

		Basic Rate Tax 20%		NIC (Class 1) 11%			
Production Co.	A Max Fee for pension calculation	B Max Prod Co pension contribution	C Max Additional Income Tax (basic rate) as a result of B	D Max Additional Personal NIC (Class 1) as a result of B	E Total Cost to EPS Member (C + D)	F Tax Relief (basic rate) added at point of investment to B	G Overall Financial Gain to EPS Member (B - E + F)
BBC	1692.00	84.60	16.92	9.31	26.23	21.15	79.52
ITV	1152.90	57.65	11.53	6.34	17.87	14.41	54.19
PACT / TAC	1668.00	83.40	16.68	9.17	25.85	20.85	78.40
UK Film	3333.33	200.00	40.00	22.00	62.00	50.00	188.00
SOLT category A theatre	965.38	48.27	9.65	5.31	14.96	12.07	45.37
SOLT (after 2nd Anniversay) category A theatre	965.38	72.40	14.48	7.96	22.45	18.10	68.06
SOLT (after 3rd Anniversay) category A theatre	965.38	96.54	19.31	10.62	29.93	24.13	90.75
SOLT category B theatre	877.62	43.88	8.78	4.83	13.60	10.97	41.25
SOLT (after 2nd Anniversay) category B theatre	877.62	65.82	13.16	7.24	20.40	16.46	61.87
SOLT (after 3rd Anniversay) category B theatre	877.62	87.76	17.55	9.65	27.21	21.94	82.50
SOLT category C theatre	789.86	39.49	7.90	4.34	12.24	9.87	37.12
SOLT (after 2nd Anniversay) category C theatre	789.86	59.24	11.85	6.52	18.36	14.81	55.69
SOLT (after 3rd Anniversay) category C theatre	789.86	78.99	15.80	8.69	24.49	19.75	74.25

Walt Disney Theatrical	965.38	48.27	9.65	5.31	14.96	12.07	45.37
NT	912.00	45.60	9.12	5.02	14.14	11.40	42.86
RSC	632.80	31.64	6.33	3.48	9.81	7.91	29.74
TMA - Sub Rep Grage 1	643.50	19.31	3.86	2.12	5.98	4.83	18.15
TMA - Sub Rep Grage 2	574.50	17.24	3.45	1.90	5.34	4.31	16.20
TMA - Sub Rep Grage 3	538.50	16.16	3.23	1.78	5.01	4.04	15.19
TMA - Commercial once nightly	570.00	28.50	5.70	3.14	8.84	7.13	26.79
TMA - Commercial twice nightly	622.50	31.13	6.23	3.42	9.65	7.78	29.26

Production Company contributions should always be treated as an enhancement to income and NOT as a true employer pension contribution.

This is because although you are subject to Class 1 (employed) National Insurance Contributions, you are Schedule D (self-employed) for tax purposes.

**EXAMPLE - based on a TMA - Sub Rep Grade 1 Contract**

National Insurance & Income Tax Implications

(A)	Your Weekly Fee	£700.00
(B)	Weekly Fee (Capped for Pension Calculation)	£643.50
(C)	Personal Contribution	£12.87 (2.0% of B)
(D)	Production Co. Pension Contribution	£19.31 (3.0% of B)
(E)	Total Fee Payable	£719.31 (A + D)
(F)	National Insurance liability before the addition of Prod Co. contribution	£64.90 (11% of A - £110.00)
(G)	National Insurance liability after the addition of Prod Co. contribution	£67.02 (11% of E - £110.00)
(H)	This is an NI increase of	£2.12 (G - F)
(I)	Additional Income Tax (basic rate) created by Prod Co. contribution	£3.86 (D x 20%)
(J)	Total Additional Cost of being in the EPS	£5.98 (H + I)
(K)	Pension Contributions Deducted from Total Fee	£12.87 (2.5% personal contribution)
		£19.31 (5.0% Prod Co. contribution)
(L)	TOTAL	£32.18

As you will see from the above – membership of the EPS does have a cost impact on you for both National Insurance and Income Tax.

The following sheet details how the pension contributions are dealt with once they reach the EPS and how the addition of tax relief at source wipes out the additional cost.

*Production Company contributions must not be party to Agent Commission. Production Company contributions are subject to VAT when applicable.*

Applying of the Pension Contributions to your EPS.

As explained above, the Production Co. contribution is treated as an enhancement to income and as a result becomes subject to personal National Insurance and Income Tax.

This means that when the contributions reach us, they are all able to be treated as personal contributions and enjoy the benefit of the addition of tax relief.

A contribution before the addition of tax relief is known as a NET contribution.  
 A contribution after the addition of tax relief is known as a GROSS contribution.

Tax relief is the 'giving back' of income tax paid on your income.  
 As personal pension contributions attract income tax relief, the Inland Revenue add the tax relief to the payments received, hence enhancing them at the basic rate (currently 20%).

Contributions Received

(C)	Personal Contribution (net)	£12.87 (2.0% of B)
(D)	Production Co. Pension C (net)	£19.31 (3.0% of B)
(L)	Total Contribution (net)	£32.18 (C + D)
(M)	Personal Contribution after the addition of Tax Relief	£16.09 (C / 80 x 100)
(N)	Prod Co. Contribution after the addition of Tax Relief	£24.13 (D / 80 x 100)
(O)	Total Invested after the addition of Tax Relief	£40.22 (M + N)
(P)	Total Tax Relief added	£8.04 (O - L)
(Q)	Tax Relief added versus additional NI & Tax Relief Cost	£2.06 in your favour (P minus J)

**In the above example the total cost to you is £18.85 (C + J), however, the total amount invested is £40.22 (O), which is why the EPS represents a major benefit for those who are able to enjoy contract related contributions.**

I hope that the above is clear and explains how the workings of the EPS apply to you personally.

If you have any further questions or require assistance please contact Andrew Barker, on 020 8686 5050 or [andrew.barker@firstact.co.uk](mailto:andrew.barker@firstact.co.uk)