

Music in the Workplace Tariff 'I' (2018.03)



Effective from 1st March 2018
(Also showing previous year's details in brackets)

1. Scope of tariff

This tariff applies to the mechanical performances* of copyright music within *PRS for Music's** repertoire* as a background to work, meals, 'stand-down' times and breaks at work places such as offices, factories, canteens and rest rooms in the United Kingdom. It does not apply to, for example, telephone music on hold or music at staff social or sports clubs chargeable under the appropriate *PRS for Music* tariff.

2. General conditions

This tariff is without prejudice to *PRS for Music's* General Conditions Applicable to Tariffs and Licences, available on request from *PRS for Music*.

3. Royalty rates

Where the music user *has* applied for and obtained *PRS for Music's* licence before musical performances commence, the **standard** royalty rate will be charged and payable for the first year of the licence.

Where the music user *has not* applied for and obtained *PRS for Music's* licence before musical performances commence, the **higher** (standard plus 50%) royalty rate will be charged and payable for the first year of the licence.

After the first year of the licence, in either case, the **standard** royalty rate will be charged and payable.

* See Definitions, section 6

The following rates of charge apply to all royalties falling due from 1st March 2018.

	Higher royalty	Standard royalty
3.1 For premises where music is audible to 5 or more workers		
3.1.1 Workstations, etc.		
For music audible to workers at their work stations or otherwise during the course of their work in factories, works and other similar industrial premises, and in offices:		
The royalty per day (being calculated by reference to the number of employees to whom the music is audible) for each half-hour (or part thereof) of performance for each unit of 25 employees (or part thereof) is	13.91 pence (13.64 pence)	9.27 pence (9.09 pence)

Where day and night shifts are worked with differing numbers of employees in each, separate calculations will be made for each shift.

- 3.1.1.1** A proportionate reduction will be made in calculating, under section 3.1.1, the royalties for any *shift* which has fewer than 25 employees to whom the music is audible.

Example calculation:

Shift 1 - music for 250 days, for 4 hours each day, for 115 employees:

250 days x 8 half hours x 5 units of employees x £0.0927 £927.00
(no proportionate reduction)

Shift 2 - music for 250 days, for 4 hours each day, for 16 employees:

250 days x 8 half hours x 16/25 of 1 unit of employees x £0.0927
(proportionate reduction; see paragraph 3.1.1.1) £118.66

Total royalty (before VAT) £1045.66

	Higher royalty	Standard royalty
<p>3.1.2 Canteens and/or rest rooms</p> <p>For performances in canteen(s), rest room(s) or 'stand-down' rooms associated with the premises described in 3.1.1 above:</p> <p>The royalty per day for each unit of 25 employees (or part thereof) whether on day or night shifts, to whom the use of the canteen(s) and/or such room(s) is available is</p>	<p>27.68 pence (27.14 pence)</p>	<p>18.45 pence (18.09 pence)</p>

3.1.2.1 A proportionate reduction will be made in calculating the royalties under paragraph 3.1.2 where the canteen or room is available to fewer than 25 employees.

Example calculation:

Music in canteen for 250 days, canteen available to 135 employees:

250 days x 6 units of employees x £0.1845 = royalty (before VAT) £276.75

	Higher royalty	Standard royalty
<p>3.1.3 Minimum annual royalty (section 3.1)</p> <p>The royalties payable under section 3.1 of this tariff are subject to a minimum annual royalty of</p>	<p>£157.95 (£154.86)</p>	<p>£105.30 (£103.24)</p>
<p>3.2 For premises where music is audible to 4 or fewer workers</p> <p>For music at workstations and in canteens / rest rooms, i.e. areas where music is not audible to customers or other visitors to the premises</p>	<p>£71.25 (£70.50)</p>	<p>£47.50 (£47.00)</p>

4. Value Added Tax

Every Licensee under *PRS for Music's* tariffs will pay to *PRS for Music* in addition to the royalty due, a sum in respect of Value Added Tax calculated at the relevant rate on the royalty payable.

5. Inflation adjustment

Every year on 1st March, the monetary sums in this tariff will be adjusted for inflation. The adjustment formula will apply to the standard rates, using the percentage (to the nearest whole percentage point) by which Average Weekly Earnings index (unadjusted) change in the year to the previous October.

October is the latest month prior to the anniversary date for which figures are likely to be published for this index.

After application of the inflation adjustment the royalty rates will be rounded to the nearest one hundredth of a penny, except in the case of the minimum annual royalty and the flat rate royalty (Section 3.2) which will be rounded to the nearest penny.

All royalties will be charged at the royalty rate in force at the beginning of the licence-year.

6. Definitions

- **mechanical performances** means performances by means of:
 - a record, compact disc or tape player, or any other mechanical/electronic device for playing musical works (but not a machine such as a jukebox, capable of being operated by the insertion of a coin, token or card);
 - a radio or television receiving set; or
 - a loudspeaker connected to any of the equipment mentioned above,whether the equipment is owned or rented by the employer or employee.
- **PRS for Music** is the trading name of the Performing Right Society Limited.
- **PRS for Music's repertoire** means all and any musical works (including any words associated therewith), the right of public performance in which is controlled by *PRS for Music* or by any of the societies in other countries with which *PRS for Music* is affiliated.

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