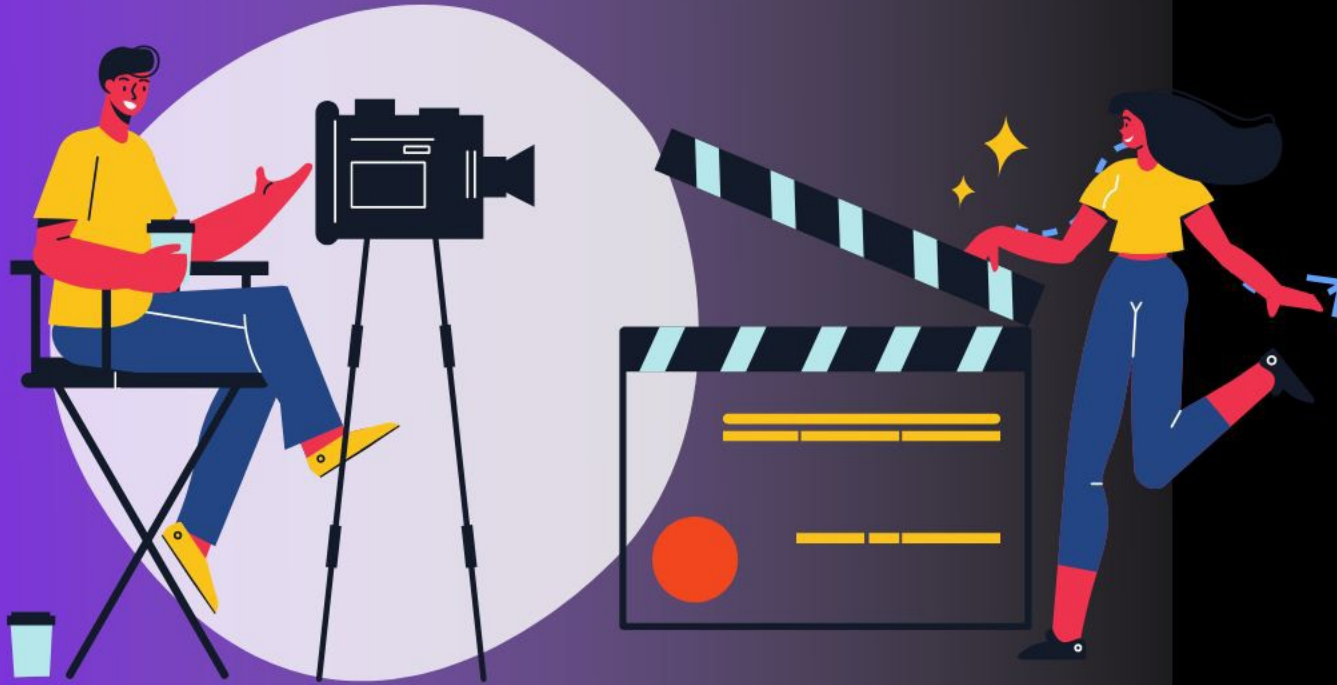




**WE MAKE MOVIES** PRODUCTION MANAGEMENT



# PRODUCTION INSURANCE IS #@%\$ING EXPENSIVE. WMM HAS YOUR BACK.



Filmmakers come to us because they have trouble finding affordable production insurance. An individual policy from a broker starts around \$2000 and doesn't include any guidance or assistance with media payroll companies, vendors or rental houses, SAG-AFTRA paperwork, crew hiring, or film permits.

With WMM, you'll get access to production insurance, along with the expertise of independent filmmakers who will provide production management tailored to the needs of your project all for significantly less money than purchasing a policy on your own.

LET US BE YOUR VIRTUAL PRODUCTION OFFICE & GIVE YOU MORE THAN JUST INSURANCE, **FOR WAYYYYYY LESS.**

# BUT, FOR REAL. I JUST NEED INSURANCE - I DON'T WANT ANY OTHER STUFF.



We're not an insurance company, so we can't sell you insurance or individual Certificates of Insurance (COIs). However, hiring us to manage your project will grant you access to our umbrella insurance policy while we also take the unsexy parts of production off your plate so YOU can just focus on being an artist.

## THE TEDIOUS BUT ESSENTIAL ASPECTS OF FILMMAKING YOU NEED TO KEEP YOUR PRODUCTION SAFE & LEGAL:

- Production Insurance (General, Auto, & Umbrella)
- Worker's Comp
- Payroll Processing
- Deal Memos
- Film Permits
- Vendor Coordination

**YOU MAY NOT FEEL THAT ALL OF THESE ELEMENTS ARE NECESSARY FOR AN INDIE SHOOT,  
BUT LET US TELL YOU WHY YOU SHOULD NOT ROLL CAMERA WITHOUT THEM.**





## WHY PAYROLL?

### WHY DO I HAVE TO USE A PAYROLL COMPANY?

In short, it's the law.

If you are an indie producer and have decided you will pay in cash with no withholding, you are putting yourself at EXTREME risk. In California the AB-5 law (passed in 2020) extended employee status to gig workers like cast and crew. However, even if you're shooting in a state without an AB-5 type law, the IRS can still penalize/fine your production. If any member of your cast or crew member files for unemployment or unfortunately gets hurt on your set and needs to file a workers' comp claim, you will be contacted by the IRS who will then require you to pay ALL back payroll taxes plus penalties ranging from \$5,000-\$10,000 per misclassified worker (and sign an affidavit saying you will never do this again.) Yikes.

### I'M ONLY PAYING MY CREW A STIPEND - DO I STILL NEED TO USE PAYROLL?

Nope! For any cast & crew who are only getting a stipend/honorarium they will just have to sign a WMM Volunteer Deal Memo and you're free to handle those payments directly. [Click here for more info.](#)

### WHY DOES WMM NEED TO PROCESS THE PAYMENTS FOR VENDORS?

The policy holder listed on the insurance has to match the production company paying for the equipment in order for the coverage to be legal.

Do you have any paid cast and crew in your project?

YES

Yes, some of my cast and crew are getting paid.

Got it! Are you planning to use a payroll company?

YES

NO

STOP

Unfortunately, paying your cast and crew directly as Independent contractors is illegal and very risky\*. That's why we require all our clients to use a payroll company to process all paid salaries.

NO

everyone is deferred OR working as a volunteer

Great! We can take this off your hands by handling the entire payroll process for you— from onboarding to payment.

You're good to go! Once everyone signs our deferred/volunteer deal memos our workers' comp policy will cover everyone on your set and you don't need to pay additional fees for payroll.

PAYROLL? WE GOT YOU.





Do you have  
SAG-AFTRA actors in  
your project?

YES

Do you need help with  
your paperwork or  
advice on which  
contract to use?

NO

Sounds good. You  
handle the SAG-  
AFTRA paperwork,  
we'll handle their deal  
memos.

YES

No problem! We're really well  
versed in the indie SAG-AFTRA  
contracts and can even handle  
the lion's share of the  
signatory process for you.

NO

CONTRACTS? WE GOT THOSE TOO.

Got it. Just remember all paid non-union performers still need to be paid as employees (through payroll) and deferred cast will need to sign deal memos to make sure they're covered by worker's comp. All of this will become clear in the onboarding process!





Are you planning to pay your CREW directly, as independent contractors?



YES

Are you sure all your crew passes the "ABC" test to determine if they're an employee vs. IC?

What's the "ABC" Test?

States like California use the "ABC Test" while NY uses the "Common Law" test to determine worker classification. In both tests, anyone reporting to set at a designated time listed on a call sheet, is directed to do specific work (what tools to use, in what order etc.), could receive overtime, or is hired for a job that's within the scope of work they usually perform needs to be classified as an employee. (Learn more on next page>>)

I've paid my crew directly on my last production, why can't I do it now?

STOP

If a production is caught hiring cast or crew as ICs instead of employees they have to plead their case in court. It is not the worker nor the production who can ultimately decide the correct classification – the court does. Then the production is subject to \$5,000-\$10,000 fines PER misclassified employee. Yikes.

Yes, there are some exemptions of crew that can be paid as ICs such as freelance producers, still photographers, writers, fine artists, translators, and editors.

Are there any exemptions? What about producers or editors?

NO

Smart. Almost every single person on a film set does not pass the "ABC" test to qualify as an IC. We know payroll can be a headache, so when you work with us we'll handle the entire process for you!



TO DO OR NOT TO DO?

*\*Hey, we're just filmmakers. Not lawyers, accountants or financial advisers so this is not legal advice!*

Can you give me more info on the "ABC Test" specifics?



## WHAT'S THE "ABC" TEST?

**SURE! THEY MUST PASS ALL 3 OF THESE TO QUALIFY AS AN INDEPENDENT CONTRACTOR**

### **A**BSENCE OF CONTROL

The worker is free from control and direction. If you're telling a crew member what time to be on set (either via a call sheet or in person) and what work they're specifically doing on set and in what order they should do it, they are not free from control and must be hired as an employee.

### **B**USINESS OF WORKER

Is the service you're hiring outside of the normal work of your business (for instance a clothing store can hire a plumber as an IC to fix a leak). If you're hiring a gaffer for your production company that's inside the scope of usual work and they must be an employee.

### **C**USTOMARILY ENGAGED

Does this person routinely work in this trade, occupation or business? While you may be hiring a DP who routinely works as a cinematographer, you're hiring them inside the normal scope of work for a production company and telling them what time to be on set so they do not pass the ABC test. If you are hiring a DP to do your gaffing work, that is not in the scope of their trade HOWEVER they are being told when and where to be so they still do not pass prong 1.





# FAQ



## MY BUDGET IS TIGHT, HOW MUCH DOES PAYROLL COST?

### PAYROLL COSTS CONSIST OF:

**CAST & CREW SALARIES + STATE & FEDERAL TAXES + WORKERS COMP + ANY APPLICABLE FRINGES + A SMALL PAYROLL PLATFORM FEE**

We understand every penny counts in independent film, so we work with the budget-friendly media payroll company Wrapbook. While it does add a little more to your bottom line, Wrapbook is savvy on calculating fringes, SAG-AFTRA pension and health, overtime, and complicated state and federal taxes so you can breathe easy knowing your set is completely covered AND not subject to massive fines.

## UGH. I HATE DEALING WITH FILM PERMITS. CAN WMM HANDLE THOSE FOR ME?

Yes! We can handle the permit application process for you (or work with agencies to adjust the name on any permits you've already applied for), so we can truly be your pre-production one-stop shop.

## WHAT ABOUT SAG-AFTRA PAPERWORK? CAN YOU HANDLE THAT FOR ME AS WELL?

Yes! However, we can't file the paperwork under our signatory since SAG-AFTRA requires the copyright holder (which is you) to also be the person or entity responsible for the signatory. When you hire us for SAG-AFTRA coordination we handle the lion's share of the paperwork and walk you through the entire process.

For any projects with a budget under \$20,000 that are initially planned for distribution on YouTube or Social Media (anywhere where you don't have to pay to watch it) can be filed under the Micro Budget Agreement. This process is essentially just a title registration and is extremely quick and easy! (We can still walk you through that one as well too!) Here's the link to the Micro Budget Agreement Registration form: [www.wemakemovies.org/mba](http://www.wemakemovies.org/mba)



# FAQ



## I ALREADY AM WORKING WITH A PRODUCTION COMPANY, WILL THAT INTERFERE WITH HIRING WMM?

Nope! We won't touch any of the creative aspects of production (unless you want us to through our other services!), we're only dealing with the tedious, administrative aspects of production so there's no conflict having multiple production companies attached.

## CAN I HAVE MY OTHER PRODUCTION COMPANY HANDLE PAYROLL OR RENTING GEAR?

In order for our production insurance to cover your project, we need to be the production company of merit. This means being listed as the hiring entity for all cast and crew, and processing all vendor payments through us (vendors almost always require the policy holder to be the entity renting the gear) so your gear and locations are insured.

## WHAT DO WE MEAN BY "ILLEGAL AND VERY RISKY"?

In addition to avoiding paying taxes (which are mandatory unfortunately), misclassification violates an employee's federal protection and the Department of Labor (DOL) takes that pretttttt seriously... You may think a small production will fly under their radar, however, if anyone on your set files for unemployment (which, let's be honest, happens frequently in our unpredictable industry) then your state agency will look into that workers' previous employers and verify they've been classified correctly. If they see any red flags they'll audit your entire production and you'll be subject to penalties. In California the passing of the AB-5 law made this violation even more severe. You're subject to \$10,000-\$25,000 fines per worker for willful misclassification and \$5,000-\$15,000 if it's deemed an honest mistake by the court.





# FAQ



## WHAT ABOUT CAST AND CREW WHO HAVE LOAN OUTS? DO I HAVE TO PAY THEM THROUGH PAYROLL TOO?

A loan out company is a C or S Corporation set up by an individual for tax advantage purposes. A lot of name actors, directors and high level BTL (below the line) crew like DP's or editors set them up to avoid tax withholdings on their salaries. However, since these loan outs cost a lot to set up and maintain you don't often see many on lower budget indie productions. Paying cast & crew as loan outs has a huge advantage for production in that you don't have to pay employer fringes like federal/state taxes or medicare for those workers, but you still do have to pay for Workers' Comp, any union benefits, and the payroll platform fee. Bottom line, since you're still paying the loan out a wage you will need to process them through payroll so they're covered by workers comp and you don't have to worry about issuing a 1099 yourself at the end of the year.

## EXTRA CREDIT: WHY DO THEY CALL IT A LOANOUT?

Essentially the loanout company "loans out" the services of the artist who set it up. For example, a big-name actor Starr Thespius has her loanout company Starrfield Films, Inc. You hire her on your movie and she submits start paperwork with the loanout company. So instead of filling out a W4 and I9, the payroll company accepts a W9 (to get the loanout's federal tax ID number which will not be a social security number).



# HERE'S HOW IT ALL WORKS



- Fill out the form on this page: [wemakemovies.org/insurance](https://wemakemovies.org/insurance) and we'll get back to you ASAP with a quote.
- If you decide to work with us, a production agreement outlining the terms (including that **we don't have any ownership or claim to your project!**)
- Next we'll onboard you via this form [wemakemovies.org/onboarding](https://wemakemovies.org/onboarding) where you'll upload your cast & crew info for deal memos and payroll (if applicable.)
- When you need a **certificate of insurance** (COI) you'll email us with the vendor's name and address and we'll send it back asap!
- Don't want to deal with **SAG-AFTRA paperwork**? No prob. Just let us know and we can help you with that as well.
- After you wrap (woo hoo!) we will confirm final payroll costs with you. Once the invoice is approved, we process payroll and **your cast and crew get PAID!**

## THAT'S IT! BUT, WE DON'T WANT YOU TO BE A STRANGER.

You're now part of the WMM Community and have access to **free Writers Labs** ([wemakemovies.org/writerslab](https://wemakemovies.org/writerslab)) to workshop pages of your next project, and our **Rough Cut Labs** ([wemakemovies.org/roughcut](https://wemakemovies.org/roughcut)) to test screen your film when you're in post!

*Oh, and did we mention we also have an international film festival, **WMMINTL** ([wmmintlilmfest.com](https://wmmintlilmfest.com)), which can give your project its theatrical premiere??*





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# PHEW. THAT'S A WRAP!

Have any questions, or just want to talk some shop?

Reach out to [production@wemakemovies.org](mailto:production@wemakemovies.org) or visit [wemakemovies.org/insurance](https://wemakemovies.org/insurance) to get started!

Check out our full suite of budget friendly production services at [wemakemovies.org/services](https://wemakemovies.org/services).

