

# MU Royalties – Guide to Subsequent Payments under the 2011 BPI/MU Agreement

## What are Subsequent Payments?

Subsequent Payments are payments due to musicians when their recorded audio performance is incorporated in a commercial sound recording:

- (a) For which a promotional music video has been made, incorporating the commercial sound recording; or
- (b) Which is used as a backing track for performers to mime or sing live to within a broadcast

Subject to certain restrictions detailed within the remainder of this document.

## What do I need to do to receive Subsequent Payments?

During or after the session you need to complete and sign a BPI Session Agreement form (see Appendix III) and get a representative of the record label to authorise it. You may have to send the form to the label to get authorisation if a representative is not available at the session. Once you have the form authorised you need to email it to: [session.agreements@themu.org](mailto:session.agreements@themu.org) or send it by post to:

Session Agreements  
Musicians Union  
60-62 Clapham Road  
London SW9 0JJ

If you are part of an ensemble there may be a Fixer or Contractor who organises the completion, signing and provision of this form to the MU on your behalf.

Finally, you need to keep the MU updated with your current contact and payment details so that, should you become eligible for a Subsequent Payment (see Appendices I and II for eligibility rules) the MU are able to contact and pay you.

## What happens to the Session Agreement forms received by the MU?

All incoming BPI Session Agreement Forms are logged on an ongoing basis

Throughout the year Video Performance Ltd (VPL) send monthly files of all videos registered with them the previous month by the Commissioning Record Label (CRL). The file is checked and promotional music videos that we can match logged Session Agreement Forms to are identified and extracted.

At the end of the calendar year the MU provides each CRL with a list of their VPL-registered Videos and the musicians it intends to claim a Subsequent Payment for from each video. The CRL has a month to query the claim and provide any additional information.

At the end of the month, the MU is able to calculate how many Subsequent Payments each CRL will be required to make and thus the percentage share of the total Subsequent Payments value each CRL is responsible for.

### **Who is responsible for making Subsequent Payments?**

The Commissioning Record Label (CRL) of the recording session is ultimately responsible for payment. However, the MU is responsible for collecting payment from the CRLs via Video Performance Ltd (VPL) and paying it over to the relevant musicians.

VPL collect licence fees for the public performance and broadcast of promotional music videos and, after deducting its own costs, annually distribute the fees to their members (video rights owners).

As part of their annual distribution process, VPL deduct the amount of each label's Subsequent Payments total from their distribution and only pay the remainder over. The deducted amounts are then paid to the MU as Subsequent Payments for onward distribution to musicians.

### **How much is a Subsequent Payment?**

A Subsequent Payment is not of a fixed value. The value changes each year based on a number of variables:

The starting point is the total VPL licensing revenue for the applicable year less VPL's running costs for the applicable year and independent-label-only VPL income and overseas labels' VPL income.

The 2011 BPI/MU Agreement states that the total Subsequent Payments value is to be 6.35% of this figure.

From this figure the MU deduct their cost of collecting and distributing the income. The cost percentage deducted is variable (currently 16%), based on the work required to process the claim for the applicable period. In line with the MU's general distribution policy, the cost deducted is never greater than the actual cost incurred.

Under previous agreements the cost of collecting similar payments was taken from MU membership fees. However, with less than 3% of the total MU membership being eligible for Subsequent Payments it is considered fairer to charge costs directly to those receiving the benefit.

After deduction of MU costs the remainder is divided equally between the total number of musicians requiring a Subsequent Payment for video and / or backing track (capped at 20 payments per video or backing track).

If your performance was on a recording with less than 20 musicians eligible for a Subsequent Payment then this is the value you will receive.

If your performance was on a recording with more than 20 musicians eligible for a Subsequent Payment you will receive  $\text{£s} \times 20 / y$  (where  $\text{£s}$  = uncapped Subsequent Payment value, and  $y$  = the number of musicians eligible for a Subsequent Payment on the video or backing track)

Note: You will receive a Subsequent Payment for each video judged to be eligible and another Subsequent Payment for each Backing Track use judged to be eligible. Therefore, if the same performance has been used in both a Video and as a Backing Track, you will receive two payments of equal value.

To date the value of a single uncapped Subsequent Payment has varied from £200 to £400. There is, however, no guarantee that future payments will fall within this value spread.

### **When will I receive my Subsequent Payments?**

VPL distribute the Subsequent Payments deduction to the MU within two weeks of their annual distribution. This is usually in July of the year following the year the promotional music video was registered with them.

The MU undertakes to distribute Subsequent Payments to its members within one month of receipt, so MU members can expect to receive payment before the end of August of the year following the original release of the promotional music video.

## Appendix I

### **When a musician will be eligible for a Subsequent Payment from a Promotional Music Video**

A musician will be eligible for a Subsequent Payment from a Promotional Music Video, where:

- (a) A BPI/MU Session Agreement for the recording session from which the Commercial Sound Recording, incorporated in the Video, was produced, signed by both the musician and a representative of the Commissioning Record Label, has been received by the MU; and
- (b) Their performance was included in the audio portion of the Promotional Music Video; and
- (c) They have not already received payment covering the use of the recording incorporating their performance within the Video; and
- (d) The Promotional Music Video has been registered with Video Performance Ltd (VPL) by the Commissioning Record Label and reported to the Musicians' Union by VPL in their regular reporting process

## Appendix II



### When a musician will be eligible for a Subsequent Payment from use of a Backing Track

A musician will be eligible for a Subsequent Payment from the use of a Backing Track, where:

- (a) A BPI/MU Session Agreement for the recording session from which the Backing Track was produced, signed by both the musician and a representative of the Commissioning Record Label, has been received by the MU; and
- (b) Their performance was incorporated in the Backing Track used; and
- (c) They have not already received payment covering the use of the recording incorporating their performance as a Backing Track; and
- (d) The use of a broadcast performance to the Backing Track was in front of a wholly non-paying live audience; and
- (e) The use would not have taken place had it not been broadcast.

## Appendix III

### The BPI Session Agreement Form

	
<b>SESSION AGREEMENT</b>	
<p>This Session Agreement should be completed in CAPITAL LETTERS and signed by the Musician and the Commissioning Record Label. Three copies should then be made. One copy should be retained by the Musician; one copy should be retained by the Commissioning Record Label; and one copy should be sent to the MU by either email: session.agreements@theMU.org; or post: BPI Session Agreements, MU HQ, 60-62 Clapham Road, London, SW9 0JJ; or fax: 020 7793 9185.</p> <p>Once signed by both parties this Session Agreement shall constitute a legally binding contract between the Commissioning Record Label and the Musician in respect of the relevant Session(s). This Session Agreement incorporates the terms and conditions of the agreement between the BPI (British Recorded Music Industry) Limited and the Musicians' Union dated 1 June 2011 (the "New BPI &amp; MU Agreement"), a copy of which can be viewed or downloaded at <a href="http://www.bpi.co.uk">www.bpi.co.uk</a> and <a href="http://www.theMU.org">www.theMU.org</a>. All defined terms in the New BPI &amp; MU Agreement shall bear the same meanings in this Session Agreement. In the event of any conflict between this Session Agreement and the New BPI &amp; MU Agreement then this Session Agreement shall prevail.</p> <p>In consideration of the payment by the Commissioning Record Label to the Musician of the relevant Session Fee(s) and any applicable Additional Fee(s) or Commercial Use Fee(s) provided by the New BPI &amp; MU Agreement and/or detailed below, the Musician assigns to and grants to, or waives in favour of the Commissioning Record Label all of the Musician's rights and consents in respect of the Recording(s) made at such Session(s) as are set out in the New BPI &amp; MU Agreement (save as expressly excepted or otherwise provided therein).</p> <p>The Musician hereby consents to the MU and/or Commissioning Record Label and/or VPL processing his/her personal data (including sensitive personal data) in connection with the Recordings made under this Agreement and disclosing such data to third parties where the MU and/or the Commissioning Record Label and /or VPL reasonably consider such disclosure to be for the Musician's benefit.</p> <p>The Commissioning Record Label hereby agrees to pay its respective Applicable Percentage in accordance with Clause 11 of the New BPI &amp; MU Agreement, and further agrees and acknowledges that this provision may be enforced by the MU under the Contracts (Rights of Third Parties) Act 1999.</p>	
1. Session Date(s):	
2. Artist/Band:	Full Name: _____
3. Commissioning Record Label:	Full Name: _____
4. Musician Details:	Full Name: _____ D.O.B. (optional): _____ MU Number: _____ PPL ID No: _____ Address: _____ Instrument(s): _____ _____ _____ Email Address: _____
5. Studio/Venue:	
6. Producer (if any):	Full Name: _____
7. Contractor (if any):	Full Name: _____ Email Address: _____
8. Type of Session (insert number):	<input type="checkbox"/> Standard (3 hours) <input type="checkbox"/> Long (4 hours) <input type="checkbox"/> Short (2 hours)              Start Time(s): _____
9. Nature of Session(s) (tick):	<input type="checkbox"/> Audio Session <input type="checkbox"/> Audiovisual Session <input type="checkbox"/> Visual Session
10. Type of Recording (tick):	<input type="checkbox"/> Non-Classical Recording <input type="checkbox"/> Classical Recording
11. Title(s) of Compositions Recorded: (Please continue overleaf if more than 6 compositions recorded)	1. _____ 4. _____ 2. _____ 5. _____ 3. _____ 6. _____
12. (Classical Recordings only) Type of Musician (tick):	Session 1: <input type="checkbox"/> Section Principal    Session 2: <input type="checkbox"/> Section Principal    Session 3: <input type="checkbox"/> Section Principal <input type="checkbox"/> Principal <input type="checkbox"/> Principal <input type="checkbox"/> Principal <input type="checkbox"/> Sub-principal <input type="checkbox"/> Sub-principal <input type="checkbox"/> Sub-principal <input type="checkbox"/> Rank & File <input type="checkbox"/> Rank & File <input type="checkbox"/> Rank & File
13. Session Fee(s):	£ _____              Audiovisual Commercial Use Fee (£25 per Session): YES / NO / TBC (Please circle)              £ _____
14. Additional Fee(s) (Insert number and calculate fee as percentage of the Session fee):	<input type="checkbox"/> Overdub (110%) <input type="checkbox"/> Doubling (25%) <input type="checkbox"/> Trebling (40%) <input type="checkbox"/> Double Rates (100%) <input type="checkbox"/> Portage (Per Schedule B New BPI & MU Agreement) <input type="checkbox"/> Overtime ( ) minutes (non-classical 25% per 15 minutes) (classical 10% per 15mins)
15. Total Fee(s) payable by Commissioning Record Label:	Total: £ _____ + VAT (if applicable) = £ _____
16. Musician's Signature and Date:	Signed: _____ Date: _____
17. Authorised Signatory on Behalf of the Commissioning Record Label:	Signed: _____ Date: _____ Full Name: _____