



MAY 1, 2019

2019 SAG-AFTRA Contract Updates

SAG-AFTRA and the Joint Policy Committee (JPC) recently announced changes to the 2019 successor versions of the television and radio contracts, which the unions and the JPC have heralded as an update reflecting the realities of the modern advertising business. While many of the changes, like the global rate increase, are customary to the re-negotiation process, the 2019 contracts contain some genuinely novel concepts, like the flat-fee based alternative compensation structure. The new terms apply retroactively to all new spots produced on or after April 1, 2019, including any edit that qualifies as a “new spot” under the contract, and will continue in effect through March 31, 2022.

You can read the full text of the updates [here](#). Some of the most notable changes are briefly highlighted below.

Rate Increases

- Global rate increase of 6% (including session fees and use fees)
- Pension and health contribution increase from 18% to 19%
 - But JPC Authorizers get a discounted rate of 18.5%

Waivers Retained and Expanded, New “Hardship” Waiver Added

- Low Budget Digital Waiver retained

- While the Memorandum of Agreement does not mention extending the waiver, which sunset March 31, 2019, we understand this to be an oversight that ultimately will be corrected
- Social media waiver extended and made more usable by including YouTube and TikTok (removing Vine, which no longer exists) to the list of available platforms
 - Payment for 30-day cycle on YouTube is 15% of a session fee, which is separate from the payment for the other social platforms
- Waivers for Live Event, Man on the Street and Hidden Camera commercials officially made part of the contract with the sunset date removed
 - Do not need to file copies of spots produced under these waivers unless requested by SAG, but notification still required
- New waiver can be requested by JPC authorizers “in the event of a hardship (e.g., potential loss of advertiser business by an authorizer agency)”

Use After Expiration of Maximum Period of Use

- If spot is left posted on social media after expiration of maximum period of use, no payment is required if the spot is merely posted and archived on social feed and no longer tied to a particular campaign; in effect, there is no longer an affirmative obligation to remove the spot unless the

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union requests it (except from YouTube, as noted below)

- On YouTube only, maximum liability is fixed at double scale for the duration of the unauthorized use and not to exceed two years
- Maximum period of use no longer automatically renews; burden is now on the Producer, who must renegotiate and obtain talent's consent

New Statute of Limitations

- Performer must bring a claim within four years of when performer knew or should have known of claim (time period for session-related claims remains six months)

New Categories of Principal Performers

- Stunt coordinators added to list of principal performers, but this requires only a session fee (unless they are also appearing in the spot or qualifying as a principal in another category)
- Performers whose hands are shown signing dialogue in sign language are also now considered principal performers

Alternate Compensation Structure Available to Advertiser and Ad Agency Signatories

There are three new flat-fee alternatives intended to simplify compensation calculations and provide cost savings to advertisers

- "Full Bundle" (Upfront Plus)
 - Session fee plus flat \$20,000 use fee for on-camera principal

- One year of use, includes up to 10 Class A uses and unlimited use in all other media
- "Made For Digital and OTT Bundle" (Digital Upfront)
 - Session fee plus flat \$3,825 use fee for on-camera principal
 - One year of unlimited use on Internet, New Media, and OTT
- "A la Carte" (Upfront Flex)
 - Session fee plus \$8,000 guarantee per on-camera principal
 - Use fees are credited against the guarantee (like typical celebrity contracts)
 - Flat rates for each 13-week cycle of use, grouped by types of media
- Extended and more flexible editing rights

Related Professionals

For more information, please contact:

Brian L. Heidelberger	bheidelberger@loeb.com
Ryan M. Martin	rmartin@loeb.com

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