



RESOURCE CENTER FORMS

CORPORATE INDEMNIFICATION FAQs

1. What is the Corporate/LLC Indemnification Agreement?

The Corporate/LLC Indemnification Agreement is a standard form used in the entertainment industry when performers or crew people ask to be paid via a corporation with no payroll taxes withheld. The purpose of the Indemnification Agreement is to confirm that the payee is an officer of the corporation and the corporation will be responsible for applicable employer and employee payroll taxes, and will indemnify the payroll company and its clients from any claims or liabilities regarding the applicable payroll taxes.

2. Who is required to submit the Corporate/LLC Indemnification Agreement?

Anyone who would like to be paid via a personal services corporation with no payroll taxes withheld will need to submit the following paperwork:

- W-9
- Indemnification Agreement
- Articles of Incorporation

3. Are there any restrictions on who can be paid via a Corporation?

Your corporation must be incorporated (an “inc.” entity) or a limited liability company (LLC) in good standing in the state or states where you are working to qualify for your payment to be processed through the corporation. Sole Proprietorships and Partnerships do not qualify to be paid as corporations and need not submit this paperwork. Talent Agencies are not required to submit this paperwork, either.

4. Why do I have to submit the Corporate/LLC Indemnification Agreement?

When a worker is paid via a Corporation, the Corporation assumes responsibility for applicable employer and employee payroll taxes and the compensation is paid to the Corporation with no payroll taxes withheld. The Corporate/LLC Indemnification Agreement confirms that you are an officer of the Corporation and that the Corporation is assuming this responsibility and will indemnify TEAM and its clients for any claims regarding the payroll taxes.

5. Why do I have to be an officer of the Corporation in order to be paid via the corporation?

Only officers can enter into agreements on behalf of the corporation and assume the payroll tax obligations on the corporation's behalf.

6. What happens if I don't submit the Corporate/LLC Indemnification Agreement?

If you choose not to submit the Corporate/LLC Indemnification Agreement, TEAM will be unable to process payments via your Corporation and you will be required to submit a W-4 so that payments can be processed for you as an individual. Please note that if TEAM does not receive the Indemnification Agreement or a W-4 for you, per IRS requirements, we will be required to process payments to you based on “Single/Zero” withholding.

7. If I submit my Indemnification Agreement and Articles of Incorporation after payment has been issued can I get a refund of the taxes that were withheld?

No. We regret that once the payroll has been issued it will not be possible to make adjustments. To be paid via your Corporation, please make sure to submit the Indemnification Agreement and Articles of Incorporation with your payroll paperwork.

8. I've been paid by TEAM through my Corporation for many years. Do I still have to submit the Indemnification Agreement and Articles of Incorporation?

Yes. This is a common requirement in the industry that TEAM has now adopted and will apply to all new payroll from June 1, 2013 onwards.

9. I already submitted my Articles of Incorporation in the past. Do I have to submit them again?

Yes, please. Although your Articles of Incorporation may be on file with a project from past payroll, we are updating our employee records with this initiative and would be grateful to receive both documents together.

10. Do I have to submit the Indemnification Agreement and Articles of Incorporation for every payroll through TEAM?

No. You only need to submit the Indemnification Agreement and Articles of Incorporation once for your personal services corporation. These documents do not need to be submitted again unless there is a change in your corporation's status.

11. What sort of change in corporate status would require re-submitting the paperwork?

If there is a change in corporate officers please re-submit the paperwork reflecting the changed status.

12. Why was I given so little time to submit this paperwork?

This notification was to let you know that this requirement takes effect as of June 1, 2013. We are asking that you submit your paperwork as soon as is convenient for you so that we will have it on file and it won't be a last minute rush when you submit payroll paperwork to be paid via your corporation for new work in the future.

13. How does this affect residuals payments for work I've done in the past?

This does not affect residuals payments for work that was done in the past. We will continue processing payments for residuals for past work as they were originally set up.

14. My Talent Agency received a copy of this notification. Does the Talent Agency have to submit an Indemnification Agreement and Articles of Incorporation?

No. Talent Agencies are not required to submit an Indemnification Agreement or Articles of Incorporation. We sent the notification to Talent Agencies so that the agents would be aware of this policy in the event that performers they represent ask about it.

QUICK LINKS

Company Info
TTC in Canada
Careers
Contact & Locations

THE TEAM COMPANIES

LOS ANGELES | 818.558.3261
NEW YORK | 212.871.6200
CHICAGO | 312.982.7398
DETROIT | 248.584.4428
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