

How To

SORT OUT YOUR MUSIC ROYALTIES



The Smart Guide for Creatives

Brought to you by
musta
Talent Management

introduction

Singers can collect music royalties for performance, streaming, mechanical royalties and more. You are entitled to these royalties as a composer of lyrics and/or music. Music royalties are payments that go to artists and songwriters for the use of their intellectual property. The types of music royalties include mechanical, public performance, synchronization, and print music royalties. The music industry relies on these royalties as the main income for musicians. There are two sides of music copyrights, master rights and publishing rights. Master rights belong to the owner of the original sound recording. The owner could be the artist, record label or recording studio. Publishing rights belong to the owner of the actual musical composition. The publishing rights will belong to you, the songwriter, unless you have signed your rights to a publisher. A lot of artists write their own songs and will earn royalties for both the composing and performing side. This is the best situation because you could earn twice as many royalties when your recordings are played or broadcast. So, if you're looking to take your music seriously and claim royalties, you'll want to read on to find out everything you need to know about royalties for singers.

↳ Types Of Royalties

- **Public performance royalties.** Public performance royalties will be paid to either the songwriter, publisher or both whenever songs are performed in public. This doesn't just apply to pub gigs or stadium tours; it literally means in public. This could include radio, in shops, restaurants, cafes, shopping centres etc.
- **Mechanical royalties.** Mechanical royalties are paid to songwriters or publishers. Songs can be licensed for audio products, including CDs, digital recordings, vinyl or even cassettes. These products generate royalties when they are sold. However, these royalties are typically based on sales of goods rather than production. For example, if the CD is never sold, you wouldn't earn any royalties.
- **Synchronization royalties.** If the audio is accompanied by another form of media, then you receive synchronization royalties. You will earn these royalties whenever your track is used in audio-visual media such as TV, film or video games. The producer of this media will require a license in order to use your song.
- **Digital royalties.** Synchronization royalties now also exist digitally, and you will be able to claim royalties if your music is being used on a video. YouTube is now a huge and extremely



withmusta.com
hello@withmusta.com

popular platform and YouTubers often use music in the background of their videos. You can earn a lot of money if their video uses your music and receives a lot of views.

- **Print royalties.** Songwriters and composers can make money by printing and selling their music or lyrics. This is typically sheet music but can even apply to merchandise where certain song lyrics are used. If the music has been notated in sheet music and sold in a songbook or downloaded digitally then you can collect royalties.
- **Neighbouring rights.** Neighbouring rights are also known as international performance royalties. A global hit will generate royalties at different rates across the world. This can vary depending on where in the world it's been played or performed. International royalties can be collected by your local collection society and in the UK, this will be PPL.
- **Sampling royalties.** If another artist wants to use a second or more of your existing sound recording in his song, then they sample it and must get your permission as you own the sound recording copyright and you can then charge a fee for it.

↳ How Do Royalties Work?

Organisations that use music need to have a license. This could be a venue that pays a PRS license or it could be a streaming service that has negotiated deals with labels and publishers. The money made from these licenses then gets allocated to artists and songwriters. Revenue based on ticket sales for an event or streaming can also contribute to the size of royalties. All of this money through uses and licenses of your songs is going to need collecting. As discussed earlier, there are two different types of royalty incomes, master and publishing royalties. There are often different companies that deal with collecting these different royalties.

↳ Who Distributes Music Royalties?

If you want to collect royalties, then you need to sign up with a collection society. For songwriters in the UK, this will be PRS for Music. This is a UK organization that collects revenue that you are owed for uses of your songs and is the best way to collect your royalties. PRS for Music collects and distributes royalties on behalf of the songwriter/composer. This is perfect if you write your own music! PRS for Music includes two separate collecting



withmusta.com
hello@withmusta.com

societies, PRS and MCPS that operate together. Musical works that are performed or play get their royalties collected and distributed by PRS. MCPS collects and distributes royalties for musical works that have been reproduced or copied.

The Phonographic Performance Ltd society (PPL) is another way in which you can collect royalties. This company collects royalties on behalf of performers and record labels. PPL does a very similar job as the PRS. However, they specifically license the use of recorded music to be played in public, radio, TV or the internet. You will have to register each of your tracks on the website for free in order to collect royalties. Royalties last their entire life of the songwriter and another 70 years after they have passed away. This can result in well over 100 years of royalties. This is why some songwriters have one huge hit song and the royalties they continuously earn can sort them out for life. If you are based outside of the UK, finding the relevant society for you is as simple as a few clicks on Google!

Artists and songwriters are paid by streaming services each time a song is streamed. The two biggest streaming platforms are Spotify or Apple Music and they both have to negotiate agreements with labels and publishers. They then pay royalties based on how much revenue they make over a year.



withmusta.com
hello@withmusta.com