



CONTRIBUTION REQUIREMENTS

The following is a summary of your obligations as a participating Employer in the Motion Picture Industry (MPI) Pension & Health Plans. Copies of the Trust Agreements governing MPI are available from the MPI office. 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. This Summary is provided to alert you to the basic reporting rules and to assist you in meeting your obligations to MPI. The Trust Agreements give the Board of Directors the sole discretion to interpret and apply these rules.

OBLIGATION TO MAINTAIN RECORDS FOR AUDIT

All Employers are subject to compliance audits and are required to maintain adequate records. Your records must be made available for audit upon demand. A sample audit announcement letter which details the categories of records required by MPI for audit is attached. If you fail to maintain adequate records, MPI's rules provide that the Boards 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.

REPORTING REQUIREMENTS

1. For all hours worked or guaranteed, contributions must be made for each Employee performing work covered by your CBA, regardless of whether they are members of a participating Union at the time of employment, ultimately qualify for benefits, or perform additional services not covered by the CBA.
2. 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.
3. Contributions for each covered Employee must continue until the termination of the CBA or until the Employee is no longer employed.
4. Contribution reports must be submitted and payment must be made on a continuous basis covering all weeks of the year. All contributions are due weekly and are deemed due and owing within 5 days of the close of each payroll week. They will become delinquent 5 days thereafter.
5. 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 any other periods covered by your CBA.

6. 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).
7. In the event contributions are determined to be delinquent you will be assessed interest and liquidated damages in accordance with the Trust Agreements. Interest accrues from the due date of the contribution and continues to the date of payment. Liquidated damages shall become due and owing five working days after MPI's notice of delinquency and continue until the contributions are paid.
8. The Directors may terminate your status as a participating Employer if your delinquency continues for a period of twenty-one days after the date of mailing of written notice by MPI of intent to terminate.

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. The Employer of such Controlling Employees is called a "Controlled Employer".

CONTROLLED EMPLOYERS

1. Contributions for qualified Controlling Employees are required for 52 weeks of the year, at 56 hours per week, except under the following circumstances:
 - Up to 2 weeks of non-reportable 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 must be submitted. .
 - 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.
2. Controlling Employee(s) must perform services covered by your CBA for at least part of any given 12 month period.

3. Controlled Employers must employ one or more covered Employee(s) (in addition to the Controlling Employee(s)), for at least 1500 hours (in the aggregate) during any 12 consecutive month period (“the 1500 Hour Requirement”). If the Controlled Employer fails to employ 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 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 12 consecutive month period will be permitted to continue to contribute on 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 Health Plan’s costs and 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 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. 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.