



THE WGA LOW BUDGET AGREEMENT -- FACT SHEET

- The Low Budget Agreement is offered to WGA members and non-members for purchases of existing screenplays and one rewrite. It is not for development.
- The agreement applies to films budgeted at \$1,200,000 and below.
- The agreement must be requested by the writer. With the writer's consent, the agreement allows a Company to defer payment of all or part of the compensation for the screenplay purchase and/or all or part of the compensation for the first rewrite in an amount negotiated between the writer and the Company, provided the total amount does not fall below applicable Guild minimums. However, upon commencement of principal photography (if the budget of the film is between \$500,000 and \$1,200,000), the Company must pay \$10,000 to the writer and apply this against any deferred monies owing on the screenplay purchase price. The Company may defer the remaining portion of money due until receipt of first revenue after (1) recoupment or (2) commercial distribution, whichever is earlier.
- The Company must pay a script publication fee of \$5,000, which is due thirty (30 days) after final determination of the writing credits on the Picture. For films budgeted at \$500,000 and below, however, upon the writer's request, the fee may be deferred along with the screenplay purchase and/or first rewrite compensation. The fee gives the Company the right to publish the screenplay on videodiscs/videocassettes.
- Writers of original screenplays may not be rewritten without their permission. Writers of an adapted screenplay shall be offered the opportunity to perform the first rewrite.
- Writers may also negotiate for increased backend minimums or backend residuals, a percentage of gross profit participation, and/or additional creative rights.
- The Company must be or become a signatory to the WGA Theatrical and Television Basic Agreement and sign all required documents. If applicable, the Low Budget Agreement will also be signed and apply to the particular film project.
- Except as modified by the Low Budget Agreement, all other provisions in the Guild contract apply, including but not limited to residuals, credits, pension and health, and separated rights.
- If the budget of the film exceeds \$1,200,000, WGA Theatrical and Television Basic Agreement low budget (between \$1,200,000 and \$5,000,000) or high budget (above \$5,000,000) minimums are immediately due and payable.
- If the film is not made within 18 months, the writer is entitled to reacquire the literary material.

For more information about the WGA Low Budget Agreement, call Writers Guild of America, west at (323) 782-4731 or Writers Guild of America East at (212) 767-7800. Information is available online at www.wga.org.