

74. Severance Pay

(a) General

(1) (i) An employee employed by the Producer under this Agreement or its predecessor agreements for one or more qualified years (as defined in subparagraph (f) hereof) whose employment is severed after August 1, 2021; or

(ii) an employee who had at least one (1) qualified year (as defined in Paragraph 74(f) of this Agreement) as of August 1, 1985 who has made the required application for retirement to the Motion Picture Industry Pension Plan at least sixty (60) days prior to retiring or has made the required application for retirement to any private retirement plan referred to in Article XV of the Trust Agreement of the Motion Picture Industry Pension Plan and who retires

shall receive the applicable severance pay set forth below (as modified by subparagraphs (c) and (d) hereof) unless such employee is disqualified for severance pay purposes pursuant to subparagraph (e) hereof.

Qualified Years	Number of Weeks of Severance Pay
1 - 2	1
3 - 4	2
5 - 8	3
9	4
10	5
11 - 12	6
13 - 14	7
15	8
16	9
17	10
18	11
19	12
20	13

The rate at which severance pay is payable shall be determined in the same manner as the rate at which vacation pay is determined under the vacation pay provisions of this Agreement; provided, however, that the base period used in computing the employee's average earnings shall, for the purpose of severance pay, be based on the twelve (12) consecutive month period ending on the date of severance, instead of the employee's personal income tax earnings year used in computing vacation pay.

(2) Ninety (90) elapsed days after severance occurs such employee shall be entitled to:

(i) one (1) week of said severance pay if he has two (2) or less qualified years as of date of severance;

(ii) two (2) weeks of said severance pay if he has three (3) or more qualified years as of date of severance;

provided, however, such employee shall not receive such severance pay if within such ninety (90) day period he receives the following employment by Producer:

(A) five (5) days employment, not necessarily consecutive, if he has one (1) or two (2) qualified years as of the date of such severance;

(B) eight (8) days employment, not necessarily consecutive, if he has three (3) qualified years as of the date of such severance;

(C) ten (10) days employment, not necessarily consecutive, if he has four (4) or more qualified years as of the date of such severance.

(3) If such employee entitled to severance pay after ninety (90) elapsed days has five (5) or more qualified years as of the date of severance, he shall be entitled to the balance of his accrued severance pay ninety (90) elapsed days following the completion of the first ninety (90) day period, unless during the second ninety (90) day period he receives fifteen (15) days employment by Producer, not necessarily consecutive.

(b) Payment of Full Severance Pay

Once an employee has received full accrued severance pay, pursuant to subparagraph (a) above, he shall thereafter be a new employee for severance pay purposes and future computation of qualified years shall apply only to employment by Producer, if any, after the receipt of such full severance pay.

(c) Offset

If an employee on the date of severance of employment with Producer after January 31, 1961 would otherwise already have five (5) or more qualified years with Producer, he shall be entitled to the total number of weeks of severance pay, as provided in (a) above, less an "offset" in the number of weeks of any severance pay he received from Producer before January 31, 1961 in connection with employment which is considered in the computation of such qualified years or with "bridged" years as referred to in subparagraph (f) hereof. This "offset" shall apply only towards payments due after the completion of the second of two ninety (90) day periods referred to in subparagraph (a)(3) above. In this instance, payment by Producer of full severance pay to employee prior to January 31, 1961 shall not break the employee's employment with such Producer for purposes of computing consecutive qualified years hereunder.

(d) Reduction of Severance Pay Amounts

Any severance pay paid to an employee after January 31, 1961 shall correspondingly reduce the total number of weeks of severance pay to which he is thereafter entitled before again becoming a new employee hereunder. An employee who receives or has received

full severance pay hereunder after January 31, 1961 shall be considered to be a new employee thereafter for severance pay purposes.

(e) Disqualification for Severance Pay

Employees hereunder shall be disqualified for severance pay in accordance with the provisions of subparagraphs (1) and (2) below.

(1) Refusal of Offers of Employment

If an employee rejects an offer of employment from Producer hereunder during either of the ninety (90) day periods referred to in subparagraph (a)(3) hereof, such employee shall lose his qualification for severance pay and, if subsequently rehired, shall be rehired as a new employee for severance pay purposes. If any employee was not available or could not be reached when called for work by Producer, he shall be deemed to have rejected an offer of employment; provided, however, that:

(i) Producer shall be obligated, in the event of such rejection or unavailability, to notify the Union on the same day by telephone unless the Union office is not open, in which case such notification must be made on the next following workday, and to confirm such call by letter posted on the day of such notification to the Union.

(ii) If Producer is unable to reach the employee (including such inability to reach because no one answers employee's phone), Producer shall be obligated to telephone the Union and request the Union to make the call, in which event the Union shall either promptly confirm to the Producer by telephone its inability to reach the employee or advise the Producer by telephone that it has reached the employee and of the results of such call.

(iii) It is recognized that in certain circumstances it may be difficult for an employee to accept a call immediately when he is currently employed at another studio. It is further recognized that in certain circumstances it may be difficult for the employee, as well as a hardship to the studio at which he is then employed, to be required to accept a call immediately without any notice to his then present employer. It is believed that in the great majority of cases reasonable consideration would be given so that the employee would not lose his severance pay credits. To this end, it is the intent of the parties hereto that if an employee who is qualified for severance pay has been laid off by a studio and, within either of the ninety (90) day periods referred to, such studio recalls the employee at a time when such employee is unable to accept such recall because of other employment in the motion picture industry, then either of such ninety (90) day periods shall be deemed

extended by a period equivalent to the period of employment for which the employee was being recalled, but in no event to exceed twenty (20) days. In the event such employee is again recalled within either of the ninety (90) day periods and does not accept such recall because of other employment in the motion picture industry, or for any other reason except as otherwise herein provided, then such employee shall lose his qualification for severance pay and, in the event he is subsequently rehired by the Producer, then such rehire shall be as a new employee for severance pay purposes, except that if the employee's call was on a daily basis, there may be two (2) extensions of either of the ninety (90) day periods by reason of inability to accept calls because of employment elsewhere in the motion picture industry.

(iv) If the employee is unavailable to accept such recall because of employment outside the motion picture industry at the time of such recall, he shall have a maximum of two (2) days after the date of such recall to make himself available and, if he fails to do so, then such employee shall lose his qualification for severance pay and, if he is subsequently rehired, shall be a new employee for severance pay purposes.

(2) Severance Beyond Control of Producer

In the event any severance is the result of a dismissal due to seniority requirements, a voluntary resignation or a layoff as a result of physical incapacity, epidemic, fire, action of the elements, strike,¹¹ walkouts, labor dispute, governmental order, court order or order of any other legally constituted body, act of God, public enemy, war, riot, civil commotion or for any other cause beyond the control of the Producer, whether of the same or any other nature, the employee shall not be entitled to any severance pay arising out of the completion of both of the ninety (90) day periods following such severance. In the event any severance is the result of dismissal for cause, the employee so severed shall be disqualified for severance pay.

(f) Qualified Years

As used herein, the term "qualified years,"¹² with respect to any employee, shall refer to the number of consecutive periods of three

¹¹ The 1988 strike by the Writers Guild of America shall not be considered a disqualifying event for purposes of severance pay. Instead, any periods provided in Paragraph 74 shall be tolled for the duration of the WGA strike (March 7, 1988 through August 7, 1988).

¹² The definition of a "qualified year," for purposes of this Paragraph 74(f), shall be applied in the following manner with respect to calendar year 1988 to take account of the Writers Guild of America strike: As to calendar year 1988 only, an employee shall be deemed to have a "qualified year" if he has worked at least seven-twelfths (7/12) of the number of days otherwise required under this Paragraph to attain a "qualified year." Thus, any employee who has worked one hundred seventeen (117) or more work days during calendar year 1988 shall be deemed to have a "qualified year" for purposes of this provision.

hundred sixty-five (365) consecutive days each, calculated backward from the date of his severance, in each of which the employee has been employed by Producer for two hundred (200) or more work days (including paid vacation days as work days); it being understood and agreed that if, in any such three hundred sixty-five (365) day period, such employee was employed for less than two hundred (200) work days by Producer, such three hundred sixty-five (365) day period shall not be counted as a qualified year but shall be "bridged" for severance pay purposes, with the result that any such three hundred sixty-five (365) day period or periods prior to such "bridged" year in which employee was employed by Producer for two hundred (200) or more work days shall be counted as a qualified year; provided, however, that any three hundred sixty-five (365) day period in which employee received any authorized leave of absence without pay shall be extended by the length of such leave and provided, further, that the computation of qualified years shall be subject to the following exceptions:

(1) If an employee is determined to have less than two (2) qualified years, he shall be credited with a qualified year only if, in addition to having been employed for at least two hundred (200) or more days in the three hundred sixty-five (365) days immediately preceding his date of severance, he shall have been employed for at least one (1) day during the first six (6) months of the eighteen (18) month period immediately preceding his date of severance, in which case he shall be credited with one (1) qualified year.

(2) Any period of two hundred seventy (270) consecutive days commencing prior to January 31, 1961 in which such employee was not actually employed by Producer will be deemed to have broken the employment record of such employee and no period prior to the completion of such two hundred seventy (270) days shall be considered in determining qualified years of such employee.

(3) With respect to any severance of employment of an employee which occurred between February 1, 1961 and January 31, 1965, both dates inclusive, the passage of two hundred seventy (270) days following such severance in which such employee was not employed and did not receive an offer of comparable employment under the terms and conditions specified in the predecessor collective bargaining agreement of this Agreement shall result in his being a new employee for severance pay purposes upon the completion of such two hundred seventy (270) day period.

(4) If an employee on the date of the severance of his employment under this Agreement after January 31, 1961 with Producer would otherwise have had one (1), two (2), three (3) or four (4) consecutive "qualified years" with Producer, but had received full severance pay prior to February 1, 1965, then he shall be deemed to be a

new employee for severance pay purposes after being rehired and the applicable consecutive qualified years shall be based and computed only upon his employment with Producer after he so became such a new employee.

(g) Severance Obligation of Successor Company

If a successor company buys out Producer and continues the operation of Producer's studio, and if the buying company continues the employment at the studio of an employee of Producer, such employee shall retain with the buying company his appropriate severance pay experience credit accrued with Producer and his employment shall not be considered to be terminated for severance pay purposes as a result of such successor company's acquisition of Producer. If such employee is not so continued in employment by the buying company, then Producer is responsible for any severance pay due the employee at the time of his termination. If such employee is offered employment by the buying company, but elects not to continue his employment with the buying company, he shall not be entitled to any severance pay from either Producer or buying company.

(h) Presentation of Claim for Severance Pay

Any claim for the payment of severance pay, not presented to the Producer within three hundred sixty-five (365) calendar days after the date upon which the employee is qualified under this Paragraph for such severance pay, shall be deemed to be waived.