



**SAG·AFTRA®**

2014 NETWORK TELEVISION CODE  
Referendum Booklet



December 10, 2014

Dear SAG-AFTRA Member,

Thank you for taking the time to review the balloting material for the proposed Network Television Code contract. As your president and chief negotiator, our responsibility is to protect and expand members' contractual gains, and with this new contract, we believe we have achieved those goals. Your National Board voted 93 percent to approve the agreement and recommend a "Yes" vote.

We are proud of the gains secured in this contract. Highlights include:

- Increases in contract minimums over a three-year period, including an 8.7-percent overall wage increase to most program fees, implemented through increases of 2.5 percent the first year, 3 percent the second year and 3 percent the third year;
- Increases in other categories as follows:
  - a 7.2-percent overall wage increase for serial (soap opera) performers, implemented through increases of 2 percent the first year, 2.5 percent the second year and 2.5 percent the third year;
  - a 6.1-percent increase in overall wages for work in network news, implemented through increases of 2 percent per year for three years;
- An increase in contributions to the AFTRA Retirement Fund of .5 percent, starting in year one;
- Expands the ability for stunt coordinators to work under this contract;
- A 36-percent increase to background rehearsal rates in year two, from \$11 per hour to \$15 per hour, and a 12-percent increase for principal rehearsal rates in year two from \$25 per hour to \$28 per hour;
- Increases in the overtime rate from \$37.50 per hour to \$42 per hour for principals and \$16.50 per hour to \$22.50 per hour for background actors;
- An 8-percent increase in the stand-in rate for non-dramatic programming, increasing from \$24 per hour to \$25 per hour in year one, and from \$25 per hour to \$26 per hour in year three;
- For the first time, achieved a premium payment for solo/duo singers for multitracking and sweetening;
- Agreement that a bulletin will be issued to producers of content under this agreement to help ensure adequate warm-up space for dancers;
- Increases in the streaming residuals rate and a reduction in streaming windows, consistent with the industry pattern;
- Language to help facilitate the merger of the SAG and AFTRA benefit plans.

If, after you have reviewed the materials in this document, you need additional information, email your unanswered questions to [networkcode@sagaftra.org](mailto:networkcode@sagaftra.org) or call 800.518.6623.

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 PST on Jan. 6, 2015, 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 Jan. 9, 2015, at 5 p.m. PST.

On behalf of the SAG-AFTRA National Board of Directors and the Network Television Code Negotiating Committee, we are pleased to recommend you **VOTE YES** to ratify the Network Television Code agreement, covering syndicated dramatic programs, daytime serials, promotional announcements, variety, quiz, game, reality, talk, news, sports and other non-dramatic programs.

In unity,



Ken Howard  
President  
National Chair,  
Network Television Code Negotiating Committee



David White  
National Executive Director  
Chief Negotiator

## Summary of the Terms for a Successor Agreement to the Network Television Code

1. **TERM:** November 16, 2014 to June 30, 2018. The parties will commence negotiations for a successor agreement no later than April 30, 2018.
2. **BASIC RATES:**
  - A. Except as noted below, increase program fees by 2.5% effective the first payroll period after 11/16/14, by an additional 3% effective 11/16/15 and by an additional 3% effective 11/16/16. All percentage increases to rates shall be compounded.
  - B. **Serials:** Increase the rates for Principal Performers and Five Lines or Less Performers by 2% effective 11/16/14, 2.5% effective 11/16/15 and 2.5% effective 11/16/16.
  - C. **Background Actors:** Increase the rates for programs other than serials by 3% effective 11/16/14.
  - D. **Stand-Ins:** the applicable rate for all Stand-Ins covered by Paragraph 36.B.(1) from \$24 to \$25 effective 11/16/14 and to \$26 effective 11/16/16.
  - E. **News Insert/Service Fees** – Increase the rates in Paragraphs 75.A.(2) and 76.A by 2% effective 11/16/14, 2% effective 11/16/15 and 2% effective 11/16/16.
  - F. **Extra Rehearsal rate** – Increase the rate for performers other than Background Actors from \$25 to \$28 and for Background Actors from \$11 to \$15 effective 11/16/15.
  - G. **Automobiles and other vehicles (Paragraph 8H.3)** - Increase the allowance for Automobiles and Motorcycles from \$35 to \$37.50 effective 11/16/14.
3. **HEALTH & RETIREMENT:** The AFTRA Retirement Fund contribution rate shall increase by .5% effective 11/16/14, raising the total H&R contribution rate from 16.5% to 17%.
4. **PROPOSED MERGER OF THE AFTRA HEALTH FUND AND SAG HEALTH PLAN:** The parties discussed the possible merger of the SAG Health Plan and AFTRA Health Fund and agreed that no provision of the Network Code prohibits such merger.
5. **AICF/IACF:** The parties agree to recommend to the Trustees of the SAG Industry Advancement and Cooperative Fund and the AFTRA Industry Cooperative Fund that the two funds merge during the term of this Agreement.
6. **SINGERS:** For broadcast of multiple tracking and/or sweetening on a primetime entertainment program, a solo/duo singer engaged as a Principal Performer who multi-tracks and/or provides sweetening 6 or more times in any session shall be entitled to a single per program payment equal to 50% of the off-camera solo/duo program fee, for unlimited multiple tracking; or 100% of the minimum off-camera solo/duo program fee, for unlimited sweetening and unlimited multiple tracking.
7. **STUNT COORDINATORS:** For the first time, the Network Code will now contain a provision covering stunt coordinators who are engaged on non-dramatic programs. When stunt coordinators are engaged, Producers shall make contributions to the AFTRA Health and Retirement Funds based on the stunt coordinator's individually negotiated salary for such work. Engagement of the stunt coordinator is not mandatory and no other provisions of the Network Code will apply. Appropriate indemnity language shall be included so as to protect the stunt coordinator in the event of any accidents on the set.
8. **DANCERS' WARM UP AREA (New Bulletin):** The Industry agreed to send a bulletin to Producers advising them that dancers must warm up before performing and therefore require space for that purpose. With due regard to space limitations that may exist in certain facilities, Producers shall

therefore make best efforts to provide dancers with an appropriate and adequate area to warm up in advance of a performance.

9. **STAND-INS (New Sideletter):** Producers will use their best efforts to provide credentials to stand-ins that are substantially similar to the credentials that are provided to other freelance employees on the same production. In addition, the parties agree that should SAG-AFTRA believe that stand-ins are not receiving appropriate credentials, it may request a meeting with the Producer to discuss its concerns, which the Producer agrees to consider in good faith.
10. **NO DISCRIMINATION/AFFIRMATIVE ACTION:** As they appear in Paragraph 97, the term “Black” has been changed to “Black/African American,” the term “Hispanic” to “Latino/Hispanic” and the term “Asian” to “Asian/Pacific Islander.” The Exhibit H reporting form shall be revised accordingly.
11. **EMPLOYMENT OF MINORS:**
  - A. Add a new subparagraph to the minors’ provisions to provide that the Producer shall set the first call at the beginning of the minor’s employment and dismissal on the last day of the minor’s employment so as to ensure that the minor will have a 12 hour rest period prior to and at the end of the employment.
  - B. Amend the existing provision to provide that no dressing room shall be occupied simultaneously by a minor and an adult performer. This restriction shall not apply to minors under 3 years old.
  - C. Amend the existing provision by requiring that teachers have the proper teaching credentials appropriate to the level of education required from Washington D.C. or any state within the United States, but need not be credentialed by or a resident of the state where the minor’s employment occurs unless otherwise required by law. Producer agrees to provide a school facility, such as a schoolhouse, classroom, trailer schoolhouse or other schooling area, which closely approximates the basic requirements for classrooms, especially with respect to adequate lighting, heating, desks and chairs. Stationary buses or cars are not adequate school facilities unless used exclusively for the minors during instruction. A moving vehicle shall never be used as school facility; minors must not be taught while being transported to or from local locations.
  - D. During negotiations, the Producers disclaimed any practice of paying other than the Background Performer rates to minors under a year old who do not speak. SAG-AFTRA reserved its position that under certain circumstances, minors who are under a year old should be engaged under performance categories other than Background Performer. The parties agreed to exchange an unpublished letter providing that the disclaimer of any practice of hiring minors under one year old at other than the background performer rate will not be applied by a Producer to minors under one year old who have previously been engaged by that Producer on a specific program as a principal or five line or less performer within the 12 month period prior to November 16, 2014.
12. **RESIDUAL DISTRIBUTION ON NON-SERIAL DRAMATIC PROGRAMS:** Amend the Supplemental Markets, Reuse in New Media, and foreign overages provisions to provide that Performers on non-serial dramatic programs produced on or after November 16, 2014 shall share in distributor’s gross receipts on a pro rata basis of 3-2-1 rather than 2-to-1. Performers engaged under the Five Lines or Less category shall be regarded as a “1.”
13. **NEW MEDIA:** Renew the sunset clauses in Sideletters 29 (Programs Made for New Media) and 30 (Programs Reused in New Media), as modified by this Agreement.

#### 14. MODIFICATIONS TO NEW MEDIA STREAMING PROVISIONS:

- A. **Modification of the “Free Streaming Windows”:** Currently, television programs enjoy a “free streaming window” during which they may be exhibited on a free-to-the-consumer, advertiser-supported New Media platform without payment for up to 24 consecutive days in the case of a new series or up to 17 consecutive days in all other cases. The streaming window may be divided between the period immediately prior to and immediately following the initial exhibition of the program in any ratio determined by the Producer, but must occur surrounding the initial exhibition. The application of the “free streaming window” has been modified as follows:
1. With respect to television programs the production of which commences on or after November 16, 2014, the free streaming window shall be reduced to a 7 consecutive day period, except it shall be 24 consecutive days for the first 7 episodes of a new series and any one time program and 17 consecutive days for children’s programming and daytime serials.
  2. There shall also be a 7 consecutive day free streaming window surrounding each rerun on broadcast television of a program made for initial exhibition on broadcast television. The 7 consecutive day period shall be measured separately for each city in the United States and Canada. If the program is rerun more than once in any 7 consecutive day period, the free streaming window shall nevertheless be limited to a single 7 consecutive day period surrounding one of the runs, which shall be determined by the Producer. During the streaming window, the Producer may make a television program available for streaming without payment for such use.
  3. For each episode of a series in its first year, the streaming window may commence up to 30 days before the initial exhibition on television of the episode.
- B. **Residuals Payments for the First Year of Streaming:** Presently, after the expiration of the free streaming window, the Producer may continue to exhibit a program on a free-to-the-consumer, advertiser-supported New Media platform by paying a fixed residual equal to 3.5% of the first replay fee applicable to the program, in the case of dramatic programs, or of the applicable program fee, in the case of non-dramatic programs, to each performer in the program for 26 weeks of continued exhibition. Upon the expiration of the first 26 week period, the Producer may continue to exhibit the television program for another equal payment, subject to a one-year limitation, at which point a residual of 6% of distributor’s gross receipts is due. These residuals have been modified as follows:
1. The amount of the fixed residual shall increase to 4% effective November 16, 2014, 4.5% effective November 16, 2015, and 5% effective November 16, 2016. In the case of dramatic programs, these percentages shall continue to be applied to the applicable replay fee and in the case of non-dramatic programs, shall continue to be applied to the applicable program fee.
  2. This fixed residual shall also be due for the exhibition of a program the principal photography of which commences on or after November 16, 2014 on a free-to-the-consumer, advertiser-supported video-on-demand service of any multichannel video programming distributor (“MVPD”).
    - a. In other words, for television programs produced on or after the effective date of the new contract, this residual is due when the television motion picture is made available with commercials through your cable provider’s video on demand service.
    - b. Should that exhibition continue beyond one year, the Producer shall pay a residual of 6% of distributor’s gross receipts, which is the residual that is presently due for continued exhibition beyond one year of a program on an advertiser-supported, free-to-the-consumer New Media platform.
    - c. Payment of the foregoing residuals shall entitle the Producer to exhibit the program on both a free-to-the-consumer, advertiser-supported New Media platform and a free-to-

the-consumer, advertiser-supported platform through your cable box. Only one set of payments shall be due for both types of exhibition.

- d. The parties agree that the rights to inspect documents and data relating to New Media that are described in Paragraph 5.B of Sideletter 30 shall not apply to agreements concerning an MVPD or any video-on-demand service of an MVPD. In other words, the fact a residual previously applicable only to New Media is now applicable to a cable exhibition does not extend the inspection rights negotiated for New Media into the cable space.
  - e. The parties confirmed that no residuals are due when a Producer makes available on an advertiser-supported video-on-demand service of an MVPD a program produced under an agreement with SAG, AFTRA or SAG-AFTRA entered into prior to November 16, 2014.
- C. **Live Linear Streaming:** The parties confirmed that the live streaming or other transmission of a program that occurs simultaneously with its exhibition on television shall not trigger any residual or other payment obligation.

#### 15. HIGH BUDGET DRAMATIC SVOD PROGRAMS

- A. Producers signatory to the Network Code who are producing high budget dramatic programming for subscription video on demand services (“High Budget SVOD Programs”) shall use the terms and conditions applicable to such programming in the 2014-2017 SAG-AFTRA Television Agreement, but shall not otherwise be deemed signatory to that agreement.
- B. Notwithstanding the foregoing, a Producer who is a party to the AFTRA Health and Retirement Funds and has not made contributions to the SAG Pension and Health Plans during the period January 1, 2010 to December 31, 2014 shall not be required to contribute to the SAG Plans for such High Budget SVOD Programs, unless the Producer elects otherwise, and may make contributions instead to the AFTRA Health and Retirement Funds. Further, a Producer shall make contributions with respect to performers employed on High Budget Derivative SVOD Programs to the same Plans or Funds to which contributions are or were made for performers employed on the Original Television Program on which the High Budget Derivative SVOD Program is based.
- C. In the event that a Producer desires to produce a program for a subscription video on demand service that is in the nature of a dramatic serial (*i.e.*, a “soap opera”), the provisions of Sideletter 29 shall not automatically apply. Rather, the parties agree to meet to discuss the appropriate terms and conditions of employment for covered performers on such productions. The parties acknowledged the difficulty in distinguishing serial dramatic programs made for SVOD from other dramatic programs made for SVOD, but agreed that the hallmarks of serials, as distinguished from other dramatic programs, include but are not limited to the multiplicity of episodes, their exhibition pattern and very long story arcs.

#### 16. LICENSE OF NON-EXHIBIT A FREE TELEVISION, PAY TELEVISION OR BASIC CABLE PROGRAMS TO SECONDARY DIGITAL CHANNELS

- A. Presently, the broadcast of a program on a secondary digital channel is treated as syndication, and residuals are therefore due according to the fixed, per-run formula that applies to syndication.
- B. The cast of a program that is broadcast on a secondary digital channel, including programs produced under prior collective bargaining agreements, shall now share in a residual of 3.6% of distributor’s gross receipts (as defined in Exhibit D of the Network Code) for any license to a secondary digital channel of any free television or basic cable program and 6% for any pay television program as to which a fixed residual would otherwise be payable.
  - 1. This change shall only be applicable if the television program or series (i) has been out of production for at least 3 years and (ii) has not been exhibited under a fixed residual

- formula in syndication (except in the non-lead market) or pay television for at least 3 years in the case of a free television or pay television program or has not been exhibited under a fixed residuals formula in syndication (except in the non-lead market), pay television or basic cable for at least 3 years in the case of a basic cable program.
2. In the case of a “broken series” (*i.e.*, a free television series consisting of 68 or fewer episodes or any basic cable or pay television series consisting of 40 or fewer episodes), the television program or series need only have been out of production for 2 years and not been exhibited under a fixed residual formula on basic cable, pay or free television (except syndication in the non-lead market) for at least one year.
  3. There shall be a fair market value test for licenses negotiated between related or affiliated parties and the aggregate minimums due to the cast in such circumstances shall be \$150 for a 30-minute program, \$300 for a 60-minute program, \$450 for a 90-minute program and \$600 for a 120 minute program.
  4. AFTRA Health & Retirement contributions shall be made in addition to the percentage payments made on pay television programs hereunder regardless of the date produced and on free television and basic cable programs produced on or after November 16, 1973, and the percentage payments shall be inclusive of Health and Retirement for free television and basic cable programs produced prior to November 16, 1973.
  5. The ‘pro rata’ share payable to each performer on a pay television program shall be distributed on the basis of time and salary units. The ‘pro rata’ share payable to performers on non-serial dramatic programs produced on or after November 16, 2014 shall be distributed on the basis of 3-2-1. The ‘pro rata’ share payable to each performer on any other free television or basic cable program shall be distributed on the basis of a 2-to-1 ratio for principal performers against other performers. The pro rata share shall be limited to 1.5% where the off camera announcer is the only covered performer.
17. **LICENSE OF NON-EXHIBIT A DRAMATIC PROGRAMS MADE FOR BASIC CABLE TO A DIFFERENT BASIC CABLE SERVICE:** Presently, when a program made for initial exhibition on a basic cable service is licensed to another basic cable service, residuals are due pursuant to the same run-based, fixed residuals formula that applied to runs on the basic cable service for which it was originally produced.
- A. Pursuant to this tentative agreement, when a program produced for basic cable, including those produced under prior collective bargaining agreements, is licensed for exhibition to a second or subsequent basic cable service, the cast shall share in a residual equal to 6% of distributor’s gross receipts.
  - B. This new residual shall only apply if the basic cable program or series (i) has not been in production for at least 2 years and (ii) has not been exhibited under a fixed residual formula on basic cable or free television (except syndication in the non-lead market) for at least 18 months.
  - C. There shall be a fair market value test for licenses negotiated between related or affiliated parties and the aggregate minimums due to the cast in such circumstances shall be \$300 for a 30 minute program, \$600 for a 60 minute program, \$900 for a 90 minute program and \$1,200 for a 120 minute program. The Union agrees to give good-faith consideration to requests to waive these minimums provided comparable waivers are obtained from the DGA and/or WGA, as applicable, or, if SAG-AFTRA is the only applicable union, upon a showing by the Producer, or its distributor, that available licensing opportunities for such program(s) are not commercially reasonable absent such waiver.
  - D. The ‘pro rata’ share payable to performers on non-serial dramatic programs produced on or after November 16, 2014 shall be distributed on the basis of 3-2-1. The “pro rata” share payable to each performer on all other programs shall be distributed on the basis of a 2-to-1 ratio for



principal performers against other performers. The pro rata share shall be limited to 1.5% where the off camera announcer is the only covered performer.

18. **SYNDICATION LICENSES FOR CANADA ONLY:** If Producer licenses a non-Exhibit A program (including a program or series made for basic cable, but excluding any program or series made for syndication) for exhibition in syndication only in Canada, and residuals would otherwise be payable for that exhibition, it shall have the option to pay to the Union, for rateable distribution to the performers, 7.2% (12% for pay television) of distributor's gross receipts plus AFTRA Health & Retirement contributions. Such exhibition shall not count as a "run" for purposes of calculating residuals.
19. **VALUE ADDED PROMOS:** The parties agree to meet during the term of the 2014 Network Code to discuss and to reach agreement on examples of Value Added Promos.
20. **PROGRAM SEGMENT RATE:** Performers who appear on a morning news program of 2 hours or more (*e.g., "The Today Show," "Good Morning America"*) may be paid the applicable ½ hour program fee, reduced from a 1 hour program fee, subject to existing limitations.
21. **INTERVIEWEES ON NON-DRAMATIC ENTERTAINMENT PROGRAMS:** The payment to a star performer appearing as an interviewee on a non-dramatic entertainment program shall be reduced from the principal performer 15-minute program fee to 50% of the 30-minute principal performer program fee.
22. **NEW YORK CITY EARNED SICK TIME ACT AND OTHER SIMILAR LAWS:** The Union agreed to waive the application of the New York City Earned Sick Time Act of 2013 and similar ordinances passed in San Francisco, Newark and Seattle, which require employers to provide paid sick leave under conditions that would not normally be applicable to freelance performers.
23. **NON-PROFESSIONAL CHOIRS:** Amend Sideletter 37, which currently applies only to Morning News Programs, to apply additionally to Talk Shows, Magazine Shows and Holiday Specials, thereby allowing for a waiver of coverage of non-professional choirs under a specific set of circumstances.
24. **AWARD SHOWS:** Exempt presenters and acceptors on Award shows, provided that they confine their appearances to the usual, brief exchanges and/or actions of presenters and do not perform on the program in such categories as singer, dancer, actor or specialty act, subject to conditions discussed in negotiations.