
- Client Billings / Invoices / Contracts
- Financial Statements

REPORTING REQUIREMENTS

1. Contributions must be made for each Employee performing work covered by your CBA for all hours worked or guaranteed, regardless of whether your Employee is a member of a participating Union at the time of employment, ultimately qualifies for benefits, or performs additional services not covered by the CBA.
2. Based on the CBA, Individual Account Plan (IAP) percentage contributions may be due in addition to hourly contributions for certain job classifications. Contributions must be made for each Employee performing work covered by your CBA, regardless of whether the Employee is a member of the participating Union at the time of employment, ultimately qualifies for benefits, or performs additional services not covered by the CBA.
3. Contributions are required for each covered Employee as of the effective date of the CBA, or the Employee's date of hire, whichever is later.
4. Contributions for each covered Employee must continue until the termination of the CBA or until the Employee is no longer employed.
5. Contribution reports must be submitted and payment must be made on a continuous basis covering all weeks of the year. Contributions *and* reports are due weekly and are deemed delinquent ten (10) calendar days after the end of the payroll week. The close of each payroll week is midnight every Saturday.
6. Contributions are not due for vacations, bonuses, meal periods, severance or travel, unless the Employee also performs work on the travel day. However, contributions are due for holidays and any other periods covered by your CBA.

7. If you have no Employees to report, you must submit a report 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. Employers employing Controlling Employers may not report inactivity for Controlling Employees and must contribute a minimum of forty-eight (48) weeks each year for each Controlling Employee (see below).
8. In the event contributions are delinquent you will be assessed interest and liquidated damages in accordance with the Trust Agreements and will be required to pay these amounts in addition to the unpaid contributions. Interest accrues from the due date of the contribution and continues to the date of payment. Liquidated damages shall become due and payable after ten (10) calendar days from the close of each payroll week and will continue to accrue until the contributions are paid.
9. The Directors may terminate your status as a participating Employer if your delinquency continues for a period of twenty-one (21) days after the date of mailing of written notice by MPI of the intent to terminate.

REPORTING BY PERMANENT FACILITIES

The Motion Picture Industry (MPI) Active Health Plan Summary Plan Description (“SPD”) under the section entitled “Permanent Facilities” describes a “permanent facility” as a shop or facility that maintains a permanent address consisting of a physical location and year-round staff consisting of regular employees whose business is primarily the furnishing of materials or services for the motion picture industry. A permanent facility must directly be a signatory to a Collective Bargaining Agreement in order to participate in the Plan; a non-signatory permanent facility may not make contributions through a payroll company.

The Motion Picture Industry Health Plan Agreement and Declaration of Trust define “Employer” as any member of the Associations or any other Employer which produces motion pictures or commercials in the Los Angeles area *or whose business is primarily the furnishing of materials or services for motion picture or commercial production in said area*, and who becomes a party to this agreement, and who has duly executed a Collective Bargaining Agreement with any Union which is or becomes a party hereto and which agreement requires contributions by such employer to this Trust.

Please note that an Employer’s status as a permanent facility is subject to review at the time a Collective Bargaining Agreement is submitted to the Plans for approval and, as with all participating Employers, an Employer operating as a Permanent Facility is subject to audit by the Plans. The Trust Agreements to which the Employers are a party and federal law require that the Employer keep adequate records documenting the accuracy of such contributions and make these records available for review by MPI’s auditors. In accordance with MPI’s audit program, all Employers are audited on a cyclical basis. The audit review includes verification of *both* the Employer’s qualification to participate in MPI (*primarily the furnishing of materials or services*) and the accuracy of the Employer’s reporting and payment of contributions to MPI.

For any new Employer who is a Permanent Facility, the Plans will schedule an audit within the first six (6) months of participation to verify the Employer’s status as a Permanent Facility and to assure that records are being properly maintained.

The permanent facility will provide an updated company data sheet on an annual basis to certify that it is continuing to satisfy all of the requirements along with providing high level accounts receivable information including identification of the portion of the revenues received from the motion picture industry sources and those received from non-industry sources and the invoices to align against the revenue.

REPORTING FOR CONTROLLED EMPLOYERS

Owners or partners of unincorporated companies may not participate in MPI. An Employee who is also a shareholder of a corporation, member of an LLC, or an officer of the Employer, or the spouse of such a controlling shareholder, member or officer, or is similarly situated as an employee or spouse of any other eligible business entity and is not the only Employee of an Employer who works under an applicable CBA, may participate in MPI and is called a Controlling Employee. The Employer of such Controlling Employees is called a “Controlled Employer”.

CONTROLLED EMPLOYERS

1. Contributions for qualified Controlling Employees are required for not less than fifty-six (56) hours per week and for not less than forty-eight weeks of the year.

However, the number of weeks during any calendar year or the amount of required contributions for any week may be reduced provided adequate documentation is submitted to MPI that establishes:

- Periods of receipt of Unemployment or Temporary Disability benefits. You must provide copies of the benefit check stubs.
- Contributions made on behalf of the Controlling Employee for the week by any other Employer party to the MPI.
- 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. You must provide formal dissolution documents from the Secretary of State to the MPI office.
- Vacation time, up to four weeks in any calendar year, may be reported to the Plans, thereby reducing the total contribution obligation for the Controlling Employee(s) to forty-eight (48) weeks per year.

2. Controlling Employee(s) must perform services covered by your CBA for at least part of any given twelve (12) month period.
3. Controlled Employers must employ one or more covered Employee(s) (in addition to the Controlling Employee(s)), for at least fifteen hundred (1500) hours (in the aggregate) during any twelve (12) consecutive month period (“the 1500 Hour Requirement”). If the Controlled Employer fails to employ at least one such non-controlling Employee during any twelve (12) consecutive month period, or fails to employ and contribute on a minimum of fifteen hundred (1500) hours (in the aggregate) for work performed by such other non-controlling Employee(s) during any twelve (12) consecutive month period, the following rules apply.

CONSEQUENCES FOR CONTROLLED EMPLOYERS’ FAILURE TO MEET THE 1500 HOUR REQUIREMENT

Effective August 1, 2010, Controlled Employers who fail to meet the above 1500 Hour Requirement for the non-Controlling Employee during any twelve (12) consecutive month period will be permitted to continue to contribute on behalf of Controlling Employee(s), but must contribute for such Employees at the rate calculated by MPI each year reflecting the actuarial cost of providing benefits. This 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 Plans’ costs and will be adjusted accordingly.

If, at the end of the one (1)-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 (1) 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 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(s). In the event a Controlled Employer is determined to be a “loan out” after the two consecutive year period, the Plans may terminate the Employer’s participation in the Plans.

Please contact the Employer Contracts Department at employercontracts@mpiphp.org with questions pertaining to any of the information contained in this document.