



Writers Guild of America, west



Dear NON-MEMBER Writer:

The Low Budget Agreement is an experimental agreement applicable to theatrical motion pictures with budgets of \$1,200,000 and below. In order for the Agreement to apply to a particular project, all writers on the project must request its use in writing.

The Low Budget Agreement allows for the deferral of all or part of the purchase compensation for an existing screenplay and the deferral of all or part of the compensation for the first rewrite, in an amount negotiated between you and the Production Company, provided the total amount does not fall below applicable Guild minimums. However, upon commencement of principal photography, if the budget is over \$500,000 and below \$1,200,000, the Company must pay \$10,000 to you and apply this against any deferred monies owing on the screenplay purchase price.

Full payment of the deferred monies is due upon receipt of monies from any source or first revenues received after the earlier of recoupment of the total production cost or commencement of commercial distribution.

Other than the first rewrite, you may not perform any additional work, such as writing a new screenplay or doing any other rewrite or polish of an existing script, without payment of the applicable minimum in the Guild's Theatrical and Television Basic Agreement (MBA) for that work.

If a rewrite is to be performed, you must be offered the opportunity to do it. And, if you have written an original screenplay, no writer other than you may be engaged to perform any additional writing services on the Picture unless you agree in writing to the hiring of another writer.

In addition, the Company must pay a script publication fee of \$5,000, which is due 30 days after final determination of the writing credits. For films budgeted at \$500,000 and below, however, you may request that the fee be deferred along with the screenplay purchase and/or first rewrite compensation. The fee is paid in the aggregate to the credited writers of the Picture through the WGA Residuals Department, and it gives the Company the right to publish the screenplay on videodiscs/videocassettes.

In order for the Low Budget Agreement to apply to a particular project, the Production Company must become a signatory to the Guild's MBA and to the Low Budget Agreement. Except as modified by the Agreement, all other MBA provisions apply, including but not limited to residuals, credits, pension and health, and separated rights.

The Low Budget Agreement may be used by WGA members or writers not yet members of the WGA. A copy of the WGA Low Budget Agreement with Checklist Application is available from the WGA.org site. The Writer's Application for the Low Budget Agreement is also a required document and is on the next page. Please refer to the last two pages of this document for information on joining the WGA through the Low Budget Agreement.

If you have any questions about the Agreement or the application, please call Writers Guild of America west at (323) 782-4731 or Writers Guild of America East at (212) 767-7800. If you are interested in using the Agreement for a particular low budget project, please ask a representative from the Production Company to contact the Guild.

Writers residing West of the Mississippi may send the Low Budget Agreement and required documents to:

WGAw Independent Film Program, 7000 West Third Street, Los Angeles, CA 90048

**WRITER REQUEST FOR APPLICATION OF THE
WGA LOW BUDGET AGREEMENT**

Writer(s)

1. Name of Writer(s) _____
2. Address _____
3. Telephone number _____ Email _____
4. Fax number _____
5. WGA member? _____
6. Name, address and telephone number of additional writers on the project, if any _____

Each writer must fill out a separate Request for Application of the WGA Low Budget Agreement.

7. Agent's name and telephone number _____
8. Attorney's name and telephone number _____

Film Project

1. Name of Film Project _____
2. Any previous names for the same film project? _____
3. Is the script registered? _____ Registration #: _____ Registration date: _____
4. Is the script copyrighted? _____ Copyright #: _____ Copyright date: _____
5. Projected budget of the film _____
6. Source of financing, if known: _____

Production Company

1. Name of Company _____
2. Primary Contact(s) at the Company/Title(s) _____
3. Company owner(s) _____
4. Company address _____
5. Company telephone number _____
6. Company fax number _____
7. Is the Company signatory to the WGA Minimum Basic Agreement? _____
8. Do you have an ownership interest in the Company? _____ If so, what percentage of ownership do you have? _____
9. Do you serve in a managerial capacity with the Company? _____
10. Is there a bona fide agreement for financing, production and/or distribution with a third party signatory producing Company? (If so, please attach)

The Deal

1. Is there an Option/Purchase Agreement? _____ (If so, please attach)
2. Is there a Purchase Agreement? _____ (If so, please attach)
3. If not, are you negotiating an Option/Purchase Agreement or a Purchase Agreement at this time? _____ Please describe on a separate sheet.
4. Length of option _____
5. Do you anticipate performing additional writing on the project (i.e. rewrite or polish)? _____
6. Are you requesting a deferral of the Publication Fee (for films budgeted at \$500,000 and below)? _____

More About You

Are you also a Producer _____ Director _____ and/or Actor/Performer _____ on the project?

Writer's Signature

Date

HOW TO JOIN THE WGA THROUGH THE LOW BUDGET AGREEMENT—Q & A

If the Production Company signs the WGA Theatrical and Television Basic Agreement (MBA) and the Low Budget Agreement, how do I join the Writers Guild?

While working with a Company signed to the Guild's MBA (and, in this case, the Low Budget Agreement) is necessary in order for you to join the Guild, that's not enough. To join the Guild as a Current Active Member, you must earn 24 units within a 3 year period. Units are earned in different ways, including:

Employment to write a screenplay = 24 units

Rewrite = 12 units

Polish = 6 units

Option to purchase a screenplay = 8 units Purchase of a screenplay = 24 units

Generally, when you are employed to write for a signatory Company, you earn the above-listed units. Or, when you have an option and/or purchase agreement with employment attached to the deal with a signatory Company, you earn the above-listed units. Under the Guild's MBA, contracts that are solely options and/or purchases without employment will only earn units and coverage under the MBA if you meet certain criteria as a "professional writer". However, under the terms of the Low Budget Agreement, you are or will be deemed to be a "professional writer." Therefore, the purchase of your screenplay by a Company signed to both the MBA and the Low Budget Agreement is covered by the MBA, even if you aren't a "professional writer" or a Guild member at the time and even if there is no employment attached to the deal.

Please provide an example of how I would earn units towards membership.

If the Low Budget Agreement is used, and the Company has the right to purchase your screenplay for 18 months, you will receive 8 units for that right to purchase the screenplay (because it's akin to an option). Even if payment is deferred for the purchase of the screenplay, you may receive those units.

If you are also employed to do the first rewrite, you will receive an additional 12 units for the rewrite, for a total of 20 units. Again, it doesn't matter if you haven't yet been paid because the payment for the rewrite has been deferred.

If you are then employed to do a polish (and you must be paid MBA minimum for that polish because the Low Budget Agreement only allows deferral of the screenplay purchase compensation and the first rewrite compensation), you will receive an additional 6 units—that's enough for you to join the Guild as a Current Active Member!

Alternatively, if you are not employed to do the polish (or the first rewrite), but the screenplay is produced and you receive writing credit, you will receive 24 units for what is then a screenplay purchase which again is enough units to join the Guild!

What if I earn less than 24 units?

You may become an Associate Member of the Guild for up to three years if you have less than 24 units. Associate Membership costs \$75 per year and entitles you to receive all Guild mailings, serve on some Guild committees, use the script registration service at Guild member rates, join the Guild's Film Society, become a member of the Inter-Guild Credit Union, participate in employment access programs, and more...When you eventually become a Current Active Member, you will also be able to vote on all matters, elect Guild officers, run for Guild office, participate in all Guild activities and attend Guild membership meetings.

What if I am an owner in the signatory Company that is employing me or purchasing literary material from me?

If your employment, option or purchase agreement is with a Company owned in whole or in part by you or a member of your family, there needs to be a bona fide agreement for financing, production and/or distribution with a third party signatory producing Company in order to earn points towards membership. Absent that, if the script is produced and you receive a "Written By" or "Screenplay by" on-screen writing credit, you will earn the points towards membership at that point in time.

What if I serve in a managerial capacity with the signatory Company or what if I'm a writer-performer?

Once again, you cannot earn points towards membership until the script is produced and you receive a "Written By" or "Screenplay by" on-screen writing credit. Then you're in!

What benefits will I receive from the WGA?

- Guaranteed minimum salaries and residual payments for theatrical and television projects--the Guild's Minimum Basic Agreement will apply to you.
- Excellent pension and health plans with contributions entirely paid by your employer—certain rules and earnings requirements apply for pension plan and health fund eligibility
- Fair procedures for determining credit on theatrical and television projects.
- Grievance and arbitration procedures for resolution of disputes with legal representation by the Guild.
- Collective strength in the bargaining process.
- Membership in the best professional association of theatrical and television writers and in the Guild's Independent Writers Caucus

What does it cost to join the WGA?

There is a one-time initiation fee which may be paid in installments. Dues are currently 1.5% of your gross earnings plus \$25 per quarter.