Memorandum

DATE: April 23, 2009

TO: All Signatory Producers to the Screen Actors Guild Collective Bargaining Agreements

FROM: Board of Trustees, Screen Actors Guild- Producers Pension and Health Plans

SUBJECT: Sole Proprietors and Partnership Improper Reporting of Contribution for Owners

The purpose of this memorandum is to advise all Signatory Producers regarding the Screen Actors Guild-Producers Pension and Health Plans' policies and procedures concerning earnings and contributions reported from a sole proprietor or partner on their own behalf. SAG Signatories are sometimes organized as a sole proprietorship or partnership (rather than as corporations or Limited Liability Corporations, or "LLCs"), and they can sign to various types of the Screen Actors Guild Collective Bargaining Agreements. While the Plans' current policies do allow for earnings and contributions reporting for performers who worked on a SAG project for a sole proprietorship or partnership, federal law does not permit the Plans to accept earnings and contributions reporting from these sole proprietors or partners on their own behalf.

When the Plans become aware that an owner of a sole proprietorship or partnership is improperly reporting on their own compensation, the earnings will not be processed and the contributions will be returned to the reporting entity. The owner will not be able to rely on these earnings for purposes of establishing eligibility or obtaining benefits under the rules of the Plans. If the earnings have already been processed, the earnings will be removed and the contributions will be refunded once they are identified. If the improper contributions establish eligibility, the Plans will remove the eligibility and recoup any claims improperly paid.

Should you have any questions, please contact the Contribution Compliance Department at (818) 953-2530, or at contactccd@sagph.org