

May 1, 2021

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 within four consecutive calendar quarters.

As of July 1, 2021, the WGA minimums will increase and a writer will have to earn \$40,854.00 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.

NOTICE OF MINIMUM INCREASE TO QUALIFY FOR HEALTH COVERAGE

Effective July 1, 2021, a writer must earn a minimum \$40,854 for covered writing services within a period of four consecutive quarters in order to qualify for health coverage.

REAL WORLD SCENARIOS

EXAMPLE 1 – Earning Cycle Ending 3/31/2021:

Let's say you earned \$20,000 in September of 2020, and then another \$20,000 in March 2021 for a total of \$40,000. Congratulations! Since the current earnings minimum is \$39,858, you qualify for a year of healthcare coverage that begins on July 1, 2021.

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 2021, therefore; the processing period is the 2nd quarter of 2021 (4/1/21 to 6/30/21).

EXAMPLE 2 – Earning Cycle Ending 9/30/21 (new minimum is applicable):

What happens if you earn \$20,000 in December of 2020, and then earn an additional \$20,000 on July 10, 2021? The \$40,700 would no longer be enough to qualify for Health Fund coverage because on July 1, 2021, the minimum increases to \$40,854. If you had earned the additional \$20,000 by June 30,

2021, you would have qualified because you met the minimum the day before the earnings minimum went up.

If you then earn an additional \$854 in the 3rd quarter (7/1/21 to 9/30/21), you would qualify for coverage based on the new earnings minimum of \$40,854, the “processing quarter” would be the 4th quarter (10/1/21 to 12/31/21), and your Health Fund coverage would begin on January 1, 2022 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, 2021:

Quarter Earnings Minimum is satisfied:	Amount required to qualify:	Processing Quarter:	Coverage Begins:	Coverage Ends:	Earnings Cycle for next year of coverage:
3 rd quarter 2021 (7/1/21-9/30/21)	\$40,854	4 th quarter 2021	1/1/2022	12/31/2022	10/1/2021 to 9/30/2022
4 th quarter 2021 (10/1/21-12/31/21)	\$40,854	1 st quarter 2022	4/1/2022	3/31/2023	1/1/2022 to 12/31/2022
1 st quarter 2022 (1/1/22-3/31/23)	\$40,854	2 nd quarter 2022	7/1/2022	6/30/2023	4/1/2022 to 3/31/2023
2 nd quarter 2022 (4/1/22-6/30/22)	\$40,854	3 rd quarter 2022	10/1/2022	9/30/2023	7/1/2022 to 6/30/2023

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.

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

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 \$40,854, you may still be eligible to receive one year’s Health Fund eligibility. Please call the Employer Compliance 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