The distributor charges 5¢ for each container delivered to the retailer.

The retailer charges consumer the 5¢ deposit per container when they buy the product.

Consumers get the 5¢ back from the retailer (or redemption center) when they return empties.

Empties are picked up by the distributor who pays the retailer (or redemption center) 5¢ plus a 1¢ handling fee for each container.