Eligibility Rule Relating to Ownership of a Contributing Employer Entity

Professional Musicians, Local 47 and Employers' Health and Welfare Fund

The Board of Trustees (the "Board") of the Professional Musicians, Local 47, and Employers' Health, at their meeting of May 7, 2012 voted to implement the following rule relating to the attainment of eligibility for benefit coverage:

> "This rule applies when contributions are remitted to the Fund on behalf of an Employee/Participant who, or whose relative(s), directly or indirectly own(s) ten percent (10%) or more of the equity of the contributing employer entity, or a contributing employer is a non-profit entity, as defined under Internal Revenue Code, for which an Employee/Participant is an officer, board member, director (or serves in another similar capacity of such non-profit). Such contributions shall not count toward the Participant's qualification, for eligibility to enroll in the Fund's benefit plans unless there is sufficient documentation establishing that the amount paid by the third party to the Employer or revenue obtained from third parties by the Employer, in all cases, is sufficient to cover the prevailing base scale, as set forth in the applicable collective bargaining agreement or contract, and the total amount of contributions due to the Fund."

Simply, the rule would prohibit contributions, that could not be substantiated by documentation showing that a third party had contracted with and paid the employer an amount adequate to cover scale wage and benefits for all musicians performing covered services under a collective barraging agreement, at the engagement, from being applied to the owner/participant's eligibility.

This does NOT mean that if you are an owner you cannot have contributions applied to your eligibility, it only means that additional documentation must be kept to show that there was a third party purchaser and the purchaser paid an amount sufficient to cover scale wages and benefits.