



THE JOINT POLICY
COMMITTEE, LLC

2019 SAG-AFTRA COMMERCIALS CONTRACT SUMMARY OF AGREEMENT

This document summarizes the key changes made to the Commercials Contract (“Commercials Contract” or the “CBA”) for the new 3-year term, April 1, 2019 through March 31, 2022, and is provided for general information only. Producers should review all Memoranda of Agreement, available on the JPC’s website, before making any changes based upon this or any other summary the JPC provides.

1. Article I, Section 1.A, Recognition and Coverage; Section 6, Principal Performers: Add *stunt coordinators* to principal performers covered by the CBA. This only requires the payment of a session fee to the stunt coordinator unless he/she also performs a stunt in the commercial.
2. Section 8.C, Waiver as to Certain Non-Professional Persons:
 - a. Delete the sunset provision.
 - b. Clarify that interviewers for man-on-the-street and hidden camera are paid as an on-camera principal if they are seen in the final edit, but *may be downgraded or outgraded* under Section 27.
 - c. Producers must provide the commercial to the Union under this waiver *only upon request by the Union*.
3. Section 8.D: Add a new waiver whereby the Union will agree to consider requests from JPC authorizers for a waiver from the CBA *in the event of a hardship* (e.g., potential loss of advertiser business by an authorizer agency).
4. Section 14, Policy of Non-Discrimination and Affirmative Action/Diversity: The Union recognizes the ANA’s #SeeHer initiative and the JPC and the Union will work together during the Term on joint events and other opportunities.
5. Section 17.A, Restrictions on Use of Commercials; Additional Services:
 - a. If a commercial appears on social media 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 to the performer is required* so long as Producer complies with the performer’s request to take down the commercial.
 - b. With respect to YouTube, the maximum liability for use beyond the MPU is fixed at *double scale*, calculated based on the duration of the unauthorized use, but *not to exceed 2 years*, and applying the move over and made for Internet rate in effect at the time of any payment made under this new provision.



6. Section 17.A, Restrictions on the Use of Commercials; Additional Services:
 - a. No payment required in order to use a commercial in *soft news*.
 - b. Publicity can be in any publication, not just a “*trade*” publication.

7. Section 18, Public Service Announcements/Government Agency Messages:
 - a. Revise the language to make it clear that the PSA waiver *does not get revoked* if the PSA is used in paid media, but that you simply pay the performer the corresponding residuals for use in paid media.
 - b. Ad Council and The Partnership for Drug-Free Kids no longer need pre-approval from the Union for PSAs.

8. Section 20, Minimum Compensation: Fees Per Commercial; Session Fees: All contract rates for principal performers and extra performers shall increase by *six percent (6%)*.

9. Section 20.A: Create only 1 class of group dancers of 3 or more, and remove the group rates for dancer groups 3-5 and 6+.

10. Section 23, Contractors: Contractors need not be a member of the singing group if their age precludes them from doing so (*i.e.*, they are a minor).

11. Section 26.A, Shorter/Longer Versions: Include an *additional (i.e., third) lift* at the rate of 1 additional session fee.

12. Section 26.C.4: Different versions can now be used in the same markets.

13. Section 26.K.2(e): Special offers and promotions may now run up to *6 weeks*.

14. Section 30, Maximum Period of Use of Commercials: Commercials no longer automatically renew. If Producer wants to renew a spot, Producer must make good faith efforts to find the performer to negotiate and obtain consent for continued use rights. If Producer cannot find the performer, it must notify the Union and the Union has 30 days to find the performer. If the Union cannot find the performer, Producer can renew use *at the rate paid during the prior MPU*.

15. Section 33, Wild Spots – Compensation for Use: The following unwired networks may be paid at the rates below as an alternative to the Wild Spot fee: ITN, Active International, Continuum Media, RevShare, ICON International, and Cadent.

Rates: Principal On-Camera: **\$807** (plus negotiated base increase to minimums)
Principal Off-Camera: **\$605** (plus negotiated base increase to minimums)
Group Performers (respective multiples of above)



16. Section 36.A (Move Overs) and Section 36.B (Internet Made Fors): Over-the-Top (OTT) is now included in *Internet use*.
17. Section 36.B.10; Section 37.B.10; Sideletter #9: The Social Media Waiver now includes use on *YouTube for an additional 15% of a session fee* per 30-day use cycle, either separately or in addition to social media use.
18. Section 47, Contributions to Pension and Health Plans:
 - a. The contribution rate is now 19% total. This book rate of 19% will be *discounted for JPC authorizers for the 3-year term of this CBA to a rate of 18.5%*.
 - b. The \$1,000,000 cap is now calculated after the application of the *initial* allocation guideline for covered and non-covered services and prior to any 80%/20% or 90%/10% split between the SAG-Producers Pension Plan and AFTRA Retirement Fund.
 - c. Exhibit I, Allocation Guidelines: Clarifying that contributions for “b-roll/behind the scenes” produced in connection with a commercial produced under the CBA are payable to the SAG-Producers Pension Plan (*not the AFTRA Retirement Fund*). Therefore, unless there is a right to audio production and/or use, there is *no longer a 90%/10% or 80%/20% split* between the SAG-Producers Pension Plan and AFTRA Retirement Fund simply as a result of b-roll/BTS.
 - d. *No rate escalation*. The rate in effect under this CBA at the time the multi-service contract is executed is the rate that remains in effect unless and until the multi-service contract is amended or an option is exercised.
 - e. Charitable contributions made directly by Producers are *not pensionable*.
19. Section 56.D, Transfer of Rights: Soundtracks previously produced non-union that identify or are identified with the advertiser are *excluded* from coverage under the Commercials Contract (*e.g., “jingles,” mnemonic, and “stings”*).
20. Section 58.H, Arbitration: In addition to the 6-month SOL for session-related claims, there is now a *4-year statute of limitations*, beginning on the date when the performer knew or should have known that a claim existed.
21. Section 65, Alternate Method of Compensation: The JPC and Union will engage 1 or more consultants to study the impact of the new Alternate Compensation Structure, as well as to evaluate the current and future commercial production and distribution marketplace, in order to report to the bargaining parties prior to the 2022 negotiations.
22. Schedule A, Section X, Travel Time: First-class transportation is no longer required. Producers may provide *business-class* transportation, but if business class is not available, first-class transportation must be provided.

23. Schedule A, Section AA, Employment of Minors; Schedule D, Section 17.R, Employment of Minors: Increased the age to 18 when principal performers and extra performers may be accompanied by a parent or guardian.
24. Alternate Compensation Structure: A new, simplified Alternate Compensation Structure (“ACS”) was created that will be available to signatory advertisers and signatory advertising agencies on June 1, 2019 and will sunset on March 31, 2022. No crediting of session. No holding fees.
- a. **“Full Bundle” (Upfront Plus) Option:**
- Session fee + \$20,000 per on-camera principal (\$15,000 for off camera).
 - 1 year of use from the earlier of first use or thirteen (13) weeks following the first production day.
 - Includes up to 10 Class A uses and unlimited use in all other media.
 - Any additional Class A use is at \$100 per on-camera principal.
- b. **“Made For Digital and OTT Bundle” (Digital Upfront) Option:**
- Session fee + \$3,825 per on-camera principal (\$2,868 for off camera).
 - 1 year of unlimited use on Internet, New Media, and OTT platforms.
- c. **“A la Carte” (Upfront Flex) Option:**
- Session fee + guarantee of \$8,000 per on-camera principal (\$6,000 for off camera).
 - As with celebrity agreements, use is credited against the guarantee.
 - Rates for each 13-week cycle of use:
 1. All Cable and Local Cable - \$3,400
 2. All Wild Spot and Local Cable - \$2,000
 3. All Digital (Internet & New Media & Over-the-Top (OTT) platforms, including, but not limited to, Hulu) - \$1,300
 4. All Spanish Language - \$2,000
 5. All Other Domestic Use (including Industrial, Dealer, ITN, Diginets, Class B and Class C) - \$1,000
 - 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.
25. ACS Editing: Signatory advertisers and signatory advertising agencies who elect the ACS will also have extended and more flexible editing rights. There are 3 categories of edits:



1) *permitted edits* (free); 2) *paid edits* (flat fee payment based on session fee with no additional residuals beyond the “mother spot”); and 3) *addressable edits*.