



**The American Federation of Musicians' and Employers' Pension Fund has adopted the following guidelines for late payments and underpayments.**

**1. A minimum of \$25 will be charged for each engagement that is paid late or underpaid.**

- a) If employer has 2 or fewer delinquencies (late or underpayment) in the previous rolling 12 month period, interest charges of 7.5% APR or \$25, whichever is greater, will be assessed per engagement.
- b) If employer has 3 or more delinquencies in the previous rolling 12 month period, liquidated damages will be assessed in addition to the charges as stated in 1(a). Liquidated damages, "costs associated with breach of contract," are calculated as 20% of the unpaid pension contribution amount **or** an amount equal to interest charges, whichever is greater.
- c) Additional interest will be charged monthly with a minimum charge of \$5.

**2. When an invoice remains unpaid for 60 days:**

- a) If employer has had 2 or fewer delinquencies (late or underpayment) in the last 12 month period, liquidated damages, as explained in 1(b), will be added to the invoice.
- b) If employer has had 3 or more delinquencies in the previous 12 month period, a \$100 billing fee **or** 5% of the original invoice amount, whichever is greater, will be added to the invoice.

**3. When an invoice remains unpaid for 90 days:**

- a) An additional \$250 billing fee **or** 5% of the original invoice amount, whichever is greater, will be added to the invoice.
- b) A warning will be issued that unpaid items will incur legal costs of at least \$500.

**4. When an invoice remains unpaid for 120 days:**

- a) An additional \$500 billing fee **or** 5% of the original invoice amount, whichever is greater, will be added to the invoice.
- b) A letter from our attorney will be issued warning that suit will be brought in New York Federal Court.

**5. When an invoice remains unpaid for 150 days:**

- a) An additional \$500 billing fee **or** 5% of the original invoice amount, whichever is greater, will be added to the invoice.
- b) A final legal warning and a pro forma law suit will be issued, announcing the Fund's intent to bring suit against the employer.

**6. When an invoice remains unpaid for 180 days:**

- a) An additional \$1000 billing fee **or** 5% of the original invoice, whichever is greater, will be added to the invoice.
- b) A letter terminating the Employer's participation in the Fund will be issued.
- c) A lawsuit will be filed in Federal Court.

Please note, the Fund applies payments first to interest, then to liquidated damages, then to surcharges, then to pension contribution obligations.

Thank you for your cooperation.