



# Residuals

## **RESIDUALS**

### **List of Basic Services**

*From a film library to an independent production, let Entertainment Partners handle all your residual obligations.*

Entertainment Partners has been the largest residual processing service in the industry for more than 30 years. We offer an extremely efficient and cost-effective method of managing your residual obligations. EP can eliminate your headaches when it comes to estimating, calculating, and processing residuals for made for free television, theatrical, pay television, home video, basic cable and new media products. As the company with the largest residual base, we have the experience and expertise to assist you in making the critical decisions impacted by residual obligations.

## We provide a team of residual professionals who can assist in every aspect of meeting your residual obligations.

- **Show Information**  
Our Residual Account Manager identifies all information or documentation required for residual purposes.
- **Forecasting**  
We can assist you in forecasting every type of residual obligation, such as a network prime time rerun, foreign exhibition, etc., based on actual or hypothetical data. This allows you to determine your residual costs for budgeting purposes or to determine the cost associated with releasing a product under given circumstances before committing to a sale.
- **Contract Interpretation**  
We can assist you in interpreting union contract language, as well as individual employee contracts to identify special provisions relating to residuals, crediting of overscale payments, application of advances, etc.
- **Residual Rules**  
We can provide summary write-ups and/or schedules of residual rules for every product type. These write-ups and schedules identify the guilds and respective payment formulas applicable, the percentages payable, as well as other general information for all releases of a product governed by union collective bargaining agreements.

## We offer state-of-the-art technology.

- **Residual Formulae**  
Our system contains data for television residuals dating as far back as 1952 and post-1960 for theatrical product. Basic concepts on which residuals are paid have drastically changed over the past 60 years – in this regard, there is no other system as complete as the EP system.
- **Payment Calculations**  
Our residual system can handle any type of residual payment, and with every payment the system recalculates all aspects of an employee setup. For example, if it becomes necessary to modify an employee's residual base, then the system will adjust all past and future payments. As another example, if a new employee is added to a product, then all supplemental market residuals are redistributed, and any payments previously made to the other employees are readjusted to recoup any resulting overpayments from future payments.
- **Deferments**  
We have the ability to defer payments for specific markets that fall below an amount determined by the guilds or set by the client, either at the individual talent or guild level.
- **Advances and Recoupments**  
Our system tracks advances and overpayments.
- **Prorate Payments**  
EP's system has the capability to prorate percentage payments when permitted by union contracts.
- **System Flexibility**  
Our system is extremely flexible and is constantly upgraded to adapt to new and varied residual contract formulas as they are developed.

## Other EP System Features and Capabilities

Made for Markets:	TH Product	FTV Product	BC Product	PTV Product	HV Product	NM Product
<b>Reuse Markets</b>						
Free Television	X	X	X	X	X	X
Basic Cable	X	X	X	X	X	X
Pay Television	X	X	X	X	X	X
Home Video	X	X	X	X	X	X
New Media	X	X	X	X	X	X
In-Flight		X	X	X	X	X
Theatrical		X	X	X	X	X

- Blocked Payments**  
 In the event it becomes necessary to pay particular guilds or individuals without paying others, our system allows us to “block” the guilds or individuals not being paid.
- Pension, Health and Welfare (PH&W)**  
 Our system cuts off PH&W payments automatically when ceilings have been reached.
- Auditability**  
 Our reports contain a large amount of detail. For instance, a paid history report lists not only total amounts paid to each performer by market, but also every payment amount, payment date, air date (or quarter end date), check number, and invoice number.
- Late Payment Penalties**  
 In the event that it is necessary, our system is capable of processing late payment penalties assessed by any and all guilds.
- Beneficiaries**  
 In our system, deceased employees are set up under the deceased employee’s Social Security number with a reference to the beneficiary or estate. When the payments are generated, however, the checks are issued to the beneficiary or estate, and at year-end a 1099 is issued detailing monies earned for the year.
- Reciprocity**  
 Our system complies with reciprocity tax regulations in all states (e.g., California reciprocity rules require taxation based on both resident and work state).
- Record Maintenance**  
 As the employer of record we maintain all payroll records, guild PH&W reports, and handle all taxes associated with residual payments.
- Research Reports**  
 The EP system can produce a myriad of research reports to assist the client in investigating payment status. For example, check registers are available that detail a specific employee’s elements of gross pay, as well as deductions and employer fringes, such as FICA, FUI, SUI, various voluntary deductions, etc. Summaries of residuals paid by product are also available.
- Internet Access to Residuals Data**  
 EP can provide direct online access to the client’s historical data.
- Online Estimating System**  
 We provide a powerful, yet easy-to-use, online estimating system to give our clients the capability to forecast residuals as the need arises.