



American Federation of
Musicians & Employers'
Pension Fund



QUESTIONS AND ANSWERS ABOUT THE NEW AFM FORM LS-1

The American Federation of Musicians ("AFM") has, in consultation with the American Federation of Musicians and Employers' Pension Fund ("AFM-EPF"), issued a new Form LS-1 to facilitate pension contributions on single engagements. To obtain a Form LS-1, contact the AFM or your AFM local union ("Local").

Below are some questions and answers about the new Form LS-1, jointly prepared by the AFM and the AFM-EPF.

Q-1: What is the purpose of the Form LS-1?

A-1: The Form LS-1 may be used for live local single engagements where a pension contribution will be paid to the AFM-EPF. If no pension is to be paid, the parties can use AFM Form L-1 (local engagements), Form L-2 (local engagements with no dispute resolution clause), or Form T-2 (traveling engagements). The Form LS-1 may not be used for recording work of any kind without the written agreement of the AFM.

Q-2: What is a single engagement?

A-2: A single engagement is an engagement occurring on a single date. A single engagement may also include engagements occurring on more than one date, but only if *all* of the following 3 requirements are met:

- All of the engagements are at the same venue, *and*
- All of the engagements occur within a 31-day time period, *and*
- All of the engagements are reported to the AFM-EPF on one Form LS-1 remittance form, accompanied by a single payment for all of the engagements.

Q-3: What is the difference between the Form LS-1 and the AFM-EPF Participation Agreement?

A-3: Either a Form LS-1 **or** an AFM-EPF Participation Agreement (with or without an underlying collective bargaining agreement) may be used to pay pension on single engagements when signed by the employer, a Local and the AFM-EPF.

There are two main differences between the Form LS-1 and the Participation Agreement:

- The Participation Agreement covers *only* pension contributions. The Form LS-1 also sets forth wages for the engagement, which avoids the necessity for the parties to negotiate a second agreement to cover wages. (If additional terms and conditions need to be set forth in the agreement, see Q&A 5.)
- The Form LS-1 may be used only for single engagements, including engagements of up to 31 days under the terms and conditions described in Q&A 2. A Participation Agreement may be used for any engagements, including long-term engagements of up to 5 years.

Q-4: What is the difference between the Form LS-1 and a music services contract?

A-4: A number of Locals have developed a "music services contract" that serves essentially the same purpose as the Form LS-1 – to permit the parties to a local single engagement to enter into one agreement covering both wages and pension. Because of the many different variations of the music services contract, the AFM-EPF has been placed in the untenable situation of individually reviewing every one of the hundreds of music services contracts that the AFM-EPF receives to ensure that it contains acceptable language.

The AFM-EPF cannot continue to expend plan monies to review each of these contracts. Accordingly, parties that have in the past used a music services contract for local single engagements should now use a Form LS-1. Effective January 1, 2003, local single engagements may be reported to the Fund only on a Form LS-1 or a Participation Agreement.

Q-5: What if there are terms of the engagement that are not covered by the Form LS-1?

A-5: If there are other terms and conditions of the engagement not covered by the Form LS-1, the parties should execute another agreement covering those other terms and conditions (such as a Form L-1, Form L-2, Form T-2 or a "custom-made" agreement). The other agreement should not include any provisions relating to scale wages or pension contributions. If it does contain any such provisions, they will be invalid to the extent they are inconsistent with any provisions of the Form LS-1.

Q-6: May the employer designate a third party to pay pension contributions to the AFM-EPF?

A-6: The entity listed as the employer on the Form LS-1 may designate another entity (such as a payroll company) for making the pension contribution on its behalf, and reimburse the third party for the contribution. This designation does not relieve the employer from any of its obligations to the AFM-EPF. For example, the employer remains responsible to make the contribution to the AFM-EPF if the third party fails to do so. Also, if the employer is unincorporated, contributions may not be made on behalf of any owner or part-owner of the employer, even if the contributions are being made by a designated third party on behalf of the employer.