

INSTRUCTIONS TO CLAIMANTS FOR REPORTING RESIDUAL PAYMENTS* AND HOLDING FEES

EXPLANATION: Section 1279 of the California Unemployment Insurance Code provides that if an individual earns wages in a week for which benefits are claimed, his or her weekly benefit amount will be reduced by earnings in excess of \$25 or in excess of 25 percent of the earnings, whichever is smaller.

1. Residual payments* and holding fees are considered wages for unemployment insurance purposes. You are required to report these wages to the Department so that your eligibility for benefits under Section 1279 can be determined.
2. When reporting residual payments and holding fees to the Department, please provide the following information:
 - a. The name and address of the employer who paid the wages;
 - b. The gross amount of the wages before any deductions;
 - c. The type of wages paid – such as “residual payment” or “reuse fees” – so that these wages can be distinguished from earnings for work performed;
 - d. The date you “received” the wages. Refer to item #3 below to determine when these wages are considered as received.

Enter this information on your Continued Claim form. Attach a note to the form if more space is needed.

3. Residual payments and holding fees will be allocated to the week in which you “receive” them. These wages will be considered as received by you during the **FIRST** week in which one of the following occurs:
 - a. The payment/fee is personally given to you.
 - b. You are notified (orally or in writing) by your talent agent, union, etc. that a payment/fee has been paid to you.
 - c. The payment/fee is deposited or credited to your account in a bank, credit union, savings and loan association, or other financial institution.
 - d. The payment/fee is delivered to your home or mailing address.
 - e. The payment/fee is delivered to your business manager, accountant, or any other person who you have designated to handle your financial affairs or who you have authorized to retain or use the payment/fee to pay your financial obligations.

* Residual payments, as used in these instructions, refers to additional compensation for the reuse or resale of recorded material, such as television programs or commercials, films, or phonograph records. Some of the other terms for this type of compensation are use, reuse, and rerun payments or fees.