



2019 COMMERCIALS CONTRACTS

REFERENDUM BOOKLET

IMPORTANT INFORMATION

The SAG-AFTRA National Board unanimously recommends members **VOTE YES** for the gains negotiated for the 2019 Commercials Contracts.

VOTE YES TODAY
www.ivsballot.com/commercials2019

All eligible members were mailed a postcard on April 17, 2019 with instructions and a PIN number on how to vote online or how to request a paper ballot. If necessary, you can retrieve your PIN number at the voting website by clicking “Find My PIN”.

Ballots – whether submitted online or by mail – must be received by 5 p.m. PDT on **Wednesday, May 8, 2019**.

MEMBER INFORMATIONAL MEETINGS

CHICAGO

Tuesday, April 23, 2019 / 7-9 p.m. CDT

Kaufherr Center, 1 E. Erie St. , Ste. 660, Chicago, IL. 60611

DISCOUNTED PARKING AVAILABLE AT THE 10 E. ONTARIO STREET GARAGE

LOS ANGELES

Wednesday, April 24, 2019 / 6-8 p.m. PDT

Sheraton Universal, Studio Suite, 333 Universal Hollywood Dr. Universal City, CA 91608

SELF-PARKING WILL BE VALIDATED

NEW YORK

Thursday, April 25, 2019 / 6-8 p.m. EDT

SAG-AFTRA, Multi-Purpose Room, 1900 Broadway, 5th Floor, New York, NY 10023

ALL OTHER LOCALS (VIA WEBINAR)

(except Los Angeles, New York and Chicago)

Thursday, April 25, 2019 / 10 a.m.–Noon PDT / Noon–2 p.m. CDT / 1-3 p.m. EDT

Visit sagaftra.org/commercials2019 for RSVP details. Members not in the vicinity of a local office, please contact your local for instructions on joining the meeting.

For questions, email commercialscontracts@sagaftra.org or call the contract hotline at (323) 549-6653.

PLEASE NOTE: All meeting information subject to change. Check sagaftra.org and watch your email for notices with information about meetings in your area. All paid-up SAG-AFTRA members in good standing who work the Commercials Contracts are urged to attend these important informational meetings. This meeting is only open to paid-up SAG-AFTRA members in good standing, no guests are allowed. Parents/guardians of performers under 18 years old are welcome. No RSVP necessary. You must show your SAG-AFTRA membership card or digital card on the app (paid thru April 30, 2019 or Oct. 31, 2019) for admittance.



April 17, 2019

Dear SAG-AFTRA Member:

On behalf of the SAG-AFTRA National Board and National Commercials Contracts Negotiating Committee, we are pleased to recommend you **VOTE YES** to ratify the 2019 SAG-AFTRA Commercials Contract and the 2019 SAG-AFTRA Audio Commercials Contract.

The 2019 Commercials Contracts are landmark agreements for a new era, introducing innovative and flexible alternative compensation models that specifically address the realities of the modern advertising business while preserving and enhancing opportunities for actors to have a professional career. On April 13, 2019, the SAG-AFTRA National Board met and reviewed the agreements, unanimously voting to approve and recommend a “yes” vote.

Please study the attached Summary of New Provisions carefully for information on the gains and the alternative compensation models these contracts offer. Highlights include:

- **New Upfront Use Packages** provide performers with substantial upfront payments, creating **simple, flexible and predictable** structures for employers that positions SAG-AFTRA to cover more work opportunities under the contract.
- Across-the-board **wage increases of 6 percent** (applicable to all categories of work, including background).
- **Increased funding to the health and retirement/pension plans** estimated at \$22.2 million.
- Protections against sexual harassment.
- Coverage of stunt coordinators.
- Outsized gains to group dancers.
- Streamlined and radically improved renegotiation process for commercial agents representing SAG-AFTRA members.
- Alternative compensation structure for the Audio Contract features **improved session rate and radically simplified use fees** that better position the union to grow work opportunities.

The members of the Negotiating Committee, all of whom work under these contracts, prepared for more than two years to negotiate a transformative agreement that represents a real step forward for members in this space. The team brought passion, diligence and an aggressive pursuit of members' interests to this negotiation to ensure future growth of commercial work for all performers. In the most important negotiations in a generation, the committee developed innovative solutions to the challenges facing the advertising industry with an agreement that modernizes the commercials contracts, making them more relevant to the industry now and into the future. It is a monumental advancement in growing our jurisdiction.

Upon ratification by the membership, these new agreements will become effective April 1, 2019, and will remain in force through March 31, 2022. The new contracts will include increases in minimum rates retroactive to April 1, 2019, and payable within 30 days of ratification. The new Upfront Use Packages will be available on June 1, 2019.

If, after you have reviewed the materials in this document, you need additional information, SAG-AFTRA has scheduled informational meetings April 23-25. You may also email questions to commercialscontracts@sagaftra.org or call (323) 549-6653.

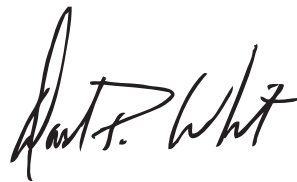
If you do not wish to vote online, you may request a paper ballot by calling Integrity Voting Systems toll free at (844) 798-3760 before noon PDT on Friday, May 3, 2019 and a paper ballot package will be mailed to you. The deadline for all ballots to be received, whether submitted online or by mail, is 5 p.m. PDT on Wednesday, May 8, 2019.

Thank you for reviewing this referendum package. As your president and chief negotiator, we work to protect and expand members' contractual gains. We are proud to have helped create this important benchmark that clearly speaks to the needs of the membership and the evolution of our industry. We recommend you **VOTE YES**.

Strength in unity,



Gabrielle Carteris
President
National Chair, Commercials
Contracts Negotiating Committee



David White
National Executive Director
Chief Negotiator

SUMMARY OF NEW PROVISIONS

2019 SAG-AFTRA Commercials Contract

1. EFFECTIVE DATE AND TERM

- a. Three years commencing April 1, 2019;
- b. For services performed in commercials made between April 1, 2019 and the date of ratification, 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. The terms of the Upfront Use Packages (Alternate Compensation Structure) go into effect June 1, 2019 in order to allow the parties time to educate.

2. RATES

Increase all contract rates by 6%.

3. PENSION & HEALTH PLANS

- a. Pension and Health contribution rate increased from 18% to 19%, subject to a 3-year waiver that expires March 31, 2022 reducing the contribution rate for JPC authorizers to 18.5%. The breakdown of the 19% is as follows: 18% to the P&H Plans, .75% to the Industry Advancement Cooperative Fund (IACF), and .25% to the Administrative Maintenance Fund (AMF). The breakdown of the 18.5% is as follows: 17.5% to the P&H Plans, .75% to the IACF, and .25% to the AMF;
- b. Increase the IACF from .50% to .75% (the .25% increase shall help fund the member assistance programs of the SAG-AFTRA Foundation and the SAG-AFTRA Motion Picture Players Welfare Fund);
- c. Clarify that the \$1,000,000 cap for covered services is calculated after the application of the initial allocation guideline for covered services and non-covered services and prior to any 80%/20% or 90%/10% split between the SAG-Producers Pension Plan and AFTRA-Producers Retirement Fund;
- d. Add a paragraph that makes clear the contribution rate in effect at the time the multi-service contract is executed remains in effect unless and until the multi-service contract is amended or an option is exercised;
- e. Charitable contributions made by Producers directly to a charity are not pensionable;
- f. Contributions for b-roll/behind-the-scenes footage produced in connection with a commercial are payable to the SAG-Producers Pension Plan.

4. RECOGNITION AND COVERAGE

- a. Add Stunt Coordinators to the definition of principal performer. Anyone who provides services as a stunt coordinator shall receive the applicable session fee and all working conditions applicable to principal performers;
- b. Performers who sign dialogue (American Sign Language, etc.) but whose faces do not appear on camera to be reclassified as off-camera performers.

5. WAIVER AS TO CERTAIN NON-PROFESSIONAL PERSONS

- a. Section 8.C Live Event, Man on the Street and/or Hidden Camera Waiver no longer requires automatic reporting but Producer shall provide a copy of the spot(s) upon request by the Union;
- b. Add section to address consideration of waiver requests from JPC authorizers in the event of hardship (e.g., potential loss of advertiser business).

6. POLICY OF NONDISCRIMINATION AND AFFIRMATIVE ACTION/DIVERSITY

Add new paragraphs to Section 14 to reflect the following:

The Union and the Producers (the "Parties") agree that everyone should be able to work without fear of harassment or violence. The Parties further agree to work cooperatively with each other so that the principles of this Section 14 (J) are honored.

- a. The Producer is committed to maintaining a working environment that is free from unlawful harassment or violence. In addition, the Producer is committed to protecting employees from retaliation for making claims of harassment. To that end, the Producer and employees shall comply with all applicable obligations pursuant to such laws and regulations and Producer's applicable policies;
- b. When an employee believes that this Section 14 (J) has been breached, such employee should immediately inform the Producer or its designated representative. Should the employee request the assistance of the Union, the Union will refer the complainant to the Producer's applicable policies and encourage the complainant to notify the Producer. When authorized by the complainant, the Union representative shall immediately make the complaint known to a designated representative of the Producer;

Producer shall investigate the complaint promptly in accordance with its policies. The Parties agree that all employees potentially involved in such claim will cooperate fully in the investigation by the Producer. Upon conclusion of the investigation, the Producer will take appropriate action if warranted;

- c. The Parties acknowledge the sensitive nature of these types of complaints and shall make reasonable efforts to maintain confidentiality as appropriate;
- d. Unlawful retaliation or reprisals against any employee who, in good faith, raises a bona fide complaint or participates in an investigation pursuant to this Section 14 will not be tolerated;
- e. The matters covered in this Section 14 (J) are not subject to the provisions of Section 58—Arbitration. Producer and any employee are permitted to negotiate that any matters covered in this Section 14 may be subject to arbitration pursuant to a personal services agreement to the extent permitted by law.”

The Union and Producers recognize the ANA’s (Association of National Advertisers’) #seeher initiative under this section.

7. RESTRICTIONS OF USE OF COMMERCIALS

- a. Social Media: If a commercial appears on a social media site after the expiration of the MPU but is not relevant to any current campaign and remains in the feed tied to its original posting date, no further payment shall be required provided that Producer complies with the Union’s request to remove the commercial from the social media site.
- b. YouTube: Provided that the below conditions are met and with the understanding that the following is a minimum term that individual performers may bargain over and above as with every other minimum term of the Contract, liability for the exhibition of a commercial on an advertiser and/or agency’s YouTube page in violation of Section 17 (“Unauthorized Use”) shall be fixed at double scale calculated based on the duration of the Unauthorized Use but not to exceed two years and applying the move-over or made for (as applicable) Internet rate in effect at the time of any payment made under this provision:
 - i. The Unauthorized Use occurred only on the advertiser and/or agency’s YouTube page and did not include any paid exhibition on YouTube nor was the commercial otherwise in use in any other media (unless such use was properly authorized and paid);
 - ii. The advertiser or agency were not linking to the commercial, embedding it on another website or otherwise promoting it during the period of Unauthorized Use;
 - iii. The commercial is removed upon discovery but not later than 15 business days following written notice (including by email with delivery confirmation) of such Unauthorized Use by any performer appearing in the commercial, his or her representative or the Union;
 - iv. The Union is notified and every principal on the commercial is paid not less than the amounts described herein;
 - v. In the event that Unauthorized Use by the advertiser or agency continues or recurs after notice, the parties agree that each principal in the commercial shall have the option to seek redress either through the arbitration provisions of the Commercials Contract or through litigation in a court of appropriate jurisdiction, including by asserting claims for violation of right of publicity laws.
- c. Allow for use without payment when Producer, for the purpose of publicizing its business, exhibits a commercial in any publication, not just trade publications. Similarly, allow for use without payment in “soft news.”

8. PUBLIC SERVICE ANNOUNCEMENTS

- a. Should a Producer utilize a PSA on purchased media time, any involved principal performers shall be paid reuse fees for purchased time but the waiver of use payments will continue to be in effect for donated media time;
- b. Pre-approval by the Union for PSA waivers is no longer required for AdCouncil and Partnership for Drug-Free Kids.

9. DANCERS

All dancer groups now paid at 3+ rate (previously 3-5 and 6+).

10. CONTRACTORS (SINGERS)

Add the term “age” to this section to acknowledge that a contractor may be of a different age or sex than the singers.

11. EDITING

- a. The number of allowable shorter/longer versions of a commercial is increased from 2 to 3, with an additional session fee due for each of the 2nd and 3rd versions;
- b. Modify Introduction and Ending Changes; Package Changes to reflect that variations may now be utilized in the same market;
- c. Under Special Offers & Promotions, change the 2-week run limitation to 6 weeks.

12. MAXIMUM PERIOD OF USE

In order to obtain continued usage rights past the MPU, Producer must negotiate with and obtain the performer’s consent. Previously, it was incumbent upon the performer or his/her agent to serve a notice of intent to bargain in order to preserve renegotiation rights. If Producer is unable to find the performer after good faith efforts, it shall notify the Union and if the Union is unable to find the performer within thirty days, Producer may renew use of the commercial at the rate paid to performer during the prior MPU.

13. UNWIRED NETWORK WAIVER

Compensation is changed from a pay per use model to a fixed 13-week minimum payment structure of \$855.42 for on-camera principals and \$641.30 for off-camera principals. This new structure should result in slightly higher payments on average.

14. INTERNET

Add language recognizing Over-the-Top (OTT) as internet use.

15. SOCIAL MEDIA WAIVER

- a. Allow use on YouTube for an additional use fee of 15% of the session fee for each 30-day use cycle;
- b. Change name of waiver to Social Media and YouTube Waiver.

16. TRANSFER OF RIGHTS

In the event that a non-signatory advertiser transfers its work to a signatory agency for previously produced non-union soundtracks that identify or are identified with the advertiser (e.g., jingles, pneumatic, and stings), no payment will become due under the Commercials Contract.

17. ARBITRATION

Claims for unauthorized use must be submitted to Producer no later than 4 years from the date when the performer knew or should have known that a claim existed.

18. CASTING/AUDITIONS/INTERVIEWS

Producer shall ensure that no auditions, fittings or meetings are conducted in private hotel rooms or residences where the Performer is alone with representatives of production. If there is no reasonable alternative forum for such a meeting, Performers shall be entitled to attend the meeting with a second individual of their choosing who shall be allowed to maintain physical access to the Performer at all times during the meeting.

19. TRAVEL

Business class transportation shall now be permissible where first class transportation was previously required. However, if business class is not available, first class transportation shall be provided.

20. EMPLOYMENT OF MINORS

Any principal performer under the age of 18 (was previously 17) shall have the right to be accompanied by a parent or guardian at all times.

21. UPFRONT USE PACKAGES (ALTERNATE COMPENSATION STRUCTURE)

Upfront Use Packages shall only be available to signatory advertisers and signatory advertising agencies. For each commercial, Producer shall have the option to apply either the main Contract or one of the three upfront use packages described below. The Upfront Use Packages shall sunset on March 31, 2022.

This election must be made for each commercial and will apply to the entire cast of the commercial for the maximum period of use of that commercial, after which the initial election shall cease to be binding. In the event that a commercial is edited in a manner that creates a new commercial(s), the compensation structure selected for the original commercial shall also apply to the new commercial(s) that has been created.

As to each alternative, the main Contract shall apply except as otherwise provided. For clarity, Section 10 "Intended Use" of the Commercials Contract shall apply to all of the alternative options described below.

UPFRONT USE PLUS (FULL BUNDLE OPTION)

1. Session: Session fees shall be paid per the main Contract, but not credited against use.
2. Use:
 - a. Producer shall pay every on-camera principal in the commercial \$20,000 for one year of use measured from the earlier of first use or 13 weeks following the first production day. Off-camera principals shall be paid \$15,000 (75% of \$20,000). Other use fees shall be proportionate to the current rates. The use fee shall be due within 60 calendar days of the first production day;
 - b. Upfront Use Plus includes up to ten (10) Class A airings and all other use types. Additional Class A use may be purchased for \$100 per on-camera principal per use with no declining scale, no reset of units and no discounts for guarantees or length.
3. MPU: The maximum period of use shall be one year from the earlier of first use or 13 weeks following the first production day, after which the parties may bargain for further use subject to Section 30, Maximum Period of Use.
4. Exclusivity: Section 16, Exclusivity shall apply except that the first non-competitive product shall require payment of an additional 25% of all compensation, the second non-competitive product shall require payment of 15% of all compensation and the third non-competitive production shall require payment of 10% of all compensation. For all non-competitive products beyond three, Section 16 shall apply without modification.

5. Editing: In lieu of Section 26, the Producer's rights and obligations with respect to editing the commercial shall be as described in the Editing Rules below.

UPFRONT USE DIGITAL (MADE FOR DIGITAL BUNDLE OPTION)

1. Session: Session fees shall be paid per the main Contract, but not credited against use.
2. Use:
 - a. For made for digital commercials, Producer shall pay every on-camera principal in the commercial \$3,825 for one year of use measured from the earlier of first use or 13 weeks following the first production day. Off-camera principals shall be paid \$2,868 (75% of \$3,825). Other use fees shall be proportionate to the current rates. The use fee shall be due within 60 calendar days of the first production day;
 - b. Upfront Digital Use includes the right to use the commercial on the Internet and in New Media. For Foreign and Industrial use, the payment shall be 60% of the scale rates in the agreement. Consent of any principal performer is required prior to any television use.
3. MPU: The maximum period of use shall be one year from the earlier of first use or 13 weeks following the first production day, after which the parties may bargain for further use subject to Section 30, Maximum Period of Use.
4. Exclusivity: There is no exclusivity under Upfront Digital Use.
5. Editing: The Producer may freely bargain for edits as provided for in the main Contract or, upon payment of one session fee to each principal performer, edit the commercial as described in the Editing Rules below.

UPFRONT USE FLEX (A LA CARTE OPTION)

1. Session: Session fees shall be paid per the main Contract, but not credited against use.
2. Use:
 - a. Guarantee: Producer shall guarantee every on-camera principal in the commercial not less than \$8,000 for one year of use measured from the earlier of first use or 13 weeks following the first production day. Off-camera principals shall be guaranteed \$6,000 (75% of \$8,000). Other use fees shall be proportionate to the current rates. The guarantee shall be due within 60 calendar days of the first production day;
 - b. Producer shall credit all use against the guarantee at the rates set forth below until the guarantee is exhausted, at which point the amounts set forth below shall be paid to the performer in addition to the guarantee;
 - c. Each 13-week cycle of use shall be paid (or credited against the guarantee) as set forth below for each use type:
 - i. All Cable and Local Cable - \$3,400
 - ii. All Wild Spot and Local Cable - \$2,000
 - iii. All Digital (Internet & New Media & Over-the-Top platforms, including, but not limited to, Hulu) \$1,300
 - iv. All Spanish Language - \$2,000
 - v. All Other Domestic Use (including Industrial, Dealer, ITN, Diginets, Class B and Class C) - \$1,000
 - d. Class A uses may be credited or purchased for \$100 per use with no declining scale, no reset of units and no discount for guarantees or length;
 - e. Foreign use may be purchased for sixty percent (60%) of the fee(s) in Section 42 of the main Contract (e.g., to purchase foreign use for the one year Maximum Period of Use for the United Kingdom, Producer shall pay an amount not less than 60% of 3 session fees, or 1.8 session fees). In the case of Spanish Language Commercials, foreign use may be purchased for sixty percent (60%) of the fee(s) in schedule C, section 3 of the main Contract.
3. MPU: The maximum period of use shall be one year from the earlier of first use or 13 weeks following the first production day, after which the parties may bargain for further use subject to Section 30, Maximum Period of Use.
4. Exclusivity: Section 16, Exclusivity shall apply except that the first non-competitive product shall require payment of an additional 25% of all compensation, the second non-competitive product shall require payment of 15% of all compensation and the third non-competitive production shall require payment of 10% of all compensation. For all non-competitive products beyond three, Section 16 shall apply without modification (e.g., for a commercial holding 1 non-competitive product used in "All Cable", the guarantee is still \$8,000, but 1.25 x \$3,400 shall be applied against the \$8,000 guarantee. In addition the session would be paid at 125%, presently \$890.00).
5. Editing: In lieu of Section 26, the Producer's rights and obligations with respect to editing the commercial shall be as described in the Editing Rules below.
4. Reporting: Any payment made to performers under this a la carte option must be accompanied by reporting ("check stub") showing the cumulative use and payments to the date of the check and the remaining balance, if any, of the guarantee. A zero check with the aforementioned reporting shall be provided in the event no payments are made within the first 26 weeks of the maximum period of use and/or as necessary to show the final report of use and payments.

EDITING RULES FOR THE UPFRONT USE PACKAGES

1. A “commercial” shall be defined as set forth in the Commercials Contract. An “edit” refers to any change to the visual or aural elements of a commercial. The term “edit” may also be used for convenience to refer to a commercial that has been changed from the original. Except as provided in Section 4(c) below (“Addressable Edits”), commercials that are separately scripted or storyboarded shall be tracked and paid as separate commercials as required under Section 20.G in the Contract (“Alternate Scenes & Lines”).
2. No edit may be made to a commercial that goes beyond the performer’s agreed-upon exclusivity unless the performer was notified at the time of engagement that such edit would be made or the Producer otherwise obtains the performer’s consent for such edit. In the event the foregoing sentence is violated, Producer shall indemnify performer against any liability resulting from the edit.
3. Section 20.F., Joint Promotions, shall continue to apply. The parties agree that the Joint Promotion language only applies where the second advertiser contributes financially or otherwise (beyond granting clearance for use of product or logo) to Producer or when the second product is included as a give-away or other promotion.
4. There are three (3) types of edits under the Upfront Use Packages that do not create a new commercial: a) Permitted Edits; b) Paid Edits; and c) Addressable Edits. All such edits may run in the same market at the same time and will be considered one commercial for use purposes. All other edits to a commercial (“Unpermitted Edits”) result in a new commercial for use purposes.

a. Permitted Edit: No additional payments are due to any performers in the commercial other than any performer(s) engaged to render services in connection with the Permitted Edit.

i. Longer and Shorter Versions

Producer may edit a commercial to create the following lengths of a commercial without triggering any additional payment obligation: 60 seconds; 30 seconds; 15 seconds; 8 (or 7) seconds and 6 seconds. No more than two (2) of each length may be made, but Producer may not make more than five (5) longer and/or shorter versions without triggering a new commercial. Each shorter edit must use only footage that relates to the same script or storyboard and does not create an “Unpermitted Edit” (defined below) of the longest version produced. It is understood that this provision does not authorize the creation of “wild footage” as that term is understood in the Industry.

- E.g., a :30 commercial for beer is created to show a pool party featuring only a portion of the cast. Later, a :60 is finished that features the entire cast. These are both Permitted Edits.

ii. Legal/Network Requirement, Dealer Identification and Tag Changes: The fees payable to performers rendering such changes shall be as set forth in Section 26.E. of the current Contract.

- E.g., a commercial for a new flavor of dog food is created. Later, the commercial is edited to remove reference to “new.” This is a Permitted Edit.
- E.g., a commercial for a feminine hygiene products is made to promote a line of tampons for the active woman. The end tag is later changed to feature maxi pads for the active woman. This is a Permitted Edit because only the tag changes.
- E.g., a commercial featuring a man in the forest chopping wood and tossing it into the back of his pickup truck has an end tag encouraging consumers to purchase the new Ford F-150 pickup truck. The end tag is changed to replace the F-150 pickup with a Ford F-250 pickup. This is a Permitted Edit because only the tag changes.

iii. Rearrangement of On-Camera Material

- E.g., a commercial for Secret Deodorant features scenes of women playing tennis, basketball, and running a marathon. For the East Coast, the scene order is changed to running a marathon, tennis, and basketball. This is a Permitted Edit.

iv. Changes to the Off Camera Message

- E.g., the end tag describes Kim’s Sassy BBQ Sauce as “hot and spicy” for the West Coast and “tangy” for the Midwest. This is a Permitted Edit.

v. Foreign Language Voiceovers

- E.g., French VO for France is substituted for English VO for the US market and the script remains the same (minimal deviations allowed in consideration of language differences). These are permitted edits.

vi. Special Offers and Promotions

- E.g., a commercial for Wendy’s advertising breakfast menu deals swaps out the special offer at the end from 2-for-1 sausage biscuit to a sausage and egg burrito. This is a Permitted Edit.

b. Paid Edit: Any change to a commercial described below shall constitute a Paid Edit. All principals in the commercial as edited shall receive the following Paid Edit fee(s) based on the session fee for on-camera or off-camera, as applicable. Edit fee(s) shall not be credited against any other payment due under the contract (but may credited against the A La Carte guarantee).

First Edit	1 session fee
Second Edit	75% of a session fee
Third Edit	50% of a session fee
Fourth Edit (and all subsequent edits)	30% of a session fee

- i. The product may be changed to another product in the same product line or to a different variant of the same product (e.g., a different color, size, scent or flavor) beyond the nature of a tag:
 - E.g., a commercial featuring a Ford F-150 driving down a dirt road with a stack of wood in the truck bed is replaced with a Ford F-250 driving down a dirt road. The end tags reflect different deals for each model. This is a Paid Edit due to the introduction of new on-camera material not in the nature of a tag.
 - BUT e.g., a commercial for Ford F-150 pickup trucks that is edited to replace the Ford F-150 with a Ford Explorer sports utility vehicle would not be a Paid Edit because pickup trucks and sport utility vehicles are not part of the same product line. This edit would be an Unpermitted Edit and paid as a new commercial.
 - ii. The edit changes the setting or adds an additional setting to the commercial; provided such changes can be made during the same production via CGI or green screen or do not otherwise require the cast to travel to a different location or set.
 - E.g., a commercial is edited using CGI or green screen to show a person parking at a beach instead of by a park. This is a Paid Edit because the setting change was accomplished using CGI or green screen.
 - BUT e.g., the commercial shows a modern caveman traveling through an airport when he sees a billboard for Geico showing the tag line “So simple even a caveman can do it.” The commercial is edited to show the modern caveman in a restaurant, looking through a window at a billboard for Geico showing the tag line “So simple even a caveman can do it.” This is an Unpermitted Edit and results in a new commercial because it requires a different location or set.
 - E.g., the commercial shows a boy being mocked for his funny name at various places and times throughout his life. It is edited to show him being made fun of for his funny name by relatives eulogizing him at his funeral. This is an Unpermitted Edit and results in a new commercial because it requires a different location or set.
- c. Addressable Edits:** In addition to the foregoing Permitted Edits, addressable commercials (defined as commercials that are specifically produced to show in multiple variations, each of which will be dynamically inserted at the level of individual households) may be edited (i.e., Addressable Edits) upon payment of the Addressable Edit Fee without creating a new commercial, provided that the only footage and/or soundtrack used to make the edit is taken from the original production and that the edit does not change the commercial concept or message. Upon request, the producer shall provide documentation proving that the commercial is an addressable commercial. Performers appearing in Addressable Edits shall be paid the following fees, which shall not be credited against any other payment due under the contract (but may credited against the Upfront Use Flex guarantee).

On-Camera Principal	One-time fee equal to 200% of the on-camera session rate.
Off-Camera Principal	50% of the off-camera session rate for every Addressable Edit created if the off-camera principal renders services for the edit. If the off-camera principal does not render services, then they receive a one-time fee equal to 200% of the off-camera session rate. If the off-camera principal renders services on some, but not all, of the Addressable Edits, they shall receive both a one-time fee equal to 200% of the off-camera session rate and 50% of the off-camera session rate for every Addressable Edit created for which the off-camera principal renders services.
Extra	One-time fee equal to 50% of the unlimited use extra session rate.

- i. The commercial may be edited to show a different setting (e.g., beach to rolling hills);
- ii. The product may be edited to show a different product in the same product line (e.g., F-150 to F-250);
- iii. The product and/or package may be edited to show a different variant of the same product (e.g., a different color, size, scent or flavor) beyond the nature of a tag;
- iv. Subject to Section 20.F. of the Contract (Joint Promotions), any element other than the product may be edited to show a different element:
 - E.g., a surfboard in a car commercial may be replaced with a snowboard in the same commercial;
 - E.g., the driver in a car commercial is wearing a bathing suit in one edit and a ski jacket in the second;
 - E.g., a shot of a group of men walking past a car in a car commercial is replaced with a different shot of the same action;
 - E.g., a female driver in a car commercial is speaking to a male passenger in one edit, and in the second a male passenger is now the driver and the female driver is now the passenger; and
 - E.g., footage of a female driver is switched out for a male driver, both on the same dusty dirt road in an F-150.

5. Unpermitted Edits shall include, but not be limited to, the following types of edits, which result in a new commercial for use purposes:

- a.** The edit changes the concept of the commercial. The “concept” refers to the basic idea by which the commercial conveys the commercial message.
 - E.g., a Geico commercial shows a modern caveman purchasing insurance from Geico to demonstrate that buying insurance from Geico is so simple even a caveman can do it. It is edited to show a child buying insurance from Geico to demonstrate that buying insurance from Geico is so simple even a child can do it. The change constitutes an Unpermitted Edit and results in a new commercial because the concept of the commercial has changed from using a caveman to show simplicity to using a child to show simplicity.
- b.** The edit changes the commercial message, which refers to the specific message that the advertiser wants to convey to the consumer about the product or service being advertised.
 - E.g., a Geico commercial features a modern caveman purchasing insurance from Geico to demonstrate that buying insurance from Geico is so simple even a caveman can do it. The commercial is edited to show the modern caveman filing an insurance claim with Geico because in modern times, even a caveman needs to have good insurance. This would be an Unpermitted Edit and results in a new commercial because it has changed the commercial message from a message about the simplicity of purchasing insurance from Geico to one about the importance of having insurance.
- c.** The edit adds new on-camera principal(s) to the commercial; provided, however, that Producer may, consistently with current practice under Section 26.A, add an on-camera principal into a longer or shorter version if the footage was produced during the same production and related to the same script or storyboard, in which case that shall be a Permitted Edit under section 4(a) above.
 - E.g., a principal performer skydives to demonstrate how Old Spice works in every situation. The original version is edited to add a principal on the ground congratulating the skydiver as he parachutes to the earth. This new principal was added based on footage relating to a separate storyboard and therefore the addition creates a new commercial.
- d.** The edit creates an additional version beyond what is allowed by 4:
 - E.g., a commercial for a new flavor of dog food is created. Later, the commercial is edited to remove reference to “new.” This is a Permitted Edit. New footage of two puppies playing is introduced and the VO is brought in to change the end tag to reflect that the food is good for dogs all of ages. This is an Unpermitted Edit because it introduces new footage and changes the message of the commercial.
- e.** The edit adds an additional product or brand in a manner that is not allowed under section 4 above.
 - E.g., Kroger Supermarkets edits a commercial to show that Sunkist oranges are now on sale and also adds a reaction shot demonstrating the delicious taste of Sunkist oranges. This would not be a Paid Edit and results in a new commercial because the addition of the reaction shot is an implied endorsement of Sunkist oranges.

SUMMARY OF NEW PROVISIONS

2019 SAG-AFTRA Audio Commercials Contract

1. EFFECTIVE DATE AND TERM

- a. Three years commencing April 1, 2019;
- b. For services performed in commercials made between April 1, 2019 and the date of ratification, 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. The terms of the Alternate Compensation Structure go into effect June 1, 2019 in order to allow the parties time to educate.

2. RATES

Increase all contract rates by 6%.

3. CONTRACTORS (SINGERS)

Add the term "age" to this section to acknowledge that a contractor may be of a different age or sex than the singers.

4. EDITING

Under Special Offers & Promotions, change the 2-week run limitation to 6 weeks.

5. AUDITIONS

Producer shall ensure that no auditions, fittings or meetings are conducted in private hotel rooms or residences where the Performer is alone with representatives of production. If there is no reasonable alternative forum for such a meeting, Performers shall be entitled to attend the meeting with a second individual of their choosing who shall be allowed to maintain physical access to the Performer at all times during the meeting.

6. SATURDAY & SUNDAY WORK

Remove section that requires work on Saturdays and Sundays to be paid at double scale.

7. MAXIMUM PERIOD OF USE

In order to obtain continued usage rights past the MPU, Producer must negotiate with and obtain the performer's consent. Previously, it was incumbent upon the performer or his/her agent to serve a notice of intent to bargain in order to preserve renegotiation rights. If Producer is unable to find the performer after good faith efforts it shall notify the Union, and if the Union is unable to find the performer with thirty (30) days, the Producer may renew the use of the commercial at the rate paid to the performer during the prior maximum period of use.

8. UNAUTHORIZED USE

Create a new section titled Unauthorized Use with the following language:

- a. Social Media: If a commercial appears on a social media site after the expiration of the MPU but is not relevant to any current campaign and remains in the feed tied to its original posting date, no further payment shall be required provided that Producer complies with the Union's request to remove the commercial from the social media site;
- b. YouTube: Provided that the below conditions are met and with the understanding that the following is a minimum term that individual performers may bargain over and above as with every other minimum term of the Contract, liability for the exhibition of a commercial on an advertiser and/or agency's YouTube page in violation of Section 17 ("Unauthorized Use") shall be fixed at double scale calculated based on the duration of the Unauthorized Use but not to exceed two years and applying the move-over or made for (as applicable) Internet rate in effect at the time of any payment made under this provision:
 - i. The Unauthorized Use occurred only on the advertiser and/or agency's YouTube page and did not include any paid exhibition on YouTube nor was the commercial otherwise in use in any other media (unless such use was properly authorized and paid);
 - ii. The advertiser or agency were not linking to the commercial, embedding it on another website or otherwise promoting it during the period of Unauthorized Use;
 - iii. The commercial is removed upon discovery but not later than 15 business days following written notice (including by email with delivery confirmation) of such Unauthorized Use by any performer appearing in the commercial, his or her representative or the Union;
 - iv. The Union is notified and every principal on the commercial is paid not less than the amounts described herein;
 - v. In the event that Unauthorized Use by the advertiser or agency continues or recurs after notice, the parties agree that each principal in the commercial shall have the option to seek redress either through the arbitration provisions of the Commercials Contract or through litigation in a court of appropriate jurisdiction, including by asserting claims for violation of right of publicity laws.

9. POLICY OF NON-DISCRIMINATION AND AFFIRMATIVE ACTION/DIVERSITY

Add the following language: “The Union and the Producers (the “Parties”) agree that everyone should be able to work without fear of harassment or violence. The Parties further agree to work cooperatively with each other so that the principles of this Section 54 (H) are honored.

- a. The Producer is committed to maintaining a working environment that is free from unlawful harassment or violence. In addition, the Producer is committed to protecting employees from retaliation for making claims of harassment. To that end, the Producer and employees shall comply with all applicable obligations pursuant to such laws and regulations and Producer’s applicable policies;
- b. When an employee believes that this Section 54 (H) has been breached, such employee should immediately inform the Producer or its designated representative. Should the employee request the assistance of the Union, the Union will refer the complainant to the Producer’s applicable policies and encourage the complainant to notify the Producer. When authorized by the complainant, the Union representative shall immediately make the complaint known to a designated representative of the Producer.
Producer shall investigate the complaint promptly in accordance with its policies. The Parties agree that all employees potentially involved in such claim will cooperate fully in the investigation by the Producer. Upon conclusion of the investigation, the Producer will take appropriate action if warranted;
- c. The Parties acknowledge the sensitive nature of these types of complaints and shall make reasonable efforts to maintain confidentiality as appropriate;
- d. Unlawful retaliation or reprisals against any employee who, in good faith, raises a bona fide complaint or participates in an investigation pursuant to this Section 14 will not be tolerated;
- e. The matters covered in this Section 54 (H) are not subject to the provisions of Section 63—Arbitration. Producer and any employee are permitted to negotiate that any matters covered in this Section 54 may be subject to arbitration pursuant to a personal services agreement to the extent permitted by law.”

The Union and Producers recognize the ANA’s (Association of National Advertisers’) #seeher initiative under this section.

10. TRANSFER OF RIGHTS

In the event that a non-signatory advertiser transfers its work to a signatory agency for previously produced non-union soundtracks that identify or are identified with the advertiser (e.g., jingles, pneumatic, and stings), no payment will become due under the Commercials Contract.

11. ARBITRATION

Claims for unauthorized use must be submitted to Producer no later than 4 years from the date when the performer knew or should have known that a claim existed.

12. HEALTH & RETIREMENT FUNDS

- a. Health and Retirement contribution rate increased from 18% to 19%, subject to 3-year waiver that expires March 31, 2022 reducing the contribution for JPC authorizers to 18.5%. The breakdown of the 19% as follows: 18% to the H&R Plans, .75% to the Industry Advancement Cooperative Fund (IACF), and .25% to the Administrative Maintenance Fund (AMF). The breakdown of the 18.5% is as follows: 17.5% to the H&R Plans, .75% to the IACF, and .25% to the AMF;
- b. Increase the IACF from .50% to .75% (the .25% increase shall help fund the member assistance programs of the SAG-AFTRA Foundation and the SAG-AFTRA Motion Picture Players Welfare Fund);
- c. Clarify that the \$1,000,000 cap for covered services is calculated after the application of the initial allocation guideline for covered services and non-covered services and prior to any 80%/20% or 90%/10% split between the SAG-Producers Pension Plan and AFTRA-Producers Retirement Fund;
- d. Add a paragraph that makes clear the contribution rate in effect at the time the multi-service contract is executed remains in effect unless and until the multi-service contract is amended or an option is exercised;
- e. Charitable contributions made by Producers directly to a charity are not pensionable.

13. PUBLIC SERVICE ANNOUNCEMENTS

- a. Remove the set rates for a Public Service Announcement and allow a producer to pay performer the minimum session fee due. The performer must consent in writing to the waiver of additional compensation;
- b. Should a Producer utilize a PSA on purchased media time, any involved principal performers shall be paid reuse fees for purchased time but the waiver of use payments will continue to be in effect for donated media time;
- c. Pre-approval by the Union for PSA waivers is no longer required for AdCouncil and Partnership for Drug-Free Kids.

14. MINORS

Any principal performer under the age of 18 (was previously 17) shall have the right to be accompanied by a parent or guardian at all times.

15. SIDELETTER #5 – EXPERIMENTAL COVERAGE WAIVER FOR COMMERCIALS

- a. Live Event, Man on the Street and/or Hidden Camera Waiver no longer requires automatic reporting but Producer shall provide a copy of the spot(s) upon request by the Union;

- b. Add section to address consideration of waiver requests from JPC authorizers in the event of hardship (e.g., potential loss of advertiser business).

16. SIDELETTER #6 - SOCIAL MEDIA WAIVER

- a. Allow use on YouTube for an additional use fee of 15% of the session fee for each 30-day use cycle;
- b. Change name of waiver to Social Media and YouTube Waiver.

17. ALTERNATE COMPENSATION STRUCTURE

AUDIO COMMERCIALS CONTRACT ALTERNATE COMPENSATION STRUCTURE			
Session (90 minute sessions or part thereof/paid per session or per commercial recorded whichever is greater)	\$350		
Tags (legal change, geographic, product availability, contact information, different brand names, special offers and promotions). Tags do not include legal language, car details etc.	Individual tags: \$100.00	Bundle of 10: \$800.00 (\$80.00 per tag) Bundle of 20: \$1300.00 (\$65.00 per tag) Bundle of 30: \$1500.00 (\$50.00 per tag) Bundle of 40: \$1600.00 (\$40.00 per tag) Bundle of 50: \$1750.00 (\$35.00 per tag)	
Mechanical Edits: \$350 per edit (shorter versions) – the use counts as one with the original commercial			
Use Payments: unlimited use on each platform type for the designated period of time; session shall be applied			
Use Periods	Terrestrial	Digital (combined Internet/New Media)	Combined Use (Terrestrial/Digital) – must be purchased at same time
NATIONAL USE			
4 week	\$700.00	\$350.00	\$875.00
8 week	\$1,150.00	\$450.00	\$1,375.00
13 week	\$1,450.00	\$550.00	\$1,725.00
6 month	\$2,150.00	\$750.00	\$2,525.00
1 year	\$3,700.00	\$1,100.00	\$4,250.00
REGIONAL 4 regions (South, Northeast, Midwest, West); rates are per region for terrestrial use			
South	Northeast	Midwest	West
4 week	\$445.96	\$300.00	\$323.16
8 week	\$743.27	\$452.00	\$538.60
13 week	\$859.10	\$565.00	\$673.22
6 month	\$1,268.82	\$834.46	\$994.29
1 year	\$2,199.30	\$1,446.40	\$1,723.44
MARKET/CITY BUY			
Use current wild spot tables			