

If you teach private lessons, you could be eligible for the Local 802 health plan

It’s true! Your private students just sign a simple contract that allows them to make contributions towards your union health coverage. You can use the same form to have your employers make health and pension contributions for clinics and some qualifying engagements. The table below shows the details on health insurance. See story on the opposite page for more info or contact Bettina Covo at Bcovo@Local802afm.org.

LEVEL OF COVERAGE*	HOW MUCH IN HEALTH CONTRIBUTIONS YOU NEED PER 6 MONTHS	QUARTERLY PARTICIPATION PREMIUM (CHARGED EVERY 3 MONTHS)	TOTAL GROSS WAGES YOU NEED TO CLAIM (i.e. HOW MUCH MUSICAL INCOME YOU NEED TO BE ELIGIBLE)**	UNION WORK DUES AT 2 PERCENT, PER EVERY 6 MONTHS***	GRAND TOTAL DUE FOR 6 MONTHS OF HEALTH COVERAGE	CORRESPONDING MONTHLY COST****
Plan B INDIVIDUAL <i>Also covers your entire family at no extra charge (no hospitalization)</i>	\$500	\$0	\$3,333.34 per six months, which is the equivalent of \$138.89 per week	\$66.67	\$566.67	\$94.45
Plan A INDIVIDUAL (no hospitalization)	\$1,400	\$75	\$9,333.34 per six months, which is the equivalent of \$388.89 per week	\$186.67	\$1,736.67	\$289.45
Plan A FAMILY (no hospitalization)	\$1,400	\$405	\$9,333.34 per six months, which is the equivalent of \$388.89 per week	\$186.67	\$2,396.67	\$399.45
Plan A-plus INDIVIDUAL (no hospitalization)	\$3,200	\$0	\$21,333.34, which is the equivalent of \$888.89 per week	\$426.67	\$3,626.67	\$604.45
Plan A-plus FAMILY (no hospitalization)	\$3,200	\$600	\$21,333.34, which is the equivalent of \$888.89 per week	\$426.67	\$4,826.67	\$804.45
Plan A-plus INDIVIDUAL <i>(with hospitalization)</i>	\$4,300	\$0	\$28,667.67, which is the equivalent of \$1,194.49 per week	\$573.35	\$4,873.35	\$812.23
Plan A-plus FAMILY <i>(with hospitalization)</i>	\$4,300	\$600	\$28,667.67, which is the equivalent of \$1,194.49 per week	\$573.35	\$6,073.35	\$1,012.23

* For information on the various Local 802 health plans, call (212) 245-4802 and ask for the Health Department. In short, Plan B is the basic plan, Plan A is better and Plan A-plus is the best. Plans do not cover hospitalization unless specified.

** For instance, if you are going to try for Plan B, you need \$3,333.34 in work in the past six months.

*** Work dues are 2 percent for teaching or educational work, or 3.5 percent for performance or other work. The table above assumes that you are using these contracts with private students, so work dues are 2 percent.

**** You also have to be a Local 802 member and be current in your membership dues. If you’re not a member of Local 802, it costs \$100 to join, and then \$210 per year, which works out to \$17.50 per month.

No pension? No health insurance? NO PROBLEM

Introducing LS-1 and Music Service contracts

By BETTINA COVO
Bcovo@Local802afm.org

THIS WINTER, YOU don’t have to feel left out in the cold. There is a viable way to contribute to your AFM pension* and maintain health benefits for you and your family even if you aren’t playing in one of the traditional union orchestras or on Broadway. (*Important note: you cannot receive pension contributions through your private students. More on this below.)

First, some background. Usually, the only way to participate in the Local 802 health insurance plans is to play a union gig that’s under a collective bargaining agreement.

When a job is under a union contract, your employer pays your wages as well as additional contributions to your health benefits and pension. (If you’re playing a non-union gig and want to find out more about how to get union benefits from your employer, call the Organizing Department at 212-245-4802.)

However, as we all know, there are many instances when unionizing a specific freelance gig is difficult or impossible, particularly private teaching and one-time clinics. In those cases, there is an alternative way to accept contributions.

LS-1 contracts and Music Service Agreements offer the private teacher or freelance musician the opportunity to take advantage of Local 802’s benefit plans.

The beauty of these contracts is that you decide how much or how little is contributed to your benefits. You can use these contracts to maintain or supplement your current benefits. You can choose to participate in either the pension plan or the health plan separately or both. It’s up to you and your employer.

And your employer can be pretty much anyone who is paying you – including, in the case of health benefits, your private students!

Why do I need a contract? Why can’t I just pay into my own health account or pension account?

Both the AFM Pension Fund and the Local 802 Health Benefits Fund are federally regulated funds that are required by law to have a collective bargaining agreement with an employer in order to accept benefit contributions. LS-1 contracts or Musical Services Agreements serve as mini contracts that allow employers to make health or pension contributions to you on small jobs or single engagements.

How do I calculate the percentage of contribution?

The pension fund can accept contributions anywhere from 4.36 percent to 16.35 percent of the gross wages reported. The amount of pension you wish to contribute is up to you and your employer. A rate chart is available upon request.

The Health Benefits Fund limits the amount of health contributions to no more than 15 percent of the gross wages reported. The chart on the opposite page shows the amounts of gross wages that are needed to qualify for the various plans, based on the maximum contribution cap of 15 percent.

Work dues of 2 percent of gross wages reported for teaching/educational work or 3.5 percent for performance and other work is due at the same time the forms

and benefits contributions are submitted. Nothing can be processed until all checks are received.

What are the advantages of each contract?

Most members will find LS-1 contracts the most useful. All you have to do is get whoever is paying you for a gig to sign this form. Then you are empowered to write a check to the health or pension funds on behalf of your employer.

(There is an exception for contributions to the pension fund. The pension fund does not recognize students as employers.)

If you own your own corporation or LLC, you don’t have to have your private student or employer sign the contract. Your corporation will sign, and then pay the health and pension funds directly.

Worksheets are provided that must accompany the contracts. They include a place to fill in your gross wages, your pension and health contribution and your work dues.

When do I have to submit the forms with the checks?

For health benefits, all contracts and work dues must be submitted by Feb. 15 and Aug. 15 of each year.

The Feb. 15 deadline covers work you did the previous July 1 to Dec. 31.

The Aug. 15 deadline covers work you did the previous Jan. 1 to June 30.

If you have work that overlaps these periods, you must split them up on separate contracts so that contributions can be allocated to the correct coverage period.

For pension, all pension payments must be submitted no later than 30 days after the engagement date or lesson.

If you have any questions, feel free to stop by the office or e-mail me at Bcovo@Local802afm.org.

Want to learn more?

Local 802 will present clinics on how to file LS-1 and Music Service contracts on Jan. 26, Feb. 1, Feb. 2, Feb. 8, Feb. 9 and Feb. 14. Each clinic is at 4 p.m. in the third floor conference room at Local 802 (322 West 48th Street). RSVP to Bettina Covo at (212) 245-4802, ext. 152 or Bcovo@Local802afm.org.