



### **Late and Underpayment Policy**

According to the terms of your Collective Bargaining Agreement with the American Federation of Musicians and/or Participation Agreement with the American Federation of Musicians and Employers Pension Fund (the 'Fund') and the terms of the Fund's Agreement and declaration of Trust, to which all participating Employers are bound, the "Total Amount Due" shown is past due and is payable immediately. Additional interest charges will, and liquidated damages charges will be assessed if these amounts are not paid by the due date specified on the invoice. Unpaid invoices may be referred to an attorney or collection agency for further collection action. You will be liable for all collections costs incurred by the Fund to collect the amount due. A copy of the Fund's governing Agreement and declaration of Trust is available for download at [www.afm-epf.org](http://www.afm-epf.org).

The American Federation of Musicians' and Employers' Pension Fund has adopted the following guidelines for late payments and underpayments.

**Interest:** If an employer has 2 or fewer delinquencies (late or underpayment) in the previous rolling 12 month period, interest charges of 7.5% APR or \$25 (the minimum charge), whichever is greater, will be assessed per engagement.

**Liquidated Damages:**

- a) If an employer has 3 or more delinquencies in the previous rolling 12 month period, liquidated damages will be assessed in addition to the interest charge described above.
- b) Liquidated damages, "costs associated with breach of contract," are calculated as 20% of the unpaid pension contribution amount or an amount equal to interest charges, whichever is greater.

**Billing Fees:**

- 1) When an invoice remains unpaid for 60 days: for all employers, an additional \$100 billing fee or 5% of the original invoice amount, whichever is greater, will be added to the invoice.
- 2) When an invoice remains unpaid for 90 days: for all employers, an additional \$250 billing fee or 5% of the original invoice amount, whichever is greater, will be added to the invoice.
- 3) When an invoice remains unpaid for 120 days: for all employers, an additional \$500 billing fee or 5% of the original invoice amount, whichever is greater, will be added to the invoice.
- 4) When an invoice remains unpaid for 150 days: for all employers, an additional \$750 billing fee or 5% of the original invoice amount, whichever is greater, will be added to the invoice.
- 5) When an invoice remains unpaid for 180 days: for all employers, an additional \$1,000 billing fee or 5% of the original invoice amount, whichever is greater, will be added to the invoice.

**Finance Charges and Maintenance Fees:**

Finance charges of \$5 or 7.5% APR, whichever is greater, will be assessed monthly when a balance due remains outstanding for 60 days. Maintenance fees of \$5 will be charged monthly when a credit balance remains outstanding for over 90 days.

The Fund applies payments first to billing fees, then to finance charges, then to interest, then to liquidated damages, then to surcharges, then to pension contribution obligations.

Finally, without an appropriate remittance report, the Fund is unable to grant pension credit to the musicians you employed. The Fund does not consider a payment to be on time unless all supporting documentation has been submitted. If the Fund does not receive the proper documentation in a timely manner, it may assess a penalty of \$25 per day.

Please note: The Fund deposits all contribution payments as soon as they are received. If a check that you sent to the Fund is outstanding for more than 2 weeks, please contact the Fund office with the check details. Contributions are not considered paid until the Fund actually receives the payment.

Thank you for your cooperation.

Version Date: 4/30/18