



# EP Payroll Processing Guide

Production Payroll Processing  
with EP as a Statutory Employer

February 2023



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## Quick FAQs & Links: Onboarding with Entertainment Partners

### ***Setting up for Processing***

Your Account Manager will help you set up your account for processing. In order for Entertainment Partners (EP) to process your payroll, you will need to make sure any union/guild agreement **Signatory Paperwork is turned in for unions to which your project is signatory, so that EP can pay your employees correctly, a Certificate of Insurance has been turned in to and approved by EP, and any deposits are finalized. Note that any Minor's Trust or Non-Affiliate opt in paperwork must be submitted as well, for correct processing.**

### ***Paymaster Assignment***

**Two weeks before you are ready to turn in your first payroll, contact your Account Manager to have a paymaster assigned.** If a paymaster has not been assigned by the time your first payroll is ready, or if you submit payroll at the same time you ask for a paymaster, your payroll should be submitted to your Account Manager, and it will be processed by a temporary paymaster while a long term paymaster is assigned, with their manager and their back-up. If you have payroll questions before you are ready to process payroll, please let your Client Experience Account Manager know and they will connect you with one of our Paymaster Managers to answer all your questions.

### ***Payroll Turn Around Times***

Payroll turnaround times vary based on how payroll is submitted. **When an EP paymaster keys the payroll, an edit will be provided within 48 hours. When the project's accountant or team keys the payroll using EP SmartTime, EP paymaster will provide an edit within 24 hours.** Both turnaround times are dependent upon your payroll set up being complete, and the correct paperwork being submitted. Turnaround times are for the initial edit only, additional turnarounds for corrections, modifications, or any missing necessary paperwork will impact the total processing time.

### ***Payroll Routing***

Ideally, you should discuss your routing options, such as **print site location, pick up/delivery, remote printing or FedEx**, with your Account Manager before you submit your first payroll so there are no delays or issues with payroll delivery.

### ***Direct Deposit***

Ask your Account Manager about activating Direct Deposit for your project. Note payroll which has Direct Deposit payments, the payroll must be released (i.e., approval by your accountant is provided to EP to release payroll) by no later than 6:00 pm PST the day before it should be deposited in the employee's account. **Direct Deposit is now set up through the My.EP.com portal by the employee, exclusively.** Instructions for the employee can be found here: [Direct Deposit FAQs](#)

### ***Supplies and Forms***

Supplies such as check stock, envelopes and forms can be ordered from your Account Manager or paymaster free of charge, you only pay for shipping. EP also has electronic, fillable versions of all forms, including tax forms, which you can also request from your paymaster. California and New York State tax forms can be ordered from EP, all other State tax forms can be found here: [Symmetry](#)

### ***Foreign Shoot Locations and Tax***

Clients shooting in a foreign location using U.S. talent and/or crew should reach out to [EP Tax Support](#) regarding the details of the foreign tax laws immediately, prior to filming in a foreign country, before you submit the payroll so that the taxes are correct and no adjustments are necessary later. Your Account Manager or paymaster will coordinate with Tax Support to make sure processing set up is correct. **Be prepared to let the paymaster or Account Manager know which U.S. talent and crew will be working in the foreign location, on which dates, and whether the project or EP will be remitting the taxes for the production.**



## Chapter 1: Setting Up Your Project for Success with EP

Setting up your project for processing is completed by your account manager in conjunction with our setups team. Missing paperwork for non-affiliates, union/guild signatories, and insurance, or missing ACH or wire deposits can delay EP's ability to process payroll in a timely manner. Please work with your account manager to make sure everything is in place before you submit your first payroll.

### **Signatories**

Signed union/guild agreements should be in place for all union employees you plan to pay, a week or two before you submit your first payroll so there is no delay in paying your employees. Speak to your account manager to make sure everything is in place and the payroll system affiliations for union and non-union job classifications are open for your paymaster to process the payroll or there may be delays getting your people paid.

### **Insurance**

EP clients are required to maintain General and Auto Liability insurance coverages (along with foreign, aircraft, drone/unmanned aircraft, and watercraft as applicable) provided at the time of set up throughout the life of the project and name EP as an additional insured for such coverages. In the event any of your insurance coverages expire prior to the completion of the project, a renewal certificate naming EP as additional insured must be sent to [Certificate Inquires](#) to avoid interruption to payroll services. Without a valid, approved Certificate of Insurance, we cannot process payroll. Click here to see a copy of our [Sample Certificate](#).

### **Non-Affiliate Employees**

Opt-in paperwork must be turned in for Non-Affiliate employees for each show the employee works and will need to be approved by the Labor Relations department each time, before the employee(s) can be paid. The Non-Affiliate opt-in form is show specific, not production company or employee specific.

### **ACH Deposits and Wire Transfers**

Deposits to EP for payroll must be completed before payroll can be processed. Note: EP's accounting department is centered in Los Angeles, so approvals or confirmations of overnight wires and ACH transfers are not typically received until noon EST.

### **Foreign Shoot Tax Set Ups**

If you are shooting in a foreign location with U.S. talent and/or crew, please reach out to [EP Tax Support](#) regarding the details of the foreign tax laws immediately, prior to filming in a foreign country, before you submit the payroll so that the taxes are correct and no adjustments are necessary later. To avoid any delays in payroll, issues with end of year tax documents, or rush adjustments at the end of the year, makes sure to discuss your foreign shoot details with your account manager, or paymaster.

### **Payroll Routing**

EP offers multiple options for payroll routing – onsite printing at EP and distribution by mail, UPS or FedEx, or shipping by a provider of the clients choosing. You may also choose to print remotely – check with your Account Manager to set up this service. Our Burbank office also offers driver delivery in specific zip codes zones. Your Account Manager can set up your routing options prior to your first payroll, or your paymaster can set them up once payroll arrives.

### **Product Support**

Contact our product support department for any technical issues with your EP Smart products or Scenechronize (call 818-995-6300 or email [EP Support](#)). For all other issues, please talk to your paymaster. If you need help setting up an EP Smart Studio product or accounting product, please contact your account manager.

**Paymaster Assignment**

Once your paymaster is assigned, you will be emailed a Welcome Letter with their contact and schedule as well as that of their manager and back-up. Please make sure to give the name and email address of anyone who should be included on the email to your account manager when you request a paymaster assignment.

**Helpful Contacts for Clients**

Casting Payroll Support	<a href="mailto:cpinquiries@ep.com">cpinquiries@ep.com</a>	(800) 562-2718
Certificate of Insurance (COI) issues	<a href="mailto:certs@ep.com">certs@ep.com</a>	Email Only
Contract Services Letter for Union Membership or upgrade. ( <a href="#">Form Here.</a> )	<a href="mailto:cslr@ep.com">cslr@ep.com</a>	(818) 955-4469
Employment Verification + Unemployment	<a href="mailto:UIGroup@ep.com">UIGroup@ep.com</a>	(818) 955-4449
EP Cares for Employers	<a href="mailto:epcares@ep.com">epcares@ep.com</a>	(855) 339-7350
EP Cares for Employees	<a href="mailto:Myepcares@ep.com">Myepcares@ep.com</a>	(855) 339-7350
EP Unclaimed Property	<a href="mailto:EPUnclaimedProperty@ep.com">EPUnclaimedProperty@ep.com</a>	(818) 955-4047
Minors' Trust/Coogan Account Issues & Inquiries	<a href="mailto:minorstrust@ep.com">minorstrust@ep.com</a>	Email Only
My.EP.com Portal Support	<a href="mailto:myepsupport@ep.com">myepsupport@ep.com</a>	(800) 417-0037
Payment Support - W-2/1099 and Tax Questions and other Payroll Inquiries by Employees	<a href="mailto:paymentsupport@ep.com">paymentsupport@ep.com</a>	(800) 417-0037
Payroll Garnishments and Liens	<a href="mailto:garnishments@ep.com">garnishments@ep.com</a>	(818) 955-4441
Product Support (all accounting products, Smart Studio products, etc.)	<a href="mailto:support@ep.com">support@ep.com</a>	(818) 955-6300
Talent Agency Change of Address – For use by Talent Agents and Agencies only	<a href="mailto:AgencyAddressChange@ep.com">AgencyAddressChange@ep.com</a>	Email Only
Tax Incentives - for incentive State information	<a href="mailto:incentives@ep.com">incentives@ep.com</a>	Email Only
Tax Support – for all tax inquiries	<a href="mailto:taxsupport@ep.com">taxsupport@ep.com</a>	Email Only
Pension Inquiries (Union 401K and Missing Hours for PH&W/MPIP Health Plan)	<a href="mailto:phw-inquiries@ep.com">phw-inquiries@ep.com</a>	(818) 955-4446
Worker's Comp questions	<a href="mailto:insurance@ep.com">insurance@ep.com</a>	Email Only
Worker's Comp Claims	<a href="mailto:claims@ep.com">claims@ep.com</a>	Email Only





## Chapter 2: Processing Times, Payroll Routing/Delivery

EP works with payroll accountants to provide accurate and timely payroll processing and edits. In order for EP to comply with laws and union labor agreement provisions regarding timely payments, production companies must deliver payroll information (start cards, deal memos, timecards, etc.) on a timely basis.

EP's payroll Start Packet and timecard forms update over time, clients should make sure to check with their paymaster to ensure the current versions are being used. Any late payment penalties or other claims attributable to the failure of the production company to make punctual delivery of accurate payroll information to EP shall be the sole responsibility of the production company.

### Turnaround Times

Payroll that is keyed by an EP paymaster will provide an edit within 48 hours providing the paymaster has everything needed. For payroll that is keyed by the project's accountant or team using EP SmartTime, EP will provide an edit within 24 hours. This excludes weekends and holidays, and extenuating circumstances. Both turnaround times are dependent on your payroll set up being complete, and the correct paperwork/data being submitted. **Any payroll that arrives after 4:00 pm on any business day, is considered as arriving the next business day.** Turnaround times are for the initial edit only, turnarounds for corrections to payroll edits add time to the processing in addition to the initial turn. This does not account for any edit corrections required or missing paperwork. **Any requirements by our Finance/Treasury department must be met before payroll is released, routed or allowed to be remotely printed.**

*Note: EP's Finance/Treasury department is centered in Los Angeles, so approvals or confirmations of overnightwires/ACH transfers are not typically received until noon EST.*

**NOTE:** If the payroll requires an unusual amount of corrections due to information that was not indicated on the original timecard, processing time may be extended.

### Secure File Transfer with EP

You have several options for Secure File Transfer with EP, to send and receive files:

**Global Vista Secure File Transfer** – Files may be exchanged for up to 10 days, then the link deactivates and the files on the link are deleted.

**New SmartTime: Payroll Submission Only** – If you only need to submit payroll securely and don't want to use the full version of New SmartTime, you can have your account manager set up a Submission Only account. Once your Account Manager has set up New SmartTime for your project, on a submission only basis, you can submit PDF batch via New Smart Time. Your data never expires.

**SmartHub Secure File Transfer** – This is a four-folder system. The first folder is for file uploads from the client and the paymaster is alerted when new files are uploaded. The second folder is an archive and acknowledgment of receipt of payroll. The third folder holds the edits uploaded by the paymaster – the client is auto-notified when an edit is uploaded. The fourth folder archives edits. EP SmartHub archives your data as long as you have the system. This system has military grade security, and, if your studio utilizes MFA, that is applied as well.

### Edits

EP will gladly provide a pre-check edit should you so request. If you require a pre-check edit, please advise your paymaster. Edits will be sent using a Secure Link with either Global Vista or SmartHub. Clients will need to register for the various secure link programs in order to access the secure link emails. Contact your Client Experience account manager to discuss which solution is best for you. If you need to change the way you submit or received payroll after your paymaster has been assigned, please speak to them directly. **Note** that the turnaround time for the first edit is 48 hours when EP keys the payroll and 24 hours when the client keys the payroll with SmartTime, assuming EP has all the necessary paperwork. Additional edits or changes will add time.



## Payroll Routing through Payroll Reception

### **Payroll Reception Hours of Operation – Burbank Office**

Monday & Tuesday 8:00am to 5:00pm

Wednesday thru Friday 8:00am to 6:00pm

Payroll Pick up begins at 9:30am M-F

Payroll Reception is closed all major holidays and weekends.

Hours may vary the day before a holiday – please check with your paymaster for specifics.

**Note** that Payroll Reception at the Burbank office has its own entrance located to the right of the main entrance at the EP Burbank office.

For information on routing through remote offices in Florida, Georgia, Louisiana, New York and New Mexico, please see In Town Payroll Delivery section below.

While payroll may be routed any of the following ways – please let your Account Manager or paymaster know which one is your preference so they may set up the workflow in the EP system.

### **Routing Options**

Payroll may be: (1) held at EP for pick up; (2) mailed via USPS and billed to the client; (3) sent by FedEx or UPS using the client's account number; or (4) delivered by courier, scheduled by the client, and at the client's expense. Clients may also choose to print remotely at a location of their choosing and bypass any need for routing. Please speak to your Account Manager if you would like to set up remote printing.

If you are located in the Los Angeles area, check with your paymaster to see if you are eligible for complimentary payroll delivery based on your zip code location. Note that this service does not guarantee a delivery time. Drivers deliver between 10:00am and 6:00pm PST business days. Please schedule a courier, as above, if you need payroll delivered at a specific time. If you need to have your payroll sent by FedEx the same day, it must be released by 1:00pm PST so we can package it and meet the FedEx and UPS pick up deadlines for shipping.

### **Picking Up Payroll – Burbank, CA Office Only**

If you are sending a runner to pick up payroll, please be sure that the runner asks for payroll **by invoice number**. If a runner is picking up for multiple productions, s/he should ask for each payroll package using the individual **invoice numbers**. If you have questions about this security measure, please speak to your paymaster.

**NOTE:** Payroll processed after 6pm is sorted the next morning. To ensure payroll is not misrouted, it is our policy that payroll pick-ups begin at 9:30 AM.

### **Picking Up Returned Checks – Burbank, CA Office Only**

If an employee's check has been returned to EP's Burbank office to EP by the post office, the client or the employee may request to pick it up at Payroll Reception during working hours. The person picking up will need to have the Case Number(s), which they can request from their paymaster.

### **Holiday Closures**

EP follows the IATSE holiday closure schedule. For all observed holidays, EP will send out a Holiday Closure schedule in payroll packages and through emails from your paymaster. **Note** that EP does not send out information for Federal Bank Holidays that are not observed by IATSE, such as Veteran's Day. EP closes early the weekday before any observed holiday closure, but there will always be a coverage team that you can reach by calling EP reception at (818) 955-6000.





## In-Town Payroll Delivery from EP Offices

### ***New York***

EP New York contracts with a messenger service. If in-town delivery is requested, we can messenger the payroll packages, for a fee, within Manhattan, Brooklyn, Staten Island, Queens, and the Bronx. The fee will vary based on the size and delivery location. Clients may pick up payroll at the New York office with prior arrangement – speak to your paymaster to arrange pick up.

### ***California***

EP Burbank offers complimentary payroll delivery to most of the local production offices and studios. Contact your EP payroll account manager or paymaster to determine whether-or-not the in-town location is eligible for this service.

Payroll delivered by EP drivers will be delivered between 10:00 am and 6:00 pm. We cannot guarantee that payroll will always be delivered at the same time to any given location. If you require your payroll by a specific time, it may be advisable to send a runner or schedule a courier.

**NOTE:** This complimentary service is a delivery service, rather than a “pick-up” service and EP drivers do not return to EP until early evening. If you give something to the EP driver to bring back to EP, it will be logged in as having been received the following day. Accordingly, drivers are not making a stop at your location unless they have payroll to deliver.

**To schedule a pick-up:** Contact your paymaster or payroll Account Manager. For a same-day pick-up please notify your paymaster or account manager before 9:45 am for same day service. If we are unable to accommodate your request, we will schedule the pick-up for the next business day. Items will be picked up between 10:00 am and 6:00 pm.

### ***Louisiana, Georgia, Florida and New Mexico***

Remote offices (New Mexico, Louisiana, Florida, Georgia) are not contracted with a courier service nor do they have on-staff drivers. Clients should speak to their paymaster to inquire about the possibility of picking up payroll from the offices or arranging to send a courier for pick up.

## Location Delivery

### ***FedEx/UPS***

If you are receiving your payroll via FedEx or UPS, please verify that your paymaster has: (1) the **exact** delivery address, including room number and/or building name or number, if applicable, (2) the contact information, including the recipient’s name, and telephone number, and (3) **the account number** to which the shipment is to be billed. Please note that payroll must be released by no later than 1:00 pm on the day of shipping to meet FedEx pick up deadlines.

If you will receive payroll at multiple locations, please submit payroll separated by site and clearly indicate to which address each batch of checks (i.e., invoice) is to be routed.

**If you move from one location to another** and the old destination is obsolete and will no longer have payroll routed to that location again, please inform your paymaster to have the old address deleted from our FedEx system to reduce the risk of a payroll being misrouted.



### ***FedEx and UPS Saturday Delivery***

If you require Saturday delivery of any given payroll, please be sure to indicate that the payroll is for Saturday delivery. Also, indicate if the Saturday delivery address differs from the standard address. Note that FedEx does not offer Saturday delivery to all locations.

### ***Other Delivery Services***

EP regularly uses FedEx and UPS and has standard pick-up times with them – if you would like us to ship via UPS or FedEx, we will need to have your shipping account number on file. If you are using another courier service, we need to be notified so that we can schedule a pick-up. It is your responsibility to schedule outside courier services. If you receive your payroll by a courier other than FedEx or UPS, please advise your EP paymaster of their requirements.

### ***Hawaii and Foreign Destinations***

Some destinations do not offer priority overnight delivery service. Please verify delivery options and, if applicable, consider sending payroll with your film runs.

### ***Supplies***

If you want to have payroll supplies, such as check stock, envelopes or forms sent to you via FedEx or UPS, and they are not a priority, please advise your paymaster to have them sent “2<sup>nd</sup> day.” If you do not specify, we will send them priority overnight. Please note: FedEx does not offer 2<sup>nd</sup> Day deliver to all locations. If you pick up your payroll from the Burbank office, you may also pick up pre-ordered supplies from Payroll Reception with your payroll.



## Chapter 3: Start Cards/New Hire Documentation

A start card must be submitted for every employee on a show (i.e., start cards are show-specific, not production company-specific) for each show they work on. **Even if the production company has hired the employee on other shows, a new start card is needed when the employee works on a new project.**

This is not only to comply with certain legal requirements surrounding breaks in employment, but also to ensure that all pertinent information is up to date.

The term “start card” is used loosely to refer to all relevant hiring paperwork required for an employee. The paperwork required may vary from state to state and from union to union. The following pages list out many of these requirements. Separate chapters with information on Non-Union (Chapter 5) and Union (Chapter 6) processing contain additional information on start card requirements.

If your project is using SmartStart, which includes EP’s secure digital start packet, the program will send all relevant start forms, tax forms, studio documents, etc. with your offer when you send it to the employee. When the employee submits the start paperwork from the online portal, it will automatically be sent to EP. Once a studio has requested to use SmartStart, our team will work with the studio to add all of the specific studio documents in addition to the EP start information. SmartStart connects directly to SmartTime for easy access to the employee’s start card and invitation to mobile timecard access. To set up SmartStart for your project, please talk to your account manager. [Click here for more information about SmartStart.](#)

### Regular Employees

Start paperwork for regular employees (meaning individuals directly hired by the client production as employees) is provided in a Start Packet that contains a start card – which collects all the necessary information for processing timecards – as well as an I-9 Form to verify the employees’ right to work in the United States and federal W-4 form for federal income tax withholdings. EP updates the I-9 and W-4, which is included in the EP payroll Start packet, each time the Federal government updates them, so please make sure you are using the most current EP Start packet.

The EP payroll start card is for use with both union and non-union regular employees as is the EP crew timecard.

### *I-9 Forms*

Federal law requires an [I-9 form](#) to be completed by each new employee. Because there are strict penalties on production company clients for non-compliance, **Entertainment Partners requires clients to have each regular employee to submit a completed I-9 form, on each production** (i.e., the I-9 is show-specific, **not** company-specific). The I-9 is part of the regular EP Start card. Even though Hollywood local union members have I-9’s filed with Contract Services, EP still requires **all** employees to complete an I-9. (Please note that loan-out personnel are not required to submit I-9s, since the loan-out company being engaged by the production is a business entity, not an individual employee.) A production staff member should be trained on the proper intaking/completion of the I-9 form to avoid incomplete forms because the I-9 employer is the production company/studio organization hiring the individual production worker employees. As the I-9 employer, the hiring production company/studio’s information would be included in the employer part of Section 2 at the bottom of the I-9, not EP’s information.

### *E-Verify*

Certain states are requiring electronic verification of an individual’s employment eligibility in the United States using the federal government’s E-Verify system. EP can assist by checking each employee working in an E-Verify mandatory state on the E-Verify website and verify their eligibility to work in the United States. **This verification is required within 3 days of the start of employment.** In order for EP to comply with this deadline, start cards need to be forwarded to EP immediately (i.e., do not wait and send them with the timecards). States currently mandating E-Verify for private employers like studios/production companies are: Alabama, Arizona, Georgia, Louisiana\*, Mississippi, North Carolina, South Carolina, Tennessee, and Utah. \*Louisiana is unique in that there is an alternative to using E-Verify (visit:[https://www.laworks.net/E\\_Verify.asp](https://www.laworks.net/E_Verify.asp)).



Click here for more information about [E-Verify compliance](#). In addition, some jurisdictions (cities and states) have tax incentive programs that require the use of E-Verify; please work with the EP Tax Incentives department for requirements at [EP Incentives](#)

### **Federal W-4 and Equivalent State Tax Form Required**

The IRS developed a new Form W-4 that went into effect on 1/1/2020. The redesigned W-4 abandons the concept of filing status-based withholding allowances we are accustomed to using, e.g., married and 3, single and 2, etc. On the new W-4, employees will answer pointed questions aimed at identifying key amounts of income and deductions, resulting in a more precise income tax calculation. A new W-4 will be required for all new hires never paid by EP before 1/1/2023. Please refer to the [FAQs and guidelines](#) on the IRS site.

**Since equivalent state tax withholding forms did not update to mirror the current federal W-4, EP needs both the federal W-4 and state equivalent tax withholding forms. Any incomplete federal W-4 or state equivalent tax withholding form will default to maximum withholding.**

Please contact our Tax Support team at [EP Tax Support](#) with any additional questions.

### **Loan-Out Personnel**

Payroll start packets for loan-out companies, engaged by the client production to provide the services of the loan-out company's owner to the project, are different from the payroll start packets submitted by client productions for EP to pay the production's individual employees. The loan-out start packet requires additional information in order for EP to pay the loan-out company engaged by the client production. Loan-out start packets do not contain any I-9 or W-4 forms because the loan-out entity engaged by the client production is not an employee.

EP can pay valid corporations (or LLCs taxed as, or fully-owned by, a corporation), subject to confirmation by an officer of the corporation/LLC of certain facts as set forth on the loan-out start card, as follows:

- Federal ID number
- The type of corporation must be one of the following:
  - US corporation
  - LLC owned by a corporation
  - LLC taxed as a corporation

**A domestic LLC owned by an individual** is disregarded as an entity separate from its owner and must include all of its income and expenses on the owner's tax return (e.g., Schedule C – Form 1040 if the sole member is an individual). EP **will treat the owner as an employee** and not as a "loan-out" company, and thus completed W-4 (and equivalent state tax withholding form) and [I-9 Employment Eligibility Verification Form](#) will be required.

**A domestic LLC with two or more members** is treated as a partnership and must include all of its income and expenses on the owner's Form 1065. EP **will treat the owners as employees** and not as a "loan-out" company, and thus completed W-4 (and equivalent state tax withholding form) and I-9 forms will be required.

**A domestic LLC owned by a corporation** will file Form 1120 US Corporation Tax Return and will be treated as a "loan-out" company.

### **Documentation Requirements for a Non-U.S. Company**

- Articles of Incorporation
- Other valid proof (check with the [EP Tax Support](#))

**NOTE:** A non-U.S. company is subject to 30% federal withholding unless the IRS has granted a tax waiver.



## State of Incorporation/Formation Business Qualification Withholding

As of January 1, 2022, the following states require state withholding on corporations and LLCs that are either not qualified to do business within their jurisdiction, or subject to performer withholding for state film incentive purposes (performers may include actors, singers, dancers, stunt persons and other performing artists depending on jurisdiction):

- California – 7%
- Colorado – 4.4%
- Georgia – 5.75%
- Hawaii 4.50%\*
- Louisiana – 4.25%
- Massachusetts – 5%
- Mississippi – 5%
- Montana – 6.90%
- New Jersey – 6.37%
- New Mexico – 5.90%
- North Carolina – 4.75%
- South Carolina – 2%
- Puerto Rico – 20%

**\*For Hawaiian incentive the production company and each Loanout must have their HI GET number prior to submitting payroll.**

Please see [Chapter 12: EP Tax Notes](#) for more information on tax incentive states.

## Work State Withholding

Certain states require that city or county withholding be applied for employees working and/or residing in these jurisdictions. When filling out an employee's start card, please be sure to indicate the city and county associated with the default work state. Under-withholding liability and any penalties/interest resulting from the failure of the production company to provide the complete work state/county/city information will be the sole responsibility of the production company.

## Individual Independent Contractors

Federal and state governments presumptively consider any directly hired individual working under your direction or control to be an employee (i.e., to whom you supply an office, dictate hours and/or working conditions, etc.). As such, income tax withholding, as well as employer taxes (e.g., FICA, SUI, FUI), are due on wages and taxable allowances, etc. If the employer incorrectly classifies the individual worker as an independent contractor, potential liabilities exist for employment taxes, workers' compensation, and wage-hour responsibilities such as minimum wage, overtime, breaks, timely pay, wage statements and various notices. In addition, penalties and interest may be levied for violations. Even if the income is reported on a 1099 form, there would be no relief from these obligations if the individual is deemed an employee under the law. Because of this risk, EP does not pay individual direct hires on client productions as independent contractors.

## Notices and Pamphlets

The Federal government and certain states, cities, and counties may require specific pamphlets, guides and notices to be distributed and/or signed by employees upon hire. Below are some examples. Note that if you are using SmartStart, some relevant government forms will already be included, and you can work with EP's SmartStart team to include additional government forms in SmartStart as relevant for your project. These materials along with the rest of your project's start paperwork will be sent to an employee when you send a hire offer, and they can then sign on to the SmartStart portal and fill out and sign the digital forms. Once submitted, the forms are sent to EP automatically as well as being stored in your SmartStart new hire folder.



### **CA Pay Rate and Payday Notice (aka WTPA Notice)**

At start of employment on a project, non-union, non-exempt employees working in the state of California sign for receipt of a document acknowledging their rate(s) of pay, their designated payday, and certain other information relating to their employment in accordance with California's Wage Theft Protection Act (WTPA).

**NOTE:** Union employees making less than 30% above California minimum wage are also technically subject to this legal requirement, however, practically speaking, union employees make more than 30% above the California minimum wage. For example, if the applicable California minimum wage were \$15/hour, the union hourly non-exempt employee would need to be paid below \$18/hour (\$15/hour minimum wage + \$3 (30% of \$15/hour) in order to be subject to the pay rate/payday notice requirement.

EP has created a 3-part **Notice to Employee** form to be filled out by the production company and distributed to the employee at the time of hire. The original should be sent to EP to be filed with the employee's start card, leaving a copy for the employee and one for the production.

**NOTE:** The CA and NY pay rate and payday notices are not required for loan-out companies since the loan-out is a business entity, not an employee.

### **CA ONLY - Time of Hire Pamphlet & Medical Provider Network (MPN) Pamphlet**

Whenever EP provides workers' compensation on projects in California, it is required that at the time of hire, all employees be provided with a **Time of Hire Pamphlet**.

The Time of Hire Pamphlet describes workers' compensation and how it works. It also explains that, unless the employee pre-designates their personal physician, s/he must use a doctor from the Medical Provider Network with which EP has contracted (AIG). The doctor must approve the request for pre-designation.

A Medical Provider Network (MPN) Employee Notification must be posted in both English and Spanish, and a copy must be provided to an employee immediately upon receiving notice of a work-related injury.

Any questions regarding these forms may be addressed to EP's Risk Solutions department at 800.955.4878 or [claims@ep.com](mailto:claims@ep.com).

### **NY Pay Rate and Payday Notice (aka WTPA Notice)**

At start of employment on a project, under New York law all regular employees — whether union or non-union, exempt or non-exempt, must be given, and sign acknowledgment of receipt of, the **Notice to Employees and Acknowledgment of Pay Rate and Payday** form in accordance with New York's Wage Theft Prevention Act (WTPA). This form should be submitted with each employee's start paperwork.

**NOTE:** Productions performing work in multiple states should denote the work state(s) (and city/county as applicable) on each employee's timecard.

### **Notice of Exchange (NOE)**

Employers are obligated to provide all new hires with a Notice of Exchange (a.k.a. Health Insurance Notice)—a government form that needs to be customized by each employer and distributed to new hires pursuant to the Affordable Care Act. The employer is not EP for this purpose, but rather the production company/studio hiring the employee. This form describes health insurance marketplace options and information on any plans offered by the employer. EP has an online generator to assist employers with the generation of this required notice. Employers enter their production company information and a customized NOE is generated that production companies/studios can hand out to their employees. Click here for [NOE Info](#) on our website.





## Start Cards and Compliance with the Affordable Care Act (ACA)

Start cards include a checkbox that should be checked off to indicate that the employee received an NOE—indicated on the start card forms as ‘Health Insurance Notice Provided’. Additionally, employers must categorize their new hires with their corresponding ACA Employment Status category: Full-time, Part-time, Seasonal, or Variable, regardless of whether EP is providing the ACA Reporting (Tax Form 1095-C) service. To help employers determine the appropriate ACA Employment Status, please refer to the following guidelines:

- **Full Time:** employee is reasonably expected to work, on average, at least 30 hours/week or 130 hours/month.
- **Part Time:** employee is reasonably expected to work, on average, less than 30 hours/week or 130 hours/month.
- **Variable:** employee works hours that are sufficiently uncertain so that the employer cannot reasonably determine status upon hire.
- **Seasonal:** employee works a customary annual employment that is 6 months or less, and employment generally begins each calendar year in about the same part of the year. **Note that this category is rarely, if ever, used in the entertainment industry.**



## Chapter 4: Timecards and Deductions

**A timecard must be submitted for every employee on a show each pay period.** Separate chapters with information on Non-Union (Chapter 5) and Union (Chapter 6) processing contain additional information on timecards.

NOTE: If a signed contract indicating payment terms has been submitted, EP will pay off **weekly** payment authorization forms/letters if so desired. However, please submit a new form **each** week the employee is to receive a payment. (Preferably, payment requests for such employees would be submitted on standard EP timecards.)

EP's **SmartTime** is a digital time and attendance system, that the client can either enter times from the production report, a paper timecard or the employee can use a mobile application to enter and submit their times. Both union and non-union contracts are supported. Approvals of timecards can be done electronically from anywhere as long as the approver has access. Accountants can run payroll reports as needed. It provides a secure and paperless way of submitting payroll to EP for processing and a digital storage of the timecards. For more information <https://www.ep.com/smarttime>

### Work State Deductions

Employees' earnings are subject to withholding in both the resident and the work states (and possible work county and city). If the production will be performing work in multiple states, please denote the work state(s) (and work county and city) on each employee's timecard. This is extremely important to avoid assessments and penalties for non-compliance.

### Union Contract Signatory Status and Timecard Calculations

If the client is signatory to one or more unions, EP will pay in accordance with their instructions (which clients should make sure adhere to the collective bargaining agreement documentation associated with the project). However, in order for EP to check and verify calculations, we need actual in/out times for each timecard. If an employee is to be paid under certain conditions (e.g., off production), clearly indicate this on the timecard.

### Deduction of Personal Expenses

It is prohibited under various laws to withhold any amount from an employee's check representing the unpaid balance of a debt owed by the employee to the employer (with the exception of federal and state liens and federal and state taxes) without the express written authorization of the employee. Therefore, we do require proof of written authorization to withhold on these obligations (e.g., un-itemized telephone bill, petty cash).

### Per Diem and Mileage

As clients may be aware, the IRS has adopted regulations concerning certain non-accountable employee business expenses (i.e., per diem and mileage). If clients are processing these types of payments through EP, they must be segregated between their "taxable" (i.e., that portion of a payment that is in excess of the federal limit, such as the current mileage rate) and "allowable" (i.e., that portion of a payment equal to or less than the federal limit) elements. This step is necessary to ensure that EP can report each of the components separately on an individual's W-2. The taxable portion of each payment will be subject to withholding and employer taxes.

**Note:** Pursuant to IRS regulations, mileage allowance paid for commuting (any travel which commenced from an employee's domicile) is deemed salary and taxed on the same basis as regular wages (i.e., subject to withholding and employer tax obligations).



## Allowances

EP withholds taxes on all non-accountable allowances (e.g., car allowance). Furthermore, by law, these types of payments are subject to employer tax obligations as well as workers' compensation charges.

**NOTE:** The term "non-accountable" relates to flat payments (e.g., \$150/week) for which no accounting is required by the employer to substantiate their business purpose. If the allowance is included on the same check as an employee's regular earnings, the total amount will be used for the calculation of withholding. **If the allowance is placed on a separate check**, it will be taxed as supplemental income for withholding purposes.

## Reimbursable Expenses

On occasion, EP has been asked to pay reimbursable expenses through payroll (e.g., various living costs, relocation fees, etc.). While this procedure appears simple enough, it can result in the following problems:

- The receipts are maintained by the production office, and, as a result, EP has no backup to support the propriety of the payment.
- Payments of this nature are not subject to any payroll reporting requirements. To avoid confusion, they should be processed as accounts payable items.

Therefore, based on the foregoing, **EP has adopted the position of not processing any non-taxable, reimbursable expenses.**

## Box Rentals

Based on government regulations, we require certain information to legally avoid tax withholding on this type of payment. EP requires the production to use our EP Box Rental form, which we provide in both paper and fillable versions, for your convenience.

**EP requires a form to be submitted for each payment request** (e.g. timecard), that supports the IRS's requirement for regular accountings under the regulations. Please note that no taxes will be adjusted should a form be turned in after payroll has processed.

Box rentals are reported on Form 1099.

## Layoff/Termination Dates on Timecards

Timecards include an area where employers can indicate a Layoff/Termination Date. An employee is considered terminated, or laid off, when there is no reasonable expectation of re-employment on the project. When an employee is terminated the production company must complete the "layoff/termination date" field in the EP timecard by providing the last date worked on the employee's final timecard. Completion of this field is important for EP Cares™ clients to notify EP of their participating production employees' transition to COBRA self-paid coverage and termination of employer-paid EP Cares health insurance coverage. Once an employee has been terminated, a new start card must be submitted if they are re-hired.



## Chapter 5: Non-Union Guidelines

EP will process payroll for non-union employees in accordance with client instructions and applicable federal and state wage and hour laws. The following is meant to be an overview of EP's policies and procedures regarding non-union employees. Any questions regarding payment conditions not addressed here should be directed to your EP paymaster.

### Non-Exempt Employees

In accordance with wage and hour laws, **all non-exempt employees must have an established hourly rate** and be paid for all hours worked as reflected on the timecard. A flat weekly rate cannot be guaranteed to non-exempt employees.

#### ***Federal and State Wage and Hour Laws***

State wage and hour laws vary by state. Where there is no applicable state law, or when the state requirements are lower than the federal, federal law will govern (e.g., 1.5 times the regular rate of pay for hours worked in excess of 40 hours per week). It should be noted that motion picture and television productions are always subject to the federal wage and hour laws as a minimum, and unless the state provides for a higher standard (i.e., daily overtime), federal law applies.

**Note** that federal and state wage and hour requirements are **minimum** requirements, i.e., if you so choose, you may better the pay conditions (for example 2x on holidays and/or 7th day worked, 1.5x after 8 hours/day even when not required, etc.). **If you elect to better the minimum requirements, please advise your EP paymaster of the guidelines you have selected.**

Non-exempt timecards must **always** include actual in and out times **and** an established hourly rate.

#### ***Minimum Wage and Overtime Requirements by State***

Please click here for [State Info](#) for the minimum wage and overtime requirements for each state. Please also note county and city rules for minimum wage and overtime requirements which may differ from federal and state requirements.

#### ***Holidays***

Employees who do not work on a holiday need not be paid for that holiday. However, clients may still choose to pay employees for unworked holidays. To avoid any unnecessary adjustment, this should be clearly denoted on the timecard if the unworked holiday is to be paid, and how.

Employees who work on a holiday need not be paid at a premium for work performed (unless a premium rate would already apply under law such as the holiday work occurs when the employee already reached 40 hours worked in the week) — under federal and state laws, it is simply another work day. However, the client may still choose to pay employees for worked holidays at a premium and should clearly indicate what the premium is.

#### ***Wage Increases/Upgrades***

Employees who perform work outside their regular duties may receive pay upgrades. A new start card should **not be** submitted for **temporary** increases. The upgrade should be clearly indicated on the timecard (i.e. what the temporary rate is and for what job duties).



## Exempt Employees

As wage rates and job classifications become more closely scrutinized by government agencies, EP will be asking for job descriptions for employees submitted as **exempt** (from overtime) in certain circumstances. This protocol for payment as exempt applies only to production workers on non-union shows or employed in uncovered positions (i.e., job positions that are not covered by the collective-bargaining agreement) on union shows. For production workers in covered positions on union shows, EP will continue to pay exempt or non-exempt from overtime pursuant to the applicable collective bargaining agreement(s).

Typically, to qualify as exempt, an employee must spend at least 51% of his or her work time engaged in supervising two or more people and/or making independent managerial, financial, or creative decisions on behalf of the company. Since we are not on location with the productions for which we process payroll, we rely on productions to provide us with the information to determine if an employee is correctly classified as exempt.

Actor	Director of Photography	Production Accountant
Art Director	Editor	Production Designer
Casting Director	Executive	Production Office Coordinator
Composer	Facilities Manager	Publicist
Construction Coordinator	Key/Head Hairstylist	Set Decorator
Consultant*	Key/Head Makeup	Transportation Coordinator
Contestant Coordinator	Location Manager	UPM (Unit Production Manager)
Costume Designer	Producer	Writer
Director		

**Also, anyone with “Supervisor”, “Foreperson”, or “Department Head” in their job title.**

**\*Note:** to qualify for exempt status, the Consultant must hold an occupation requiring at least a specialized 4-year collegiate degree or higher to work in the profession and must spend the majority of work time advising the production in the Consultant’s field of professional expertise. Examples of exempt consultants are physicians, attorneys, and scientists.

If a start card is submitted for an employee with one of the job titles above, and the start card does not indicate an hourly rate or have hours associated with a salary, EP will pay the salary indicated as exempt, which must equal at least the legal minimum (e.g., for CA — double minimum wage, based on 8hr/day, 40hr/week).

All other classifications require a full job description containing all job duties. In describing all duties, the production should identify all managerial or supervisory duties, including whether the employee has the ability to hire or fire, the number of subordinates managed by or reporting to the employee, and all financial or creative decision-making functions. The description must be returned to the paymaster, who must submit to a payroll manager for approval to pay the individual as exempt.



## Right-to-Work Laws

Right-to-work laws vary by state. As a general rule, a right-to-work law does not permit a union to require union membership as a condition of initial or continued employment in a covered position under a collective bargaining agreement with a signatory employer. When your company is shooting in a “right-to-work” state, we suggest that you contact your own labor relations advisors to ensure that all parties are aware of the applicable rules in that jurisdiction.

It is important to note, however, that where a company executed a collective bargaining agreement, even in a right-to-work state, the company is bound by the terms and conditions of that agreement for all employees performing services in classifications covered by that agreement, even if they are not members of the union.

The following is a list of right-to-work states:

Alabama	Iowa	Nebraska	Tennessee
Arizona	Kansas	Nevada	Texas
Arkansas	Kentucky	North Carolina	Utah
Florida	Louisiana	North Dakota	Virginia
Georgia	Michigan	Oklahoma	West Virginia
Idaho	Mississippi	South Carolina	Wisconsin
Indiana	Missouri	South Dakota	Wyoming





## Chapter 6: Union Guidelines

### Union Start cards

To ensure proper payment, start cards must indicate which union or local that the subject employees are affiliated with, as well as their job description. ***If none is given, we will assume they are non-union.*** The production company signs the start cards, indicating that union status has been verified.

#### ***Hollywood IATSE and Teamsters, Basic Crafts and Animation Local 839***

The Hollywood IATSE Basic Agreement requires that the specific classification and schedule be indicated for each employee for the purpose of verifying IAP (Individual Account Plan) pension calculations. If the information is not provided, EP will choose the lowest classification for the corresponding occupation. Because some pension, health, and welfare calculations are based on scale wages, we must stress how important it is that you indicate the numeric occupation code (**which can be found in your EP Paymaster Rate Guide**) on the start card. This avoids any additional handling fees for unnecessary adjustments. Also, underpayment of pension, health, and welfare calculations will result in penalties and interest assessed by the applicable union benefit plan.

#### ***Job Titles***

EP defaults the job title to align with the contractual job title associated with the occupation code provided on the start card. For SmartStart users, you can make a note of the preferred job title. ***If your preference is for EP to use the job title exactly as it is indicated on the start paperwork submitted by the production, please advise your paymaster accordingly.***

### Non-Affiliates

There are three groups of employees (Producers, Post-Production Supervisors and Accountants) who may be covered for MPIPHP (Motion Picture Industry Pension and Health Plan) benefits as non-affiliates under non-affiliate agreements with the MPIPHP. Along with the requirement of being an eligible production, the following criteria must also be met:

#### ***Producers and Freelance Post-Production Supervisor***

1. The employee must be performing services as an executive producer, producer, associate producer, or freelance post-production supervisor (as defined in the eligibility resolutions of the MPIPHP Plans).
2. The employee must be a non-affiliate employee. The term non-affiliate employee means each employee not within any unit or units covered by any collective bargaining agreement with any union as defined in the MPIPHP Plans.
3. The employee's principal employment with the employer must satisfy the following requirements:
  - i. The employee is on the payroll and under the supervision of an office of the employer located in the Los Angeles area.
  - ii. The employee is hired to work and works in the Los Angeles area (unless sent from the Los Angeles area by the employer to perform temporary services outside the Los Angeles area) in connection with motion picture production.

Notwithstanding the foregoing, a freelance post-production supervisor also meets the requirements of (3.) above if employed in the New York City Area.

Each eligible producer and freelance post-production supervisor must submit an opt in form to be offered the benefits, and affirmatively elect via the opt-in form. If you have not already submitted the form, you can obtain one from your account manager or paymaster. A new form must be submitted and approved for each project, for producers and freelance post-production supervisors. Completed forms must be submitted by the production office to MPIPHP.



EP is not allowed to customize the job titles for non-affiliate producers. Those titles must match the opt-in form. Only 3 titles are available for producers: Associate Producer, Producer and Executive Producer. Non-Affiliate Post-Production Supervisors are on a separate opt-in form and can only have that title. If you submit any other titles, this may delay approval of the Non-Affiliate's status and payments.

**NOTE:** Eligible producers and freelance post-production supervisors are defined as those who are not entitled to have pension, health, and welfare contributions made to another industry plan on a particular project. For example, the hyphenate producer-writer or producer-director for whom pension and health plan contributions are being made under another plan (i.e., WGA or DGA) is ineligible for non-affiliate benefits. Also, production supervisors are ineligible for non-affiliate coverage (as opposed to *post*-production supervisors).

### Accountants

1. The employee must be performing services as a production accountant (as defined in the eligibility resolutions of the MPIPHP Plans).
2. The employee must be a non-affiliate employee. The term non-affiliate employee means each employee not within any unit or units covered by any collective bargaining agreement with any union as defined in the MPIPHP Plans.
3. The employee's principal employment with the employer must satisfy the following requirements:
  - i. The employee is hired to work and works in the Los Angeles area (unless sent from the Los Angeles area by the employer to perform temporary services outside the Los Angeles area) in connection with motion picture production.
  - ii. The employee is employed by the employer in New York or New Jersey.
  - iii. The employee is hired by the employer in New York or New Jersey to perform services outside those states, but within the limits of the US, its territories, and Canada.

All employees in these classifications must be offered the same benefits; if an employee chooses not to have non-affiliate benefits as an accountant, the employee must complete an opt-out form. Your paymaster can furnish this to you. Not all production companies/studios can utilize non-affiliate accountants. Production companies/studios desiring to know if they can employ non-affiliate accountants may contact MPIPHP for more information.

MPIPHP expects contributions for all non-affiliates on the project who have elected MPIPHP benefits for the entire duration of his/her employment, until the project or his/her employment ends, whichever occurs first, even for unworked weeks. Thus, if a non-affiliate did not work a week but such week is otherwise within the non-affiliate's employment period (as set forth in the non-affiliate's employment contract), then MPIPHP expects contributions for the non-affiliate in such unworked week, except in the case of a "true" hiatus. If personnel of any type (such as production office or accounting staff) is working on the project during a hiatus, then MPIPHP will not consider such period to be a true hiatus and will in turn expect contributions for non-affiliates on the project even if the non-affiliates were not working.

### Union Dues

Some union contracts provide for payroll deductions for union dues. In all cases, the employee must submit a **Dues Authorization Form** authorizing EP to withhold dues from their paycheck. A new Dues Authorization Form is required for each new production, or each new season of a production, that the employee is hired on. For details, please call the union in question.

### Pension, Health, and Welfare

Pension, health, and welfare payments are charged in accordance with the requirements of each union and union benefit plan. In accordance with the provisions of each plan, EP reports and processes contributions on either a weekly or monthly basis.



## ***Employee Benefits***

To ensure the correct pension, health, and welfare contributions are made on behalf of your employees, the guild, union, or local affiliation should be marked clearly on the employee's start card and timecard. Any guaranteed hours or moneys should also be duly noted. An accurate accounting of days and hours are required for accurate reporting of contributions.

**NOTE:** Any per project or episodic ceilings can be automatically registered by our system ONLY IF the timecards clearly denote a unique number in the coding up to and including the episode number. Without this, the system will calculate on all dollars paid. If you are not using a unique production number and ceilings apply, it is necessary to advise your paymaster to cut off manually.

## ***Adjustments***

Please make sure to review and approve adjustments as soon as possible after they are sent to you. Adjustments cannot be released until you approve them.

Sometimes adjustments, such as non-union to union adjustments, are requested by the employee through our Remittance or Payment Support departments rather than you or the client or accountant. These still need to be approved by the show as soon as possible. **Note:** Benefits for union employees can be affected by tardy adjustment approvals. Also, late payment of pension, health, and welfare calculations will result in penalties and interest assessed by the applicable union benefit plan.



## Chapter 7: EP Support for Employees

Once payroll has been released, EP supports employees who have issues post payroll. Below are a few ways we support employees who need help with issues arising after initial payroll is sent. **Note that Employees should not be put in touch with the EP paymaster as it can create time management issues for the paymaster if they need to help employees as well as process payroll.** Employees in need of post processing support should visit our [Help Center](#), which has a list of contacts for all of the EP support teams, as well as helpful FAQs, and fillable forms.

We also encourage employees to sign up at [My.EP.com](#) (a self-service portal) so they will be able to access pay stubs and W-2s, sign up for Direct Deposit and change their address.

### *My.EP.com Employee Portal*

#### **Connecting a My.EP.com Payroll Profile**

Employees will need to create an account online at my.EP.com and “Connect their Payroll Profile” with information from their last (25) checks. Please note, an employee will not be able to connect unless they have been paid by EP within the last three years. If they have not been paid within this timeframe, they will receive their first payment as a paper check. Once their profile is connected, they have full access to their portal and payroll information.

#### **Direct Deposit**

Employees will need to connect their Payroll Profile before they can sign up for Direct Deposit. Employees will only need to set up their new Direct Deposit once and it will apply to all Direct Deposit eligible shows. Employees will need to set up their business bank account for Direct Deposit because payment will be paid to their loan-out company. Note that Direct Deposit currently isn't a fully paperless experience yet at EP because a paper copy of the paystub must be provided to the employee until a paperless-only paystub opt-in option becomes available (estimated mid-2023). EP does not process DD for foreign workers, or post to foreign banks. Click here for an emailable PDF with instructions for employees on how to set up [Direct Deposit](#).

#### **Pay History**

Employees can view up to three years of Pay History information. They can also access PDF paystubs issued from November 2021 & forward. For information older than three years, see Payment Support section below:

#### **Change of Address**

Employees can change their address online in real time and never miss a check due to the wrong address on file. Just login to your My.EP.com account and go to Account > Profile to change your address. If the employees do not have a visible address section, they may need to edit the “Tell us more about your role.” They are probably set to Studio User by mistake.

#### **Annual Tax Statements**

Tax statements are generated automatically for employees starting in 2021 – no need to sign up on third party platforms. To find your tax statements, login to My.EP.com and go to My Pay > Annual Tax Statements. You can also find instructions for requesting tax statements older than three years in that location as well.



## Check issues

### ***Returned and Missing Checks***

If an employee is missing a check, the client can check-in with their paymaster to see if it's been returned to EP by the post office. If it has been returned to EP, we can send it back out to an updated address, hold it for pick up at Payroll Reception (Burbank office only), or reissue it, if needed. Employees can also call into Payment Support and request a reissue, please make sure to coordinate your efforts to avoid duplicate requests.

### ***Non-Residual Beneficiary Payments***

If an employee should pass away while on a project and has payments owed to them, the beneficiary will need to submit the necessary documentation (death certificate, last will & testament, or any notarized legal documents granting the beneficiary the right to receive future payments) to the show accountant, who then passes them on to the paymaster for the show, and they will reissue the checks accordingly. This is for non-residual payments. All residual payments are handled by the EP residual department. They can be contacted at [Residual Adjustments](#)

### ***Stale Checks and Unclaimed Property Escheatment***

At EP, checks go stale once it is 300 days past its cut date, and still show as outstanding. Once they are 300 days past their cut date, they can no longer be cashed or reissued via our payroll system. If the employee attempts to cash them, the bank will reject the deposit and charge the employee a fee. Unclaimed Property notices are mailed to employees and loan-out corporations in an attempt to notify them to claim their uncashed checks via the EP Owner Redemption Portal once they go stale. The property owner can log into the secured portal to claim their uncashed checks in 3 easy steps, as outlined on the letter. Letters are mailed to the most recent mailing address EP has on file. If the property is not claimed by the deadline on the letter, the funds will be escheated (transferred) to the applicable State unclaimed property agency in the employee's state of residence until the rightful owner or heirs claim it. Once the funds go to the State, they are no longer in EP's hands. In rare cases, there are exceptions noted on the check record in our payroll system, and we can still access it for reissue. Clients can check with their paymaster to determine the status of any checks over 300 days old. Contact [EP Unclaimed Property](#) with any questions.

## Payment Support

The Payment Support group provides help to employees with wide variety of issues. **All of the manual request forms noted below can be found in the [Help Center](#).**

### ***Earnings Reports, Check Stubs and Tax Forms older than (3) years***

Employees can request information older than (3) years using our Crew/Talent Inquiries and Corrections form.

\*\*EP retains (10) years' worth of *historical* payroll information counting the current year. Any payroll information predating that retention period will thus be unavailable.

### ***Name Changes***

Clients can submit requests for name changes directly to their paymaster. Employees can also submit a request on their own, they will need to send the completed Crew & Talent Inquiries and Corrections form + Identity document to [EP Payment Support](#) for processing.

### ***Changes to W4 & State withholding***

W4 & State Withholding information cannot be updated "online." Employees will need to fill out a new copy of the IRS W-4 or applicable state form. These forms are publicly accessible and also available at the [Symmetry](#) web site.

**Employee Change of Address**

An employee change of address can be made in real time on the My.EP.com portal.

**Talent Agency Change of Address**

Talent Agencies have an internal record with EP. Talent agents (only) will need to email [Agency Address Update](#) to update their internal address for their clients.

**Business Manager Change of Address**

If an employee is represented by a business manager and they need to change their mailing address on file, they will need to submit an “Authorization to Release Information” letter signed by the employee to update the mailing address on file. They can email it to [EP Payment Support](#).

**Employee Support Contacts**

Contract Services Letter for Union Membership or upgrade. ( <a href="#">Form Here</a> )	<a href="mailto:cslr@ep.com">cslr@ep.com</a>	(818) 955-4469
Employment Verification + Unemployment	<a href="mailto:UIGroup@ep.com">UIGroup@ep.com</a>	(818) 955-4449
EP Cares for Employees	<a href="mailto:Myepcares@ep.com">Myepcares@ep.com</a>	(855) 339-7350
Minors' Trust/Coogan Account Issues & Inquiries	<a href="mailto:minorstrust@ep.com">minorstrust@ep.com</a>	Email Only
Payment Support - W-2/1099 and Tax Questions and other Payroll Inquiries by Employees	<a href="mailto:paymentsupport@ep.com">paymentsupport@ep.com</a>	(800) 417-0037
Payroll Garnishments and Liens	<a href="mailto:garnishments@ep.com">garnishments@ep.com</a>	(818) 955-4441
Talent Agency Change of Address – For use by Talent Agents and Agencies only	<a href="mailto:AgencyAddressChange@ep.com">AgencyAddressChange@ep.com</a>	Email Only
Union 401K and Missing Hours for PH&W/MPIP Health Plan	<a href="mailto:pensions@ep.com">pensions@ep.com</a>	(818) 955-4446





## Chapter 8: Fair Labor Standards Act

### Basic Overtime Adjustment

The federal FLSA (Fair Labor Standards Act) contains provisions requiring that certain types of penalty/allowance payments, in addition to base pay, must be included in an hourly, non-exempt employee's pay rate when determining an employee's overtime rate. In addition, some labor agreements also specifically require this calculation to be performed (e.g., various Hollywood IATSE local agreements). Please note that federal provisions prevail unless a specific union contract provides better benefits. As a result, this law must be observed regardless of whether the collective bargaining agreement specifically requires this calculation.

All **hourly non-exempt** employees, both union and non-union, are subject to the FLSA overtime adjustments. Generally speaking, this adjustment requires adding any premiums (e.g., taxable box rentals, meal penalties, night premium) to an employee's regular earnings and recalculating the effective overtime rate. Under federal law, employees receive 1.5x after 40 hours in a week; therefore, for all hours worked after 40 hours, **the overtime portion** (i.e., the 0.5x of the 1.5x) is recalculated on the basis of the regular earnings and includable premiums.

For example, an employee earning \$15/hour who works 50 hours in a week and is entitled to \$50 in CBA meal penalties would be calculated as follows:

40hrs @ 1x @ \$15.00:	\$600.00
10hrs @ 1.5x @ \$15.00:	\$225.00
CBA meal penalty:	\$50.00
Total Wages Due:	\$875.00 (Before FLSA OT Adjustment)

To determine the FLSA overtime adjustment multiply the total hours worked by the base hourly rate and add the CBA meal penalty:

50hrs @ \$15.00:	\$750.00
Add CBA meal penalty:	\$ 50.00
Total Non-OT Premium Wages:	\$800.00 (\$750 + \$50)
Divide by 50hrs :	\$ 16.00/hour

**Now recalculate the Timecard using \$16.00 for the overtime portion (.5x) only of the 1.5x:**

40hrs @ 1x @ \$15.00:	\$600.00
10hrs @ 1x @ \$15.00:	\$150.00
10hrs @ .5x @ \$16.00:	\$80.00
CBA meal penalty:	\$50.00
Total Wages Due:	\$880.00 (After FLSA OT Adjustment)

The employee is due an FLSA overtime adjustment of \$5.00 (\$880 - \$875) that will appear on the check stub as "FLSAOT."



## Special California Non-Union Overtime Adjustment

California Supreme Court case law imposes a higher adjustment calculation formula for flat recurring bonuses or similar payments. EP will apply the higher calculation to taxable box rentals and similar taxable allowances paid to a production's California non-union workforce. The California calculation is costlier because (1) all included earnings for the adjustment are only divided by straight time hours up to 40 to calculate the adjusted regular rate for overtime instead of all hours in the week and (2) none of the taxable box rental covers any of the overtime owed unlike the federal standard which covers all but the 0.5x overtime portion of the 1.5x overtime hours. An example of the calculation difference is explained below and will appear as "CAFLSA" on the employee's check stub.

A CA non-union employee earning \$15/hour who works 50 hours in a week and is entitled to a \$200 taxable box rental would be calculated as follows:

40hrs @ 1x @ \$15.00:	\$600.00
10hrs @ 1.5x @ \$15.00:	\$225.00
Taxable Box Rental:	\$200.00
Total Wages Due:	\$1025.00 (Before CAFLSA OT Adjustment)

To determine CA overtime adjustment for this payment, multiply the straight time hours worked up to 40 hours by the base hourly rate:

40hrs @ \$15.00:	\$600.00
Add Taxable Box Rental:	\$200.00
Total Non-OT Wages:	\$800.00 (\$600 + \$200)
Divide by 40hrs:	\$ 20.00/hour

### Now recalculate the Timecard using \$20.00 for the overtime hours @ 1.5x:

40hrs @ 1x @ \$15.00:	\$600.00
10hrs @ 1.5x @ \$20.00:	\$300.00
Taxable Box Rental:	\$200.00
Total Wages Due:	\$1100.00 (After CAFLSA OT Adjustment)

The employee is due an FLSA overtime adjustment of \$75.00 (\$1100 - \$1025) that will appear on the check stub as "FLSAOT."

## Special California Non-Union Meal Penalty Adjustment

Recent California Supreme Court case law requires meal penalties for a production's California non-union workforces to be paid at the overtime regular rate of pay instead of the base hourly rate of pay. The base hourly rate and overtime regular rate are the same when there are no additional payments includable in the overtime regular rate like a taxable box rental. But when the combination of a meal penalty plus includable payments in the overtime regular rate occur, then the meal penalty rate will be higher than the base hourly rate and EP's payroll system will capture this adjustment to the amount of the meal penalty.



## Chapter 9: Trust Funds/Minors

All minors that are residents of California, New York, New Mexico, North Carolina, Pennsylvania, Louisiana, or Illinois – no matter where they work – and any minor working in California, New York, New Mexico, North Carolina, Pennsylvania, Louisiana, or Illinois – no matter whether they are residents – must have a minimum 15% of their gross earning deducted and placed in approved trust accounts.

Please note that no authorization is actually needed to deduct the statutory 15%. EP will automatically deduct 15% of the gross earnings for each paycheck the minor receives. It is the parent/guardian's responsibility to set up and provide bank information to the Minor's Trust department at EP, and it is the production's responsibility to facilitate providing the bank information to EP.

EP will need to know if the production has or will obtain a court order mandating the Trust deduction. Court orders must be communicated prior to the first payment to the minor.

All Minor's Trust paperwork must be submitted and verified before any payments can be made to the employee.

For more information please visit the [EP website](#).

### Minor Trust Deduction Guidelines

All un-emancipated minors that are residents of a minor's trust state (i.e., one of the listed states above), no matter where they work, and any minor that works in a minor's trust state, no matter where they reside, **must have a minimum of 15% of their grossearnings** deducted and placed in approved blocked trust accounts.

- A minimum of 15% must be withheld for residents of a minor's trust state no matter where they work.
- A minimum of 15% must be withheld for non-resident minors working in a minor's trust state.
- It is the parent/guardian's and production's responsibility to provide minor's trust bank information to EP.
- EP will hold trust deductions without bank information in a non-interest-bearing account for a specified time. After the applicable hold period, the funds will be remitted to the appropriate organization or agency (Entertainment Community Fund f/k/a The Actor's Fund – CA; Comptroller – NY; Treasurer – LA, NC, IL, PA; District Court – NM). EP's responsibility for the funds will cease at this time.
- Deductions must be for at least 15%. Parent/guardian may elect a higher percentage.
- For CA and IL, minors working as background actors are not subject to the minor's trust withholding.



## Chapter 10: Direct Deposit

### Direct Deposit to Bank Accounts

Direct Deposit is now set up exclusively through the My.EP.com portal by the employee. This is the only way to set up direct deposit with EP. Paymasters no longer handle direct deposit set up. The employee will need to create an account and confirm their payroll profile with the information from a recent EP paystub. If this is the employee's first time being paid by EP, their first check will be paper, and they will use that paystub to verify their payroll profile. For more information, visit [ep.com/my.ep.com](http://ep.com/my.ep.com) where they can also see an instructional video on the process. An emailable instructional PDF for employees is available here: [Direct Deposit](#).

Also, please note that we will only deposit into the account of person or entity for which the payment is issued (i.e., we cannot deposit to a 3rd party account). If the payment is to a corporation/LLC, the account must be a business account, and if the payment is to an individual, then the account must be an individual account. If you have questions or need more information, contact our [Direct Deposit Team](#).

Note that Direct Deposit currently isn't a fully paperless experience yet at EP because a paper copy of the paystub must be provided to the employee until a paperless-only paystub opt-in option becomes available (estimated mid-2023).

All direct deposit payroll must be processed, approved and released by 6:00 PM PST the day before the expected deposit to the employee's account.

#### ***Deadlines for Payroll with Direct Deposit***

Each evening, EP processes direct deposit payments. Direct deposit payroll must be approved for release no later than 6:00 pm PST the day prior to the day it is required to be deposited into the employee's account. For example, if you would like direct deposit payments to arrive in employee's accounts on Friday, payroll must be approved for release on the preceding Thursday no later than 6:00 pm PST. **Note: Even if the deadline is met, that EP has no control over, or responsibility for, when the bank credits the employee's account.**

### MPRF/EIF Deductions

The Entertainment Industry Foundation (EIF), formerly known as Permanent Charities Committee (PCC), and the Motion Picture Relief Fund (MPRF) send EP a weekly magnetic tape of active donors. This tape automatically sets up deductions for these funds. For this reason, if an employee would like to stop this deduction, s/he must go directly to the fund. The telephone numbers are:

- EIF: 424.283.3600
- MPRF: 855.760.6783



## Chapter 11: Paid Sick and Family Leave

### Sick Leave

Many states, cities and unions require employers to track and offer paid sick leave to their employees. EP tracks and calculates sick leave in several jurisdictions as well as Collective Bargaining Agreements (CBA). For the jurisdictions and CBAs tracked, your EP Paymaster can provide you a report with the accrued and available sick leave balances for your employees. This is an effective tool to use when approving timecards that include sick time.

Sick leave is aggregated at the Common Law Employer (CLE) level. This is established when the PSO (Production Setup Order) is submitted and the payroll client IDs are set up, typically per production company. If your production is part of a larger studio or parent company, the CLE is likely pre-determined. If you have any questions about this, you should consult with your EP Client Experience representative, your studio / parent company, or the EP Benefit Solutions department for guidance.

### Current Sick Leave Jurisdictions

EP is continually updating the sick leave plans that are tracked within its Sick Leave engine. If a sick leave jurisdiction or Collective Bargaining Agreement requires sick leave balances to be printed on the pay stub, EP's sick leave engine will incorporate that plan so that paychecks are compliant. In addition to these jurisdictions, EP's sick leave engine also tracks sick leave plans in geographic locations where there are large volumes of production activity (e.g., Los Angeles). If you have a question about sick leave requirements in a particular geographical area or for a particular CBA, please reach out to our [Sick Leave Team](#) for the latest information.

### Other Jurisdictions May Require Adherence to Sick Leave laws

If your production is shooting in a location that has a sick leave law but which is not tracked in EP's sick leave engine, then upon request, EP will provide you the detailed payroll transactions so that you can calculate the sick leave accrual for your employees and determine their available sick leave balances, if any.

### Additional Sick Leave Services

Please note that some clients have CLE-specific (i.e., universal) sick leave plans which are applied to their employees across the board irrespective of statutory jurisdiction or CBA affiliation. Clients who are interested in establishing a universal sick leave plan can contact our [Sick Leave Team](#) for more information. This service is available for an additional fee.

Since the obligation to comply with sick leave laws rests with the CLE irrespective of payroll provider, clients who split their payroll across payroll providers need to take extra care to calculate sick leave balances properly. EP can assist you with aggregating this data across payroll providers. If you are interested in this additional fee-based service, please contact our [Sick Leave Team](#) for more information.

Should you have any questions after obtaining the report from your Paymaster, you can contact our [Sick Leave Team](#) for further information.



## State Paid Family Leave Plans

The below states have Paid Family Leave laws that mandate certain deductions from the employee's paycheck. Each of these states, except New York, manages the claims process for their leave programs.

- Colorado (deductions begin 1/1/2023)
- Connecticut
- Maryland (deductions begin 10/1/2023)
- Massachusetts
- New Jersey
- New York
- Oregon (deductions begin 1/1/2023)
- Washington

## NY Paid Family Leave – EP and Production Company Administered

In New York, eligible full-time and part-time employees will be able to take partially-paid leave to care for a newborn child or a family member with a serious health condition - or to assist with family duties when a family member is called into active military service.

EP provides the insurance policy through Cigna that manages the claim approval and process. EP will assist with the initial eligibility analysis and claim submittal to Cigna. Employees should write to [NYPFL@ep.com](mailto:NYPFL@ep.com) to initiate the process.

The production company is responsible for providing the [NY Sick EP NYPFL Employee Notice](#) to new hires, as well as the [EP NYPFL Statement of Rights](#).

- Notice to Employee
- Posting two Notices (PFL-120 and DB-120)
- Upon request, provide the Employee Opt Out form

The production company is also responsible under the NYPFL for administering leaves of absence and job reinstatement for production workers qualifying for NYPFL. EP has no control over these matters and thus is unable to manage them.

The amount of deduction from the employee paycheck is mandated by the law and for further updated information, please see the [NY Paid Family Leave Cost and Deductions](#) page.

For COVID resources, policies and updates, please visit the [EP Production Community – COVID 19 Updates](#) page on EP's website.



## Chapter 12: EP Tax Notes

Please refer to this section regarding any specific tax notes that may apply to states in which your production is performing work, or in which your production employees reside.

Employees may now access their tax forms by registering at the My.EP.com portal. They will need the information from a recent EP paystub to connect their payroll profile and activate their account. For more information on this topic see Chapter 7: Employee Support at EP.

### City/County Withholding Requirements

Many states require city and county withholding in addition to state withholding, therefore it is always extremely important that the correct work/resident state/city/county is denoted on both the start card and the timecard.

In particular, see the links below for useful information on states with unique withholding requirements:

<b>Indiana</b>	<a href="http://indiana.hometownlocator.com/zip-codes/">http://indiana.hometownlocator.com/zip-codes/</a>
<b>Maryland</b>	<a href="http://maryland.hometownlocator.com/zip-codes/counties.cfm">http://maryland.hometownlocator.com/zip-codes/counties.cfm</a> <a href="https://www.zip-codes.com/map-boundary-data.asp">https://www.zip-codes.com/map-boundary-data.asp</a>
<b>Ohio</b>	Resident Location <a href="https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/AddressLookup/LookupByAddress.aspx?taxType=SchoolDist">https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/AddressLookup/LookupByAddress.aspx?taxType=SchoolDist</a>  Work Location: <a href="https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/AddressLookup/LookupByAddress.aspx?taxType=Municipal">https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/AddressLookup/LookupByAddress.aspx?taxType=Municipal</a>
<b>Pennsylvania</b>	<a href="http://munstats.pa.gov/Public/FindMunicipality.aspx">http://munstats.pa.gov/Public/FindMunicipality.aspx</a>

### State Disability Plans

The following states and US Territories have disability plans:

- California
- Hawaii
- New Jersey
- New York
- Puerto Rico
- Rhode Island





## Working in a Foreign Country

EP Tax Support will need to know the dates you will be working or filming in the foreign country, the specific location, and which crew will be working, as well as the specific tax laws for the location. Clients should reach out to [EP Tax Support](#) regarding the details of the foreign tax laws immediately, prior to filming in a foreign country. If we do not have current information on the particular country (within the calendar year or a year old), EP will suggest that the country tax information be researched for any changes. There is a third-party research fee of \$1,500. Clients can opt out from the research, but they will need to complete and sign an indemnity letter prior to releasing any payroll.

Here are some guidelines for productions working in foreign countries:

- EP is able to process payroll for US citizens & permanent US residents working in certain foreign countries (excluding any of the NO-FLY ZONE countries).
- EP cannot process payroll for a non-resident alien working in a foreign country, or a foreign loan-out company working in a foreign country.
- EP cannot process payroll for a Puerto Rico resident or Loan-out working in a foreign country.

## Tax Incentive State Withholding Requirements

Following are some guidelines for unique withholding requirements in certain states. This is not meant to be a comprehensive guideline to tax incentive reporting, but rather useful information to set up your employees to be paid correctly to take benefit of tax incentive programs. For complete details and procedures, please contact [EP Tax Support](#) or the Tax Support line 818.480.7333.

### ***Colorado Film Tax Credit***

Colorado, for film credits and incentives, requires 4.55% withholding on all loan-outs. Non-resident labor can be claimed as qualified expenditure as long as Colorado income tax is withheld. All productions considering a film incentive rebate must be approved and have a signed contract before beginning principal photography.

### ***Georgia Film Tax Credit***

Georgia, for film credits and incentives, requires 5.75% withholding on all loan-outs regardless of GA Secretary of State registration in state. All payments made to loan-out companies performing services in Georgia seeking the state certified film credit (including per diem, box rentals, living allowance, etc.) are subject to the 5.75% withholding tax.

The production company must be reported and paid under the name and account number of the production company.

### ***Hawaii Tax Incentive***

Beginning January 1, 2023 the Hawaii Film Tax Credit act requires productions to withhold and remit Hawaii general excise tax (HI GET) from loan out company payments for Hawaii work activity on the participating project. Failure to make timely and accurate loan-out HI GET remittances risks forfeiture of the production company's entire Hawaii film tax credit, not just the portion of the missed or incorrect loan-out HI GET withholding. **While the Hawaii Department of Taxation (HI DoTax) issued an advisory on 12/23/22 which states that HI DoTax will only disqualify that portion of the production's loan-out spend for which HI GET withholding was missed, it can withdraw this leniency at any time.** Additionally, the participating production company is subject to a tax penalty equaling 100% of the entire GET withholding tax for failure to pay and report the full amount. Hawaii film tax credit production clients will need to provide the production company's HI GET account number to EP's client setup team as part of show setup. Hawaii tax incentive clients will also need to email the HI GET account number of every loan-out with Hawaii work activity to EP's Tax Department BEFORE the loan-out starts Hawaii work at [EP Hawaii Tax Incentives](#). More information can be found in EP's press release on the [Hawaii Film Tax Credit](#).



### ***Louisiana Film Tax Credit***

Louisiana, for film credits and incentives, requires 4.25% withholding on all loan-outs. All payments made to loan-out companies performing services in Louisiana seeking the state certified film credit (including per diem, box rentals, living allowance, etc.) are subject to the 4.25% withholding tax.

Resident and non-resident employees are taxed at the rate determined in accordance with the employee's withholding allowance certificate, or at the highest rate in effect at the time if there is no employee withholding allowance certificate. EP needs to receive the L4 form, otherwise a flat 6% will be withheld.

### ***Massachusetts Film Tax Credit***

The regulations (830 CMR 62B.2.3, Motion Picture Production Company Withholding) require that the production company be registered for **Performer Withholding** and require there be Massachusetts withholding on payments to loan-out companies if those payments are to qualify for the credit. The Massachusetts withholding must be reported and paid under the name and EIN of the production company.

All payments made to loan-out companies performing services in Massachusetts seeking a state certified film credit (including per diem, box rentals, living allowance, etc.) are subject to 5% withholding.

### ***Mississippi Film Incentive***

The Mississippi Film credit requires 5% withholding from all payments to loan-outs (including per diem, box rentals, living allowance, etc.) to qualify that salary for rebate. The MS Department of Revenue (DOR) and the Film Commission do not require loan-out companies to register with the MS Secretary of State. A loan-out company may contact the MS Secretary of State to determine if they need to register for other regulations the Secretary of State administers.

Payroll and fringes for non-residents (loan-outs and individuals) are not eligible for rebate.

### ***New Mexico Film Tax Credit***

New Mexico, for film credits and incentives, requires 5.90% withholding on all loan-outs, regardless of registration with the NM Secretary of State. All the forms needed to claim the credit are listed on the [New Mexico Film Office website](#). EP must have a **Loan-Out Tax Withholding Authorization & Indemnification Agreement** form signed by both the producer and studio prior to any withholding.

New Mexico has amended the Film Credit Law effective June 19, 2015 concerning payments made to on-camera non-resident actors/stunt persons paid as W-2 employees. Withholding tax applies at the rate of 5.90%.

### ***North Carolina Film Tax Credit***

North Carolina, for film credits and incentives, requires 4% withholding on all loan-outs regardless of NC Secretary of State registration with the state.

### ***Puerto Rico Film Incentive***

All non-residents working in Puerto Rico (loan-outs and individuals) are subject to 20% if the production is pursuing the Film Incentive, and 29% withholding if the production is NOT pursuing the incentive. Allowable per diem and fringe benefits are not subject to withholding, amounts over the allowable daily per diem rate are considered taxable and are subject to the 20% withholding.

### ***South Carolina Film Tax Credit***

South Carolina, for film credits and incentives, requires all loan-outs to register with the Secretary of State. Failure to register will result in the production's wages not being applied towards the client's incentive and the Loan-out could be responsible for the 6% withholding directly to the state of South Carolina.



## Miscellaneous Employer and Employee Taxes

In addition to the standard employer taxes, (i.e., FICA, FUI, and SUI), the following represent additional obligations:

### ***California, San Francisco - Gross Receipts Tax***

An employer-only payroll tax is based on the employee's wages, subject to FICA, at .784% and applies to both the city and county of San Francisco.

### ***California, San Francisco - Health Care Security Ordinance (HCSO)***

Businesses with 20 or more employees (and nonprofit organizations with 50 or more employees) **must** spend a minimum amount on health care benefits for each of their covered employees – generally, those employees who work 8 or more hours per week in San Francisco and have been employed for more than 90 days.

### ***Colorado, Denver - Occupational Tax***

Denver assesses both an employee tax and an employer tax for each month an employee works within the city. The rate is \$4.00 for the employer tax and \$5.75 for the employee withholding.

### ***Colorado, Aurora - Occupational Tax***

Aurora assesses both the employee and employer \$2 for each month per employee working in the city.

### ***Hawaii, Employee Health Insurance Tax***

Mandatory health insurance is assessed on all employees working four weeks or more if they are not already covered by an existing plan.

### ***Massachusetts, Employer Health Insurance Tax***

Health insurance (employer expense) is .34% of an employee's gross wages up to a limit of \$15,000. Employees covered under the State Unemployment Insurance are covered under the Massachusetts Health Insurance Plan.

### ***Missouri, St. Louis, City Tax***

St. Louis assesses employers 0.5% of an employee's gross wages and requires 1.0% to be withheld from the employee's gross wages.

### ***Nevada - Excise Tax***

The state of Nevada imposes a tax of 1.378% of employee's FICA subject wages for each individual working in the state.

### ***New Mexico***

The Personnel Assessment Fee for the employer is \$2.30 per month per employee. The employee deduction is \$2 per quarter.

### ***New York - MTA Tax***

The Metropolitan Commuter Transportation Mobility Tax (MCTMT) requires an employer pay 0.34% of gross wages for the Southern Counties of New York State.



## Oregon

Tri-Met Transportation requires 0.7937% of wages subject to SIT for those working in Washington, Clackamas, and Multnomah counties. Statewide, a tax of .1% is levied on employees. Lane County District requires 0.76% of wages subject to SIT for those working in Eugene, Springfield, and Lane counties. Personnel Assessment requires 1.1 cents per hour per employee and employer. For more information on Oregon taxes visit: <https://www.oregon.gov/DOR/Pages/index.aspx>

## Pennsylvania, Pittsburgh

Pittsburgh employer expense tax of 0.55% of subject wages, due quarterly.

## State Handling Fee Taxation

State and Local jurisdictions generate revenue through various forms of taxation, including Personal and Corporate Income Taxes, Sales and Excise Taxes, Ad Valorem (Property) Taxes, Payroll Taxes, Gross Receipts Taxes (*GRT*), and Business and Occupation (*B&O*) or Commercial Activity Taxes (*CAT*). These taxes are often imposed on various components of EP's payroll and casting gross revenue (total invoice) rather than on company profits. EP collects all required gross revenue-based state and local taxes directly from our clients, as an invoice added line item, based upon the following state requirements:

- City of Atlanta Occupational Tax – Gross Billings (including ER Fringes) for the state of GA subject to GRT rate of .0014%.
- Connecticut Sales Tax – EP's handling fees (*HF*s) are subject to a Sales Tax rate of 6.35%.
- Hawaii Excise Tax – EP's handling fees (*HF*s) are subject to a GRT rate of 4.5%.
- New Mexico GRT – for *Super Loan-Out*\* clients, gross billings (including ER Fringes) subject to a GRT rate of 5%; for all other clients, EP's handling fees (*HF*s) subject to a GRT rate of 9.437%
- Ohio CAT – Gross Billings (including ER Fringes) subject to GRT rate of .26%.
- City of San Francisco GRT & PET – Gross Billings (including ER Fringes) are subject to a combination of GRT and Payroll Expense Tax, which varies annually, but is currently a total rate of .784%.
- South Dakota Sales Tax -- Gross Billings (including ER Fringes) are subject to a Sales Tax Rate of 6.5%.
- West Virginia Sales Tax – EP's handling fees are subject to a Sales Tax rate of 6.0%.

In all cases- *GRT*, *B&O*, *CAT*, or *Sales Tax* - our invoice programming depicts the amount as '*GRT*'.

\*Per the NM Film Credit requirements, the EP Super Loan-out pays GRT to the state and, as well as, the 5.9% Personal Income Tax withholding from employees.

If you have any questions, please contact [EP Tax Support](#).



## Canadian Taxation – General Info

EP withholds Canadian tax from non-residents working in Canada. This includes the Regulation 105 taxation of behind-the-scenes staff and crew, and the Part XIII taxation of actors, to include anyone in front of the camera.

We also withhold Canadian Provincial tax for anyone working in the Province of Québec. We do not withhold Provincial taxes for any other Canadian provinces or territories at this time.

In addition, we withhold tax on box rental payments.

Taxes in Canada are withheld for both individuals and individuals being paid as loan-out corporations. Canada does not make a distinction as the US does.

Current taxes withheld are as follows:

- Actors are taxed at a flat 23%.
- Behind-the-scenes crew are taxed at a flat 15%. Loan-out crew are just a flat 15%.
- Box rentals are taxed at a flat 10%. Tax waivers never include box rentals.
- Québec Provincial tax is an additional flat 9%.

It should be noted that the above percentages are what EP is required to withhold from the employee working in Canada. An employee may actually owe more or less tax to CRA (Canada Revenue Agency) at the end of the year, depending on Canadian residency status, income tax bracket, waiver status, etc. It is very important that each employee be in touch with their own personal tax accountant, preferably one with knowledge of the entertainment industry, AND with experience dealing with international taxation issues. Per the Canada Revenue Agency website and other printed documentation, most employees are required to file a Canadian Income Tax Return, the T1 for Individuals and the T2 for Loan-Out Corporations. [The CRA website](#) has tax packages available for free download, though consulting with a personal accountant is strongly advised.

### ***Exchange Rate***

While different productions use different exchange rates for their own budgeting purposes, EP always pays employees in US dollars only. You could think of this as using a 1:1 exchange rate, if your books are being kept in Canadian dollars. We unfortunately cannot accommodate varying exchange rates for different productions in the payment of income or per diem calculations. Per the Canada Revenue Agency, we must convert from US dollars to Canadian dollars using an official exchange rate provided at the end of each year.

### ***Tax Waivers***

Behind-the-Scenes employees are eligible to apply to the CRA for a waiver of Regulation 105 withholding. If approved, no Canadian source withholding will occur during the period of the waiver, during the time frame stated on the waiver, for the specific services stated on the waiver, and for that one show only. For example, if there is a Director/Producer working in Canada, s/he will need a tax waiver which states that both Director Services AND Producer Services have been approved for the waiver.

If payments have been made to employees prior to the receipt of the waiver, once the waiver comes in, it may NOT be retroactively applied to those payments...even if it was for work done within the waiver period.



Actors are not eligible for Regulation 105 waivers, since they are not paid under Regulation 105 of the Canadian Income Tax Act; they are instead paid under Part XIII. And while there are technically no waivers of Part XIII tax, there is something similar called a Reduction of Withholding Tax under subsection 212 (5.3) of the Canadian Income Tax Act. The actors that EP pays generally do not meet the requirements of this income tax reduction, but they are welcome to apply for it, and if granted, a copy should be forwarded to the paymaster with other timecard paperwork.

Both actors and behind the scenes crew can apply to the Province of Québec for a provincial tax waiver.

**Taxation of box rentals is never waived.** This is another Part XIII tax that has nothing to do with Regulation 105, and therefore a Regulation 105 tax waiver is not applicable. Therefore, we must always withhold the 10% Canadian tax on box rentals.

**Waiver Process**

The production should forward any approved waivers to their EP paymaster. This information will be entered into our system at that time, and, going forward, Canadian taxes will not be withheld for the duration of the waiver period and/or the approved total compensation. The production will need to apply to Canada and/or Québec for an extension of the waiver, should one be needed. When Canadian tax is waived, we automatically withhold any US taxes due instead, as appropriate. The Canadian waivers have verbiage on them now that prevents us from retroactively applying them to payments already made to the employee. CRA is also increasingly requiring employees to have filed previous year tax returns, prior to issuing new waivers. If the employee worked for EP in the past, we will be happy to provide duplicate tax forms to assist the employee in this situation.

**Per Diem and Lodging**

Canada does not have anything called a “living allowance.” The production must break out on the timecard how they would like to report any of these types of allowances. Per diem in Canada is reserved for meals only, and lodging is for lodging accommodations only. That said, **as long as the employee stays under the Canadian allowables below, no receipts are required and we do not ask for proof of how these monies were in fact spent.** Anything over these allowables needs to be taxed at the usual rates.

Canada has its own rules regarding the payment of per diem for meal allowances. We are required to withhold tax on any portion of the per diem payment beyond what is allowable. The Canadian allowable amounts are different than the US OCONUS allowables. If you are looking for the allowables for any foreign countries, you can visit the [US Department of State website](#). Our payroll system is programmed to automatically handle the Canadian per diem and lodging tax calculations, as long as the production submits timecards with the correct number of workdays indicated. If per diem is being paid for a period different from the number of workdays on the same check, the production needs to notify the paymaster of this, and the paymaster can manually correct the system calculation.

**Canadian Allowables**

<b>Per Diem (meals):</b>	
Crew	\$45.00 per day is allowable for meals for crew.
Actors	\$100.00 per day is allowable for meals for actors.
<b>Lodging (hotel or house/apartment rent):</b>	
Crew	\$100.00 per day is allowable for lodging for
<b>Actors – No special lodging.</b>	



Tax on the non-allowable portion of Canadian per diem will show up on an edit, and under the Voluntary Deduction section of an employee's Detail Earnings Report or Paycheck as an item identified as CNC-DM for crew, and as an item identified as CNDIEM for actors. Tax on the non-allowable portion of Canadian lodging will show up as CNLODG for crew. Since actors get no special lodging allowance, all of their lodging is taxed at 23%, and it is lumped together with other work state tax.

### ***End of Year Tax Forms***

Just as all employees are issued US W-2's and 1099's at the end of the year, all employees who have worked in Canada will be issued the Canadian equivalents to these forms:

- Crewpersons are issued T4A-NR forms.
- Actors are issued NR4 forms.
- Anyone working in Québec is issued the Relève 1 form (RL-1).
- Any box rentals will be reported on an NR4 form.
- Canadian residents who earned residuals are issued T4A forms.

The US W-2 and 1099 will be mailed out to employees by the last day of January each year. The Canadian forms will be mailed out by the last day of February each year. These dates are the legal deadlines established by each country's tax authority.

Dollar amounts on the Canadian tax forms are reported in Canadian dollars, using the official annual exchange rates per form provided by the Bank of Canada. The rate is printed on the back of each form. Amounts reported to Canada on the Canadian tax forms are **ALREADY INCLUDED** in the employee's corresponding US W-2 and 1099 forms; the employee should not add these numbers together or they will be as much as doubling their income and tax!

If the employee needs duplicate forms mailed, or if corrections need to be made, the employee should contact us directly, at (800) 417-0037 option 4, and provide any documentation requested. EP will not make any adjustments of this sort without the written approval of the production/studio.

As a general rule, refunds can only be made by EP prior to December 31 of the current year. Any refunds necessary after that point will need to be requested from the Canada Revenue Agency, when the employee files their tax return.





## Chapter 13: Workers' Compensation

EP calculates workers' compensation charges on all hours worked or guaranteed. We classify each employee by his/her job description with the appropriate workers' compensation rate as set forth by the employee's resident state, unless working in a foreign location.

**NOTE:** If you have employees who are typically considered production employees, but who, however, are working in clerical positions, please specify this on the employee's start card. For example, we assume a P.A. is a typical production classification; if any particular P.A. is strictly in the office, please indicate this on the start card as *office P.A.* or *clerical*, etc.

Certain activities require prior approval and completion of a Special Handling Questionnaire (e.g., aircraft, drones, watercraft, stunts, foreign locations and unusually risky/hazardous activities). Follow the link to access [The Special Handling Questionnaire](#):

Any questions regarding Workers' Compensation can be addressed by email the insurance section of our [Risk Solutions Department - Insurance](#).

The following link provides access to [EP's Workers' Claim Packet](#), which includes information on how to report a work-related injury and locating a medical provider:

Any questions about claims can be directed to the claims department of our [Risk Solutions Team - Claims](#)

## Chapter 14: Client Liability Insurance

EP clients are required to maintain General and Auto Liability insurance coverages (along with foreign, aircraft, drone/unmanned aircraft, and watercraft as applicable) provided at the time of set up throughout the life of the project and name EP as an additional insured for such coverages. In the event any of your insurance coverages expire prior to the completion of the project, a renewal certificate naming EP as additional insured must be sent to [Certificate of Insurance Team](#) to avoid interruption to payroll services.

Click here for a [Sample Insurance Certificate](#)



## Chapter 15: EP Cares Health Insurance

EP Cares™ is a benefits program specifically designed to be an Affordable Care Act (ACA)-compliant benefits solution for **non-union employees** in the entertainment industry. This applies only to non-union employees who received W-2s. Loan Out employees are not eligible. The ACA is a federal law requiring employers to offer minimum essential health insurance to employees and their dependents. The EP Cares program ensures continuity for employees in benefit selections (including similar health plans, contributions, and doctors/networks) when moving across different EP Cares participating production companies (“Employers”). Under the law, it is the Common Law Employer (“CLE”), which is generally the studio or production company, that has the obligation to offer insurance (not EP).

To participate, production companies must **separately sign up and pay additional fees for the EP Cares™ program** to provide medical, dental, vision, life and/or voluntary insurance products to their employees. The medical plans are designed to offer quality options at low costs to employees across the country who are employed by participating Employers. Employee premiums are deducted from your employee’s EP paycheck. Loan-out company personnel are not eligible to participate in EP Cares health insurance program, because they are not your W-2 employees.

If your show has signed up for EP Cares, below is a convenient checklist to keep your production on track with EP Cares. You also should refer to your EP Cares Production Guidebook. Studio and Employer questions about EP Cares can be directed [epcares@ep.com](mailto:epcares@ep.com) and Employee questions can be directed to [myepcares@ep.com](mailto:myepcares@ep.com) or 855-339-7350.



### EP Cares Production Action Item Checklist (for projects paid by EP)

Description of Action	Effective
<input type="checkbox"/> Check the appropriate ACA Employee Status box on the START CARD or in SmartStart.	At Time of Hire
<input type="checkbox"/> Ensure the Employee’s EMAIL ADDRESS, DOB and ADDRESS are on the START CARD.	At Time of Hire
<input type="checkbox"/> Include the EP CARES™ WELCOME GUIDE and related documents in the Employee’s START PACKET. (Electronic copy available upon request)	At Time of Hire
<input type="checkbox"/> Provide the Employee’s last date worked in the LAYOFF/TERMINATION DATE field on the Employee’s final TIMECARD regardless of whether the employee is enrolled in benefits or not. This is a vital part of ACA compliance. This tells EP when COBRA notifications are required and when to terminate active benefits.	At Time of Employee’s Final Time Card
<input type="checkbox"/> Review weekly and monthly reports from the EP Cares team and reply as needed.	Weekly, Monthly
<input type="checkbox"/> Track Initial Measurement Period for Variable Hour Employees and submit results to <a href="mailto:epcaresops@ep.com">epcaresops@ep.com</a> . EP manages this for clients who subscribe to our ACA Premiere service.	As Needed
<input type="checkbox"/> Remit monthly insurance payment to EP.	Invoice Sent 15 <sup>th</sup> of Each Month



## Video Links:

EP's product suite offers many tools to assist you in the processing of your payroll. The links below provide brief overviews of some of these products.

	<a href="https://www.ep.com/smarttime">https://www.ep.com/smarttime</a>
	<a href="https://www.ep.com/smartstart">https://www.ep.com/smartstart</a>
	<a href="https://www.ep.com/smartaccounting">https://www.ep.com/smartaccounting</a>
	<a href="https://www.ep.com/smarthub">https://www.ep.com/smarthub</a>