

THIS PRIMER IS ONLY RELEVANT TO PRODUCERS OF LIVE-ACTION PRODUCTIONS MAKING A DIRECT OCASE CLAIM

How to make a Producer's OCASE Claim

The OCASE tax credit promotes Ontario labour that directly supports the creation of digital animation and digital visual effects. Typically, OCASE applicants are the visual effects, CGI and animation houses. However, the Producer's OCASE claim follows the principle that the labour involved in filming a scene in *preparation for* planned digital visual effects, generally applied later by a VFX house, is also labour directly related to that visual effect.

If you are the producer of a live-action feature film or television production that will be enhanced by a visual effects house via chromakey (green screen/blue screen) or digital scanning technology, and you otherwise meet the OCASE requirements, you may be eligible to make a producer's OCASE claim.

A note on 3D Filming:

OCASE claims relating to 3D filming follow different guidelines and are **not** dealt with in this "Producer's OCASE Claim" framework. Please refer to the OCASE FAQ's.

1. Labour "directly in support" of the visual effects:

The producer's OCASE claim involves activities which are related to digital effect creation such as labour for blue or green screen shooting, plate shots, digital scanning or motion capture.

For filming days where VFX activities took place, you are able to make an OCASE claim that includes a portion of the labour payments made to conventional (i.e. non-VFX-specific) cast and crew that can be said to be working directly in support of the visual effect. As a general rule of thumb, key roles and first assistants that contribute directly to a shot onto which a digital visual effect will be applied are eligible. Roles that do not contribute directly (i.e. are not involved in a hands-on way) will be ineligible. Please refer to the ["Eligible Positions for a Producer's OCASE Claim"](#) posted on our website for the list of the conventional cast and crew that can be included in this type of claim. Though not comprehensive, the list also gives examples of roles which are ineligible for this type of claim.

Eligible labour expenditures include:

- a) Salaries and wages paid to employees; and
- b) Remuneration paid to freelancers who are arm's-length individuals, partnerships, or incorporated individuals such as personal services corporations.

Qualifying activities must be carried out in Ontario by Ontario residents.

2. Calculating the eligible **percentage** of labour that relates directly to VFX (the VFX %):

Not every scene of your production will have visual effects applied, so only a percentage of the work being performed can reasonably be said to be directly in support of the creation of the visual effect. We call this the VFX %. In order to determine what percentage of your labour is eligible to be claimed for OCASE, we accept various methods of calculation, as long as the method is reasonable and you are able to verify the VFX % through documentation.

Our preferred method of calculation is the ratio of **hours spent shooting VFX divided by the total hours shooting on the day**, averaged for the total number of (Main Unit or Second Unit) filming days. We consider this the most accurate estimate.

Please see Table One on page 4 below for clarification.

3. Documentation required for a producer's OCASE Claim:

Please file all the documentation requested on the Online Application Portal. For a producer's OCASE Claim, we will **also** require documentation to verify:

1. That the jobs/roles being claimed are eligible roles. *We require a summary sheet indicating category/roles/titles and amounts paid to each category within the eligible dates. Please do not supply us with your overall payroll report.*
2. That the activities on that day can be said to be "directly in support of the creation of a visual effect", such as green screen shooting, plate shots or digital scanning.
3. Your agreement with the visual effects service provider(s), including all change orders.
4. The methodology and calculation used to determine what percentage of your filming is directly related to the creation of visual effects (the VFX %). We will need to see all Daily Production Reports and call sheets in support of your method of calculation.*

* We may also ask for further supporting documentation such as the VFX breakdown, the percentage of VFX shots in screen time and/or the VFX shots database, etc.

How to calculate a Producer's OCASE Claim

How to break down your labour for a Producer's OCASE claim:

- A. Determine the average VFX % for Main Unit filming days and for Second or Splinter Unit filming days shot in Ontario.
Determine the percentage of Main Unit filming that was directly in support of visual effects (related to the total Main Unit filming), by calculating the daily percentage and then averaging the percentages by the total number of Main Unit filming days. The preferred method is time spent shooting visual effects divided by total shooting time. Other possibilities are VFX set-ups divided by total set-ups, shots, scenes, etc.

If you have second or splinter unit filming days that were directly in support of visual effects, use the same methodology as above to determine the VFX % for the second/splinter unit filming days. The preferred method is time spent shooting visual effects divided by total shooting time. Other possibilities are VFX set-ups divided by total set-ups, shots, scenes, etc.

Please see Table One on page 4 below for clarification.

- B. Isolate the following labour amounts:
- (1) Labour expenditures for roles that are entirely VFX-related, such as VFX Supervisor. These will be allowed at 100%.
 - (2) Labour expenditures for conventional cast and crew that are not VFX-specific but who performed work directly in support of the creation of the VFX on Main Unit filming days.
 - (3) Labour expenditures for conventional cast and crew that are not VFX-specific but who performed work directly in support of the creation of the VFX on Second or Splinter Unit (if any) filming days.
- C. Apply the relevant VFX % to calculate your OCASE-eligible labour:
- (1) 100% x Labour expenditures for roles that are entirely VFX-related, such as VFX Supervisor.
 - (2) Main Unit VFX % x Labour expenditures for conventional cast and crew that are not VFX-specific but who performed work directly in support of the creation of the VFX on Main Unit.

- (3) Second/Splinter Unit VFX % x Labour expenditures for conventional cast and crew that are not VFX-specific but who performed work directly in support of the creation of the VFX on Second/Splinter Unit.

TABLE ONE - Calculating the percentage of filming that relates to VFX (the VFX %)

PP Day	Date	Unit	Time spent on VFX shots	Total Hours worked	VFX % for each unit's day	Calculate Main Unit VFX %	Calculate Second/Splinter Unit VFX %
1	1/11/2012	Main	5:37:00	5:37:00	100%	100%	
2	1/12/2012	Main	6:44:00	6:44:00	100%	100%	
3	1/13/2012	Main	6:05:00	6:05:00	100%	100%	
4	1/16/2012	Main	7:19:00	7:19:00	100%	100%	
5	1/17/2012	Main	4:05:00	4:05:00	100%	100%	
	1/17/2012	<i>Splinter</i>	03:00:00	07:00:00	42.86%		42.86%
6	1/18/2012	Main	6:00:00	6:00:00	100%	100%	
	1/18/2012	<i>Splinter</i>	08:20:00	08:20:00	100%		100%
7	1/19/2012	Main	1:25:00	6:12:00	22.85%	22.85%	
	1/19/2012	<i>Splinter</i>	8:30:00	8:30:00	100%		100%
8	1/20/2012	Main	1:05:00	6:08:00	17.66%	17.66%	
	1/20/2012	<i>Splinter</i>	6:55:00	6:55:00	100%		100%

9	1/23/2012	Main	1:50:00	5:05:00	36.07%	36.07%	
	1/23/2012	<i>Splinter</i>	7:50:00	7:50:00	100%		100%
10	1/24/2012	Main	1:50:00	6:22:00	28.80%	28.80%	
	1/24/2012	<i>Splinter</i>	5:48:00	5:48:00	100%		100%
11	1/25/2012	Main	6:30:00	6:30:00	100%	100%	
12	1/26/2012	Main	4:15:00	4:15:00	100%	100%	
13	1/27/2012	Main	0	6:10:00	0%	0%	
14	1/30/2012	Main	5:47:00	5:47:00	100%	100%	
VFX % to be applied to the Eligible Labour Amount						71.81% (a)	90.48% (b)

Apply the percentages as follows:

(a) Total Labour (of Eligible Roles) on Main Unit filming days x 71.81%; **plus**

(b) Total Labour (of Eligible Roles) on Second or Splinter Unit filming days x 90.48%; **plus**

(c) Roles that are entirely VFX-specific, such as VFX supervisor, are taken at 100%

i.e. a) + b) + c) = total eligible labour x 18% OCASE tax credit rate.