

**SUMMARY OF NEW PROVISIONS
2013 SAG-AFTRA
COMMERCIALS CONTRACT**

1. Recognition and Coverage

This Contract shall be known as the 2013 SAG-AFTRA Commercials Contract.

2. Effective Date and Term

- a. Three years commencing April 1, 2013.
- b. For services performed in commercials made between April 1, 2013 and June 22, 2013, all retroactive payments must be made not later than 30 days following ratification by the Union.
- c. The new working conditions and all other non-economic provisions shall be effective not later than 30 days following ratification by the Union.

3. Rates

Increase wages subject to Pension and Health contributions for performers by 6%.

4. Pension & Health Plans

- a. Pension and Health contributions increase from 15.5% to 16.8%. The breakdown of the 16.8% is as follows: 16.05% to the P&H Plans, .50% to the Industry Advancement Cooperative Fund (IACF), and .25% to the Administrative Maintenance Fund (see #20 for details).
- b. Producer or advertising agency shall also become parties to any successor entity of the Plans.

5. AFTRA Television Recorded Commercials Contract

There will no longer be separate SAG and AFTRA Television Commercials Contracts. The AFTRA Television Recorded Commercials Contract shall be superseded by the 2013 SAG-AFTRA Commercials Contract.

6. Policy of Nondiscrimination and Affirmative Action

The updated list of ethnicities reflected in the nondiscrimination provisions is as follows: Black/African American, Latino/Hispanic, Asian/Pacific Islander, South Asian, Native American Indian, or Arab/Middle Eastern.

7. Exclusivity

In the event a performer breaches his/her exclusivity, an arbitrator may consider, among other possible remedies, loss of holding fees and residuals that would otherwise be due to the performer for the balance of the maximum period of use.

8. Public Service Announcement/Government Agency Message

- a. Advertiser logos are allowed on the non-profit's website, principal performer consent is required at the time of engagement.
- b. Celebrities may waive session payment with prior consent from the Union.

9. Dancers

The Group Dancers categories of 6-8 and 9 or more are combined into one category of 6 or more, all paid at the higher 6-8 rate.

10. Editing

- a. Shorter/Longer Versions: A producer may now create a second shorter or longer version of the same commercial and pay Principal Performers a session fee. Use will be paid as one spot.
- b. Factual Information: URLs, QR codes or similar Internet, mobile and digital media identifiers are now included in the list of factual information. Performers making such changes will be paid at the tag rates, rather than receiving a separate session fee for each version.

11. Maximum Period of Use of Commercials

Copies of the renegotiation letters shall now also be sent electronically to the Union. If requested, the Union will provide a copy of the renegotiation letter to producer, agent or Performer. However, whether or not the notice was sent to the Union shall not be deemed conclusive evidence of whether the notice was sent in compliance with the Contract.

12. Program Commercial Use

- a. PAX TV has changed to ION TV, and two additional similar channels have been included under the reduced Class A payment provision: BounceTV and MeTV. In the event that the Union either grants or denies a waiver request from a similar network to receive the rates in the section, a copy of the grant/denial letter will be sent to the Joint Policy Committee.
- b. The Late Night Waiver shall become a permanent part of the contract, and the rates shall increase by the same percentage as any agreed upon wage increase in future negotiations.

13. Cable

- a. The cable cap has been raised from 2,000 units to 3,000 units. Units 2001-2,500 will be paid at \$0.71 per unit, and units 2,501-3,000 will be paid at \$0.16 per unit (both are inclusive of 6% wage overall increase).
- b. The Local Cable Agreement, previously a waiver, shall become a permanent part of the Contract, and the rates shall increase by the same percentage as any agreed upon wage increase in future negotiations.

14. Internet

- a. Internet use cycles for both made-for and move-over may either be 8 weeks or 1 year, in any combination. The cycles need not be consecutive as long as holding fees are being paid.
- b. The maximum period of use for both made-for and move-over Internet commercials is 21-months from the date of first service (session).
- c. Move-over Internet use rates increase as follows:
 - 8-Week Use Cycle Increase from 133% to 150% of applicable session fee
 - 1-Year Use Cycle Increase from 350% to 400% of applicable session fee
- d. Made-for Internet use formula remains the same, but the rates increase with the general wage increase:
 - 8-Week Use Cycle 133% of applicable session fee
 - 1-Year Use Cycle 350% of applicable session fee

15. New Media

- a. New Media use cycles for both made-for and move-over may either be 8 weeks or 1 year, in any combination. The cycles need not be consecutive as long as holding fees are being paid.
- b. The maximum period of use for both made-for and move-over New Media commercials is 21 months from the date of first service (session).
- c. Move-over New Media use rates increase as follows:
 - 8-Week Use Cycle Increase from 133% to 150% of applicable session fee
 - 1-Year Use Cycle Increase from 350% to 400% of applicable session fee
- d. Made-for New Media use formula remains the same, but the rates increase with the general wage increase:
 - 8-Week Use Cycle 133% of applicable session fee
 - 1-Year Use Cycle 350% of applicable session fee

16. Made for Internet & Made for New Media – User Generated/Crowdsourced Contests

Advertisers may now solicit, accept and display via the Internet or New Media user-generated/crowd-sourced commercials as entries to a contest.

- a. Such contest entries may be exhibited via the Internet/New Media during the contest period without triggering any application of the Contract including, without limitation, Ad Lib or Creative Session Call fees for the entry.
- b. If a contest winning commercial is exhibited on any media platform after the expiration of the contest period, such commercial will be subject to the rates, terms and conditions of the Contract.
- c. Non-winning contest entries must be pulled off the Internet or New Media upon declaration of the winner. Should they not be pulled, they too will be subject to the rates, terms and conditions of the Contract.
- d. Applies to Extra Performers as well as Principal Performers.

17. Dealer Use

In addition to the option for a 6-month dealer cycle, a producer may now opt for an 8-week dealer cycle at 50% of the 6-month rate.

18. Foreign Use

- a. Use in the Asian-Pacific zone has increased from 1 session fee to 2 session fees.
- b. A commercial that has not been altered except for changes to permit different foreign languages may be televised within a single foreign use territory and shall be deemed one commercial for the purpose of use payments.

19. Payment (Drafting change only, not a change in the Contract)

Amend the Payment section to include the following subsections:

- a. Cable: the applicable payment for each cycle of use shall be made not later than fifteen (15) working days after the date of first use in such cycle, except that adjustments for unit compensation not ascertainable at the time of first use shall be paid in full not later than fifteen (15) working days after the completion of such cycle.
- b. Internet: payment for Internet use shall be made not later than fifteen (15) working days after the date of first use in such cycle.

- c. New Media: payment for New Media use shall be made not later than fifteen (15) working days after the date of first use in such cycle.

20. Liquidated Damages for Late Payment

- a. Principal Performers: liquidated damages for late payment has increased from \$3.00 to \$3.60 per day up to 25 days, with an increase in the maximum of \$75.00 to \$90.00. The additional liquidated damage of \$75.00 has also increased to \$90.00.
- b. Extra Performers: liquidated damages for late payment has increased from \$2.50 to \$3.60 per day up to 25 days (negotiated down from 30 days), with an increase in the maximum of \$75.00 to \$90.00. The additional liquidated damage of \$75.00 has also increased to \$90.00.
- c. Liquidated damages for late payment will now increase by the same percentage as any wage increase in future negotiations.

21. The Administrative Maintenance Fund (“AMF”)

One quarter of one percent (.25%) of the 16.8% payments made to the P&H fund will be allocated to the “Administrative Maintenance Fund” or “AMF” and applied as follows:

- a. The AMF shall be utilized solely for the JPC costs (including, but not limited to Contract administration, legal fees, consultant fees, staff costs, and labor relations), and disputes and grievances between the JPC and the Union.
- b. Monies in the AMF will not be used to support non-union productions, discourage or undermine membership in the Union, or fund any actions or activities, other than those taken in connection with the administration or negotiation of the Contract, that are adverse to the interests of the Plans, the Union or the Union’s members including, but not limited to, litigation, administrative proceedings, lockouts or strikes, and legislative activities.
- c. The Plans will distribute the AMF to the Association of National Advertisers:
 - i. All AMF funds shall be held in a segregated account by the ANA and administered as determined by the ANA.
 - ii. In the event any Producer is delinquent in submitting the required contribution to AMF, the ANA will have the authority to recover any contributions, along with any attorney fees, court costs, interest at one percent (1%) per month from the delinquent Producer.
 - iii. The enforcement for the delinquent contributions to the AMF shall not be the obligation of the Union.
 - iv. The AMF will be audited annually and a copy of the audit will be provided to the union.

22. Electronic Reporting

No later than March 31, 2014, all talent payroll company reports filed with the P&H Plans must also be filed electronically with the Union. Producer is also required to report overpayments and recoupments to the Union.

23. Filing of Session-Related Claims

Claims regarding audition, travel or production-related session claims (*e.g.*, overtime, wet pay, smoke pay, meal periods, etc.) must now be submitted no later than 6 months from the date of such audition, travel or session, or, if a claim is related to such payment, 6 months from the date the payment is made.

24. Arbitration – Special Procedures for P&H Allocation Disputes

Delete the sunset clause.

25. Ongoing Studies

- a. Gross Ratings Point Study (GRP) & Clearinghouse Study: the Joint Policy Committee and the Union agree to continue the Clearinghouse project and further analysis of the GRP-E compensation model.
- b. The Union and Joint Policy Committee agree over the course of this contract period to update the Internet and New Media model study to reflect industry and technological changes.

26. Unsupervised Travel Meal Periods

Meal period violations will not accrue during unsupervised travel.

27. Stunt Coordinators

If performers are required to perform a stunt during audition, a stunt coordinator must be present.

28. Per Diem

- a. Per diem rates increase as follows:

Breakfast	\$10.95 increased to \$15.00
Lunch	\$16.40 increased to \$25.00
Dinner	\$30.25 increased to \$40.00
- b. Per diem for travel has increased from \$71.70 to \$80.00.

29. Spanish Language

- a. Increase Program Use fees by 10%, in addition to the general wage increase.
- b. Increase Wild Spot fees by 5%, in addition to the general wage increase.
- c. Puerto Rico is no longer considered foreign use and will be paid as Wild Spot use at 17 units.
- d. Clarified that payment for foreign use is due and payable upon first use in foreign market.

30. Extras

When an Extra Performer is engaged at the 13-week use rate, the initial 13-week use cycle commences on the first air date of the commercial.

31. Extras – Upgrades (Drafting change only, not a change in the Contract)

Add new subsection to Schedule D Work Day, titled “Upgrade to Principal Performer” and reference Section 6 Persons Covered under the Principals section.

32. Ad-ID Commercial Coding

All commercials must now use Ad-ID as the sole standard commercial identifier. To assure a smooth transition, a grace period for conversion through March 31, 2014 will be provided.

33. Exhibit A-1 Standard Employment Contract for Principal Performers

- a. Add a field for Ad-ID.
- b. Create an itemized list of work as follows: Number of Tags, Number of Demos, Number of Commercials.

34. Exhibit A-2 Standard Employment Contract for Extra Performers

- a. Add a field for Ad-ID.
- b. Add a section to indicate agency representation when performer payment goes directly to Extra Performer but performer was booked thru an agent at +10%.

35. Exhibit E Commercial Audition Report Form

Add the following language to the form: “Completion of the required information is necessary for performers to receive the following audition-related payments: 1) overtime, 2) third and subsequent auditions for principals, and/or 3) audition/interview payments for extras.”

36. Exhibit K PSA Sideletter

Amend template PSA waiver letter as follows:

DATE

Signatory Company
Company Address
City, State Zip

To Whom it May Concern:

In response to your request, SAG-~~AFTRA~~ agrees to grant a Public Service Announcement (“PSA”) waiver on media covered under the SAG-~~AFTRA~~ ~~Television~~ Commercials Contract for a one-year period of use, subject to performers’ consent, **subject to the terms and conditions set forth in Section 18 of the SAG-~~AFTRA~~ Commercials Contract** and the following conditions:

1. Performer(s) must be notified at the time of audition or engagement that SAG-~~AFTRA~~ has granted a waiver and that the applicable PSA rate allows for unlimited use not to exceed one year beginning not later than 15 working days after the first delivery of the PSA to any covered media or 13 weeks after commencement of the maximum use period, whichever occurs first.
2. All Performer(s) must be compensated at not less than the applicable minimum fee(s) pursuant to Section 20 of the 2013 SAG-~~AFTRA~~ Commercials Contract. SAG Pension & Health contributions are payable on the gross compensation paid to performer.
3. All media time must be donated. Should the PSA be utilized on purchased time, full use and reuse fees must be paid to the performer(s) in accordance with the applicable provisions of the SAG-~~AFTRA~~ Commercials Contract, beginning with the first use on purchased media time, subject to Section 30, “Maximum Period of Use of Commercials.”
4. **Producer shall be permitted to display advertiser logos/IDs on the non-profit’s website (including on the landing page). Producer shall obtain performer consent to the presence of advertiser logos/IDs on the landing page at the time of engagement.**

5. PSAs may not contain solicitations for donations unless specifically approved by SAG-**AFTRA**.
6. Should Producer wish to utilize the PSA(s) beyond the initial one-year period, Producer shall obtain written consent from SAG-**AFTRA** and the principal performer(s) for such extended use. Any individual performer shall have the right to negotiate for compensation for such extended use.

37. Sideletters

Amend/delete the Sideletters as follows and renumber the remaining Sideletters:

- a. Sideletter 1 (PSAs): Remove. Substance of Sideletter added to Section 18, Public Service Announcements/Government Agency Messages.
 - b. Sideletter 2 (Multiplexing): Update date in drafting, and change “shall” to “may.” Renumber as Sideletter 1.
 - c. Sideletters 3 (Diversity/Casting Stunt Doubles): No change. Renumber as Sideletter 2.
 - d. Sideletters 4 and 5 (Diversity): Remove. The parties agree to have a single meeting covering diversity issues during the term of the 2013 SAG-AFTRA Commercials Contract.
 - e. Sideletter 6 (Ad Council Waiver): Remove. Substance of Sideletter added to Section 18, Public Service Announcements/Government Agency Messages.
 - f. Sideletter 7 (Arbitration Decisions): Remove. Substance of Sideletter added to Section 58, Arbitration.
 - g. Sideletter 8 (Spanish): No change. Renumber as Sideletter 3.
 - h. Sideletter 9 (GRP): Remove and replace with the Clearinghouse Sideletter and renumber as Sideletter 4.
 - i. Sideletter 10 (Internet/New Media Study): No change. Renumber as Sideletter 5.
 - j. Sideletter 11 (Monitoring): No change. Renumber as Sideletter 6.
 - k. Sideletter 12 (Deceased Performers): Remove. Substance of Sideletter added to Section 47, Pension and Health Plans.
- l. Add new Sideletter 7 as follows:

Sideletter re: Experimental Coverage Waiver for Made for Internet and Made for New
Media Commercials

This letter will confirm the Union’s agreement to an experimental waiver regarding coverage of persons in Made for Internet and Made for New Media commercials. This

waiver shall expire on March 31, 2016 and shall not be citable or precedential in future negotiations or in the interpretation of any other provision of the Contract.

This waiver will not apply with respect to those persons who are cast and/or who are scripted for the commercial(s).

A Producer of a Made for Internet or Made for New Media commercial(s) may film or record activities of persons in public without covering such persons under the Contract, provided such persons are neither scripted to speak any dialogue nor cast for the commercial(s).

Notwithstanding the foregoing, this waiver is limited to the following:

- a. Live Events – “Live Events” are events attended by at least 20 persons who are neither hired nor cast by Producer to attend the event. However, such Live Events (1) shall not be staged for the purpose of producing a commercial(s); and (2) non-covered participants at the live event may not receive individual direction but may be directed as a group.
- b. Man on the Street Commercial – A “Man on the Street Commercial” means a commercial(s) where an interviewer interviews people on the street, at public venues, or at live events and asks them questions or makes statements or gestures to elicit a response or reaction from them. The interviewer is a Covered Person for purposes of the Contract whether or not they appear or perform in the commercial(s).
- c. Hidden Camera Commercials – A “Hidden Camera Commercial” means a commercial(s) comprised of footage captured by a hidden camera(s) without direction to the individual(s) being filmed. An individual(s) appearing in such footage shall not be a Covered Person(s) for purposes of the Contract. Any person(s) appearing in the capacity of an interviewer, however, shall be a Covered Person whether or not they appear in the commercial.

As a material condition of this waiver, Producer shall notify the Union that it has applied the waiver and provide the Union with an electronic or physical copy of the commercial(s) within 60 days of the first exhibition of the commercial.

If a commercial produced pursuant to this waiver is subsequently exhibited other than on the Internet or New Media where such use is otherwise covered by the Contract, anyone qualifying as a principal in the commercial as subsequently exhibited shall be a Covered Person under the Contract and compensated accordingly.

38. Sideletter 7 – Waiver to Section 26.K. Special Offers & Promotions

This waiver covers advertisers that sell consumer products directly to the public (*e.g.*, supermarkets, toy stores, department stores, discount retailers) but excludes advertisers that

predominantly or exclusively sell their own products (*e.g.*, fast food restaurants and single-brand retailers).

This waiver allows a producer to edit a commercial to reference new products, whether branded or not, subject to the following terms and conditions:

- a. Performers making the changes shall be paid separate session fees for each change;
- b. Principal performers not required to render actual services for such additional variations will be paid a session fee for the first variation (*i.e.*, the 2nd commercial) and 150% of a scale session fee for every 4 additional variations (*e.g.*, 150% of a scale session fee for the 3rd, 4th, 5th and 6th commercial and another payment of 150% of a scale session fee for the 7th, 8th, 9th and 10th commercial);
- c. The variations are limited to product/item changes advertised within the retailer and shall be considered one commercial for use purposes;
- d. Only one variation may run in the same market at the same time and is subject to a 2-week promotional limitation;
- e. Performers must be fully advised of the terms of this waiver both at the time of audition and hire. In the event that a performer notifies the Union that he/she was not fully informed, this waiver shall not be applicable to that employment. With respect to the time of hire, such notice may be made in the Special Provisions section of the applicable employment contract.