

# Minimum Increase In Qualifying Minimums Notice

May 31, 2017

## NOTICE OF MINIMUM INCREASE TO QUALIFY FOR HEALTH COVERAGE

Effective July 1, 2017, a writer must earn a minimum \$38,685 for covered writing services within a period of four consecutive quarters in order to qualify for health coverage.

### **TO: ALL PARTICIPANTS**

#### ***CHANGE IN QUALIFYING EARNINGS AMOUNT FOR ACTIVE (EARNED) ELIGIBILITY***

A writer qualifies for Health Fund coverage by earning the WGA minimum for a one-hour network primetime story and teleplay, currently \$38,302 of *covered, reportable compensation*, within four consecutive calendar quarters.

As of July 1, 2017, the WGA minimums will increase and a writer will have to earn \$38,685 of *covered reportable compensation* within four consecutive calendar quarters in order to qualify for one year of Health Fund coverage.

#### ***EXPLANATION OF AN EARNINGS CYCLE***

When you first become employed, your signatory employer reports your earnings to the Health Fund; this starts your initial four-quarter earnings cycle. Once qualified for coverage, a writer has a specific four-quarter earnings cycle in which they must continue to satisfy the earnings minimum in order for coverage to continue without interruption from year to year.

#### ***REAL WORLD SCENARIOS***

##### **EXAMPLE 1 – Earning Cycle Ending 3/31/2017:**

Let's say you earned \$10,000 in September of 2016, and then another \$28,302 in March 2017 for a total of \$38,302. Congratulations! You qualify for a year of healthcare coverage that begins on July 1, 2017.

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Why July 1st instead of March 1st or April 1st? There is a “one-quarter processing period” between the quarter when you qualify and when your coverage actually begins. In this example, you qualified in the 1st quarter of 2017, therefore; the processing period is the 2nd quarter of 2017 (4/1/17 to 6/30/17).

**EXAMPLE 2** – Earning Cycle Ending 9/30/17 (new minimum is applicable):

What happens if you earn \$10,000 in December of 2016, and then earn an additional \$28,302 in July 1, 2017? The \$38,302 would no longer be enough to qualify for Health Fund coverage because on July 1, 2017, the minimum increases to \$38,685. If you had earned the additional \$28,302 by June 30, 2017, you would have qualified because you met the minimum the day before the minimums went up.

If you then earn an additional \$383.00 in the 3<sup>rd</sup> quarter (7/1/17 to 9/30/17), you would qualify for coverage based on the new earnings minimum of \$38,685, the “processing quarter” would be the 4<sup>th</sup> quarter (10/1/17 to 12/31/17), and your Health Fund coverage would begin on January 1, 2018 for one year.

The chart below shows how the Health Fund coverage qualification rules are applied and how coverage is earned based on the new earnings minimum effective July 1, 2017:

Quarter Earnings Minimum is satisfied:	Amount required to qualify:	Processing Quarter:	Coverage Begins:	Coverage Ends:	Earnings Cycle for next year of coverage:
3 <sup>rd</sup> quarter 2017 (7/1/17-9/30/17)	\$38,685	4 <sup>th</sup> quarter 2017	1/1/2018	12/31/2018	10/1/2017 to 9/30/2018
4 <sup>th</sup> quarter 2017 (10/1/17-12/31/17)	\$38,685	1 <sup>st</sup> quarter 2018	4/1/2018	3/31/2019	1/1/2018 to 12/31/2018
1 <sup>st</sup> quarter 2018 (1/1/18-3/31/18)	\$38,685	2 <sup>nd</sup> quarter 2018	7/1/2018	6/30/2019	4/1/2018 to 3/31/2019
2 <sup>nd</sup> quarter 2018 (4/1/18-6/30/18)	\$38,685	3 <sup>rd</sup> quarter 2018	10/1/2018	9/30/2019	7/1/2018 to 6/30/2019

Please note that if you have reached the ceiling on a project (\$250,000) or received compensation that is not subject to reporting, these earnings may not be applicable to Health Fund eligibility.

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Non-reportable compensation includes the following items: 1) Excerpt payments, 2) Royalties, 3) Character payments, 4) Options, 5) Late fees, 6) Expenses, 7) Theatrical residuals, 8) Over-ceiling TV residuals, 9) Separated rights payments, 10) Publication fees, and 11) Amounts over the weekly staff, 14K and 14E2 minimums (unless otherwise contracted). A detailed summary of what is and is not *covered reportable compensation* can be found on our website at:

[https://wgaplans.org/contributions/forms/Reportable\\_Summary\\_Schedule.pdf](https://wgaplans.org/contributions/forms/Reportable_Summary_Schedule.pdf)

For a one-hour daytime serial program, if you are a writer of thirteen (13) breakdowns during one thirteen-week cycle, who has been paid a total of less than \$38,685, you may still be eligible to receive one year's Health Fund eligibility. Please call the Contributions Department at the Administrative office for details.

Should you have any questions or concerns, we encourage you to contact the Eligibility Department at the Administrative Office so that we may assist you. We are here to be your trusted guide.

Sincerely,

*BOARD OF DIRECTORS/TRUSTEES*