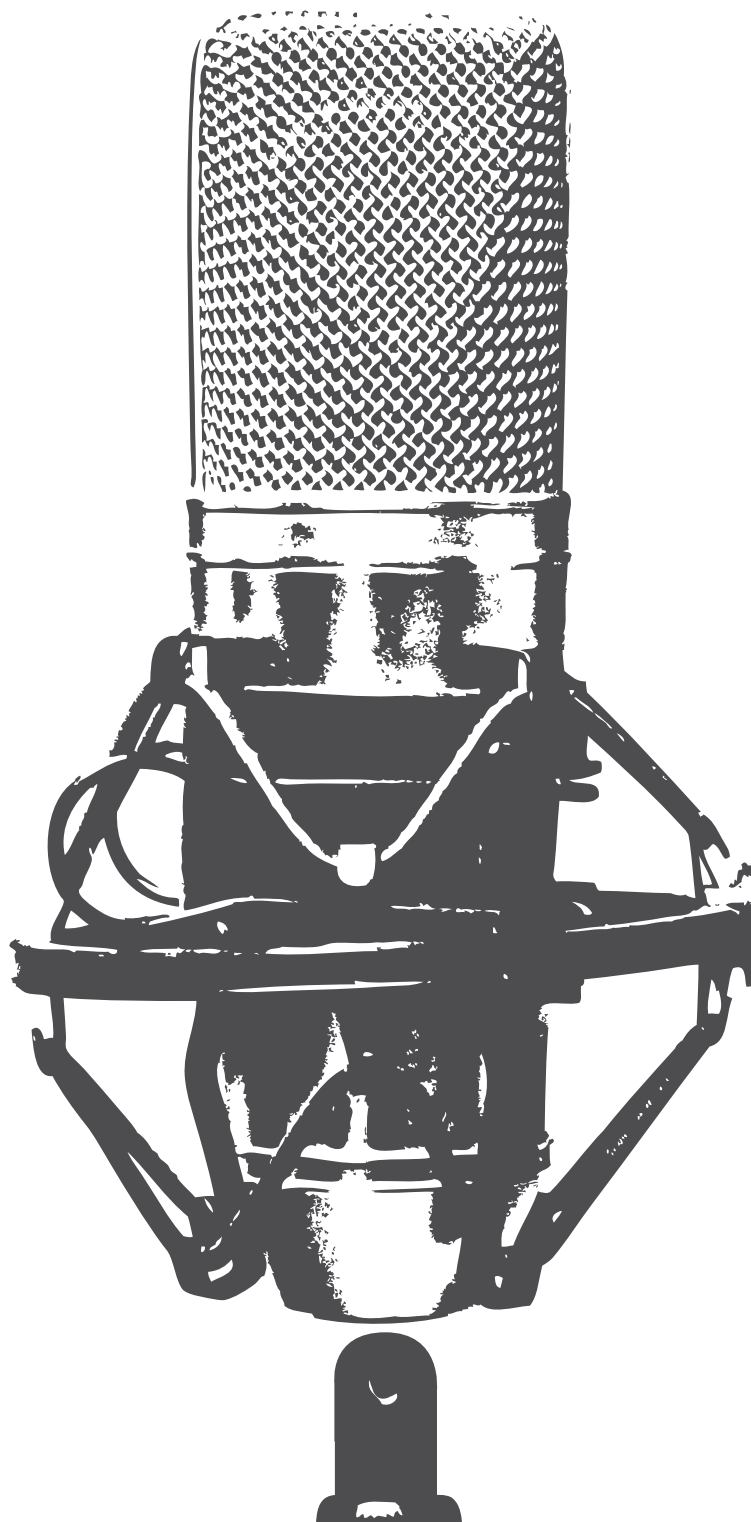




SAG·AFTRA[®]
YOUR VOICE IN MUSIC



2018 SOUND RECORDINGS CODE REFERENDUM BOOKLET

IMPORTANT INFORMATION

The SAG-AFTRA National Board and the Sound Recordings Code Negotiating Committee unanimously recommend members **VOTE YES** for the gains negotiated for the 2018 Sound Recordings Code.

VOTE YES TODAY www.ivsballot.com/SRC2018

All eligible members were mailed a postcard on Nov. 13, 2018 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. PST on **Tuesday, Dec. 4, 2018.**

MEMBER INFORMATIONAL MEETINGS

NEW YORK

Monday, Nov. 19, 2018, 1-3 p.m. EST

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

LOS ANGELES

Monday, Nov. 19, 2018, 10 a.m.-noon PST

SAG-AFTRA Plaza, Frank Maxwell Room, 5757 Wilshire Blvd.
Los Angeles, CA 90036 PARKING WILL BE VALIDATED (ENTER OFF MASSELIN)

NASHVILLE

Monday, Nov. 19, 2018, noon-2 p.m. CST

SAG-AFTRA Studio, 1108 17th Ave. South, Nashville, TN 37212

**For questions, email soundrecordings2018@sagaftra.org
or call the contract hotline at (866) 287-1853.**

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 Sound Recordings Code are urged to attend this important informational meeting. 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 Oct. 31, 2018 or April 30, 2019) for admittance.





Dear SAG-AFTRA Member,

On behalf of the SAG-AFTRA National Board and the Sound Recordings Code Negotiating Committee, we are writing to recommend that you vote **YES** to ratify the Sound Recordings Code. On Oct. 20, 2018 the SAG-AFTRA National Board **unanimously** approved the agreement and recommended all eligible members **VOTE YES**.

The updated Sound Recordings Code covers work done for major record labels including Warner Bros. Records, Atlantic Recording Corporation, Sony Music Entertainment, Universal Music Group Recordings, Capitol Records and Hollywood Records (Disney).

Gains for members include:

- Increase minimum wages by 3 percent Jan.1, 2019 and 2020 and 2.5 percent Dec. 31, 2020
- Increase health and retirement contributions to 13 percent effective July 1, 2019
- Increase the portion of streaming payments subject to health and retirement contributions from 15 percent to 50 percent
- Increase the foreign traditional use conversion fee for most licenses from 3 percent to 4 percent with substantially increased minimum and maximum payments
- Substantially increase the maximum health and retirement contribution for groups of six or more, and index it to future increases in eligibility requirements
- And streamline the licensing and performer payment processes for foreign licenses, especially for tracks licensed into commercials

These gains were painstakingly negotiated by our team of committee members and staff. Their great work in bargaining means that we have a strong contract with meaningful gains for members working for the major record labels.

While we are urging you to **VOTE YES**, we want you to be fully informed about the agreement. If, after you have reviewed the materials in this document, you need additional information, email your unanswered questions to **soundrecordings2018@sagaftra.org** or call the contract hotline at (866) 287-1853.

If you do not wish to vote online, you may request a paper ballot by calling Integrity Voting Systems toll free at (866) 727-3052 before noon PST on Friday, Nov. 30, 2018, 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. PST on Tuesday, Dec. 4, 2018.

Thank you for reviewing this referendum package for the proposed Sound Recordings Code. As your president and chief negotiator, we work to protect and expand members' contractual gains. With this new contract, we believe we have achieved those goals and recommend a **YES** vote on this agreement.

Strength in unity,



Gabrielle Carteris
President



David White
National Executive Director

2018 SAG-AFTRA Sound Recordings Code Contract Summary

The following summary highlights the key provisions of the proposed tentative agreement. The SAG-AFTRA National Board and the Sound Recordings Code Negotiating Committee unanimously recommend that you VOTE YES to approve the 2018-2020 National Code of Fair Practice for Sound Recordings tentative agreement.

1. **TERM:** Three years, retroactive to January 1, 2018 and expiring December 31, 2020.
2. **WAGES:** Increase all minimums as follows:
 - 3.00% on January 1, 2019
 - 3.00% on January 1, 2020
 - 2.50% on December 31, 2020
3. **HEALTH & RETIREMENT (“H&R”):**
 - a. Increase contribution rate from 12.75% to 13.00% effective July 1, 2019
 - b. Change contribution cap for groups of six or more to become six times the current SAG-AFTRA Health Plan I eligibility level (for a new cap of \$201,600, which will automatically increase with future eligibility requirement increases)
 - c. Increase the portion of payments for worldwide streaming that are subject to H&R contributions from 15% to 50%
 - d. Give SAG-AFTRA the unilateral discretion to redirect additional funds from the streaming payment to H&R contributions
 - e. Eliminate H&R contributions on license fee payments made by bona fide foreign third-party licensees
 - f. Establish a two-year time limit for signatories seeking refunds of overpaid health or retirement contributions if such refund would cause the participant to lose coverage or benefits, or to reduce a pension that has already been initiated
 - g. Provide agreed interpretations on a number of disputed issues of contract interpretation relating to health and retirement contributions
4. **CONVERSION FEES AND SUBSEQUENT USE PAYMENTS:**
 - a. For Foreign Traditional Use licenses:
 - i. Increase the conversion fee payable from 3.0% of the license fee to 4.0% of the license fee (except for commercials which were already 4.0%)
 - ii. Increase the minimum payment from \$100 to \$150 (except for commercials which were already \$150)
 - iii. Increase the cap on such payments per license from \$3,500 to \$4,500
 - iv. Signatory labels will begin directly invoicing all third party licensees for conversion fees on behalf of the artist and the SAG-AFTRA and Industry Sound Recordings Distribution Fund (“SRDF”), and report all licensing and invoicing activity to the union and SRDF
 - b. For Foreign Licenses Used in Commercials Exhibited in the US:
 - i. Provide for payment of such fees for commercials through the SRDF and establish a specific obligation for third parties to pay benefit plan contributions and payroll costs

