## **Employment Services for Producers**

## Nancy Fulton Meetups

## Elite Placement Group / 310.277.2600

Producers shooting documentaries, short films, web series, commercial media with non-union talent, editors, and others need a way to legally hire employees. From time to time actors, writers, and other crew need a way for others to pay them, legally, for the service they provide.

- The IRS and State of California considers <u>everyone</u> "below the line" on a film set an employee, even if a person is only working for one day. Calling someone a contractor doesn't make them a contractor. If you are telling people where to be, what to do, when to do it, what to wear, and how to act, they are an employee. That describes pretty much everyone working on a set. Here are the <u>rules</u>.
- Failure to treat people like employees when they are employees means that they can complain to the <u>EDD</u> and get fines and penalties imposed.
- All employees must be covered by workers compensation.
- All must be paid at least a minimum wage as the law requires, are eligible for overtime, etc, and all employer contributions to FICA, etc must be met.
- All appropriate payroll and tax documentation must be filed for employees at the end of the year.

**Elite Placement Group**, a temporary employment agency, can provide "leased employee" solutions for producers, as they do for many other kinds of businesses.

- Producers can hire PAs, make-up professionals, on screen talent, editors, and most other staff through Elite Placement Group for a few hours, days, weeks, or months at a time for both film and theatrical work.
  - o Producers have have Elite Placement interview and send over qualified people
  - Producers can call Elite Placement and tell them to hire specific people
- Producer will have employees sign all required performance releases, non-disclosure agreements, and other production-related contracts before starting work.

Elite, in order to be in compliance with the law, has the following requirements. These requirements will be stated to employees when they are hired and as they are placed.

- Safe, sane, and professional locations only
  - Office buildings, sound stages, recording studios, well-maintained/safe rented locations.

- No abandoned warehouses, unfinished or dilapidated buildings, etc.
- Easy and immediate access to bathrooms, water, food, etc. required.
- Photographs of locations, or a site visit by Elite Placement Group may be required before or during shoot to confirm working conditions.
- Employees may take <u>no</u> physical risks
  - No lifting over 40 pounds
  - No work with generators
  - No work involving ladders, scaffolding, rigging.
  - No work with water beyond normal office use
  - No work with heavy equipment
  - No driving (except to and from a work location or to and from a meal location)
  - No nudity
  - No stunts
  - Activities are limited to the low-risk activities most people do in office environments.
- Employees must be age 18 or older and US Citizens or legal residents with full documentation
- Employees must have
  - One 15-minute break every 4 hours
  - One 30-minute meal break in the first 8 hours, and another meal break every 4 hours thereafter.

Producers will pay Elite Placement 1.6 x the hourly wage owed to the worker.

- Workers will become temp employees of Elite Placement in a standard "leased employee" agreement.
- They will be fully covered by workers compensation.
- All required employer contributions payments will be made state and federal government agencies (IRS, EDD, etc).
- **Example:** Let's say a worker does a 13 hour day at a \$20 wage
  - \$20/hr = \$32/hr Paid to Elite Placement
  - \$20/hr x 1.5 for every hour after 8 hours = \$48/hr Paid to Elite Placement
  - \$20/hr x 2 after 12 hours for every hour after 12 hours = \$64 /hr Paid to Elite Placement
  - Employee will earn \$160 + \$120 + \$40 = \$300
  - You will pay Elite Placement: \$480
- Elite Placement will send out W2s and handle all other aspects of payroll for these employees.
  - Each week someone works for your production company, they'll complete a time card.
  - Elite will ask you to provide payment and confirm hours, and then Elite will issue checks to the employees.

- Prepayment may be required in certain circumstances.
- Producer must have general liability insurance and film production insurance (FracturedAtlas.com, EventHelper.com, etc).
- Elite may require a shooting schedule, screenplay, and access to locations in order to estimate costs and confirm employee safety and calculate costs.

Using Elite means that people you've worked with won't complain to the EDD when they find they have a big tax bill at the end of the year that they didn't plan to pay, or when they are fined for not making quarterly payments. It also means that if someone trips and falls while they are working for you, their injuries are covered by workers compensation.

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