



**SAG·AFTRA®**

# **2018 NETWORK TELEVISION CODE**

Referendum Booklet

# IMPORTANT INFORMATION

The SAG-AFTRA National Board overwhelmingly recommends members VOTE YES for the gains negotiated for the 2018 National Code of Fair Practice for Network Television Broadcasting (“Network Television Code”).

**VOTE YES TODAY**  
**[www.ivsballot.com/netcode](http://www.ivsballot.com/netcode)**

All eligible members were mailed a postcard on July 26, 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. PDT on **Thursday, Aug. 16, 2018.**

## **MEMBER INFORMATIONAL MEETINGS**

### **LOCALS (VIA WEBINAR)**

**Monday, August 6, 2018**

**12-2 p.m. PDT / 2-4 p.m. CDT / 3-5 p.m. EDT**

Check your local page of [sagaftra.org](http://sagaftra.org) for details.

### **NEW YORK**

**Monday, Aug. 6, 2018, 6-8 p.m. EDT**

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

### **LOS ANGELES**

**Thursday, Aug. 9, 2018, 7-9 p.m. PDT**

SAG-AFTRA Plaza, James Cagney Boardroom, 5757 Wilshire Blvd., Los Angeles, CA 90036

PARKING WILL BE VALIDATED.

**For questions, email [networkcode@sagaftra.org](mailto:networkcode@sagaftra.org) or call the contract hotline at (866) 287-1853.**

PLEASE NOTE: All meeting information subject to change. Check [sagaftra.org](http://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 Network Television 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) for admittance.



Dear SAG-AFTRA Member,

On behalf of the SAG-AFTRA National Board and the Network Television Code Negotiating Committee, we are pleased to recommend you **VOTE YES** to ratify the Network Television Code agreement.

On July 21, 2018 the SAG-AFTRA National Board met and reviewed the agreement and voted 79 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. The agreement also significantly improves funding of the AFTRA Retirement Fund.
- Automatic increases in other categories as follows:
  - › A 4.1 percent overall wage increase for daytime serial performers, implemented through increases of 1 percent the first year, 1.5 percent the second year and 1.5 percent the third year.
  - › A 4.6 percent overall wage increase for background actors employed on variety programs implemented through a 2 percent increase effective Dec. 31, 2018, and a 2.5 percent increase effective July 1, 2020.
- First year increase in contributions to the AFTRA Retirement Fund of 0.5 percent and the AFTRA Industry Cooperative Fund of 0.2 percent with the option to divert 0.5 percent of second and/or third year wage increases to the AFTRA Retirement Fund.
- A reduction of three hours in the included rehearsal hours for dancers on all but 5-minute-or-less and over-5-to-15-minute programs.
- A reduction of one hour in the included rehearsal hours for singers on all but 5-minute-or-less and over-5-to-15-minute programs.
- An increase in the overtime rate for certain group dancers on award shows from \$45 to \$48 per hour effective July 1, 2018.
- An 11.5 percent increase in the stand-in and/or dance-ins rates from \$26 per hour to \$27 per hour in the first year, \$28 per hour in the second year and \$29 per hour by the last year of the contract.

- Recognition of Middle Eastern North African as a diverse category.
- An improvement to our harassment-prevention language that explicitly prohibits harassment.
- Improvements in the working hours language for minors. Specifically, the limitation on the total hours a minor is allowed at work, based on his/her age, is now part of the contract. These changes do not impact the working hours for minors working in New York and California, but represent significant improvements for minors working in other states and enhance the union's ability to enforce working hours in New York and California as well, by spelling out the requirements in our contract rather than relying solely on state law.

The Network Television Code generates more than \$200 million a year in member earnings and covers programming in almost all television day parts as well as programming produced for digital media. Covered programs include dramas in first-run syndication, morning news shows, talk shows, serials (soap operas), variety, reality, contest, sports and promotional announcements.

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 (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 (844) 798-3760 before noon PDT on Monday, Aug. 13, 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 Thursday, Aug. 16, 2018 at 5 p.m. PDT.

Thank you for reviewing this referendum package regarding the proposed Network Television Code agreement. 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

# Summary of Tentative Agreement for a Successor to the 2014 SAG-AFTRA National Code of Fair Practice for Network Television Programming (“Network Television Code”)

1. **TERM:** July 1, 2018 through June 30, 2021

2. **WAGES:**

- a. **General Wage Increase:** Increase wages by 2.5% effective July 1, 2018, 3% effective July 1, 2019 and 3% on July 1, 2020. SAG-AFTRA shall have the option to redirect .5% of the second and/or third increases to the contribution rate to the AFTRA Retirement Fund, in which case the second and/or third increases shall be 2.5%.
- b. **Daytime Serials:** For Daytime Serials, in lieu of the General Wage Increase, increase rates for all programs by 1% effective July 1, 2018, 1.5% effective July 1, 2019 and 1.5% effective July 1, 2020.
- c. **Background Actors:** Apply the following increases in lieu of the General Wage Increase:
  - i. **Variety Programs:** Increase all background rates applicable to variety programs by 2% effective December 31, 2018 and 2.5% effective July 1, 2020.
  - ii. **Variety Programs on Multiple Stations Commonly Owned:** Eliminate the over 15 to 30 and over 30 to 45 minute rates. Reduce the included hours as follows effective July 1, 2018 and increase the remaining rates as follows effective December 31, 2018:

<u>Program Length</u>	<u>Current Included Hours</u>	<u>Included Hours on 7/1/2018</u>	<u>Current Rate</u>	<u>Rate Effective 12/31/18</u>
Up to 60 min	8	7.5	\$117	\$128
Over 60 to 90 min	10	8.5	\$147	\$165
Over 90 to 120 min	13	10.5	\$171	\$188

- iii. **Daytime Serials:** Eliminate the 5 minute or less and over 5 to 15 minute rates. Reduce the included hours as follows effective July 1, 2018 and increase rates as follows effective December 31, 2018. In addition, increase the remaining rates by 1.5% effective July 1, 2020.

<u>Program Length</u>	<u>Current Included Hours</u>	<u>Included Hours on 7/1/2018</u>	<u>Current Rate</u>	<u>Rate Effective 12/31/18</u>
Up to 30 min	8.5	8	\$115	\$128
Over 30 to 45 minutes	9	9	\$134	\$147
Over 45 to 60 minutes	9	9	\$150	\$152
Over 60 to 90 minutes	9	9	\$180	\$182

- iv. Additional Day Fees:** Increase by 1% effective December 31, 2018 and by 1.5% effective July 1, 2020.
- v. Programs Other than Serials and Variety:** Effective December 31, 2018, increase the General Ability rate from \$115 to \$120 and the Special Ability rate from \$126 to \$129. Increase both rates by a further 2.5% effective July 1, 2020.
- d. Stand-Ins:** Increase the hourly rate from \$26 to \$27 effective July 1, 2018, to \$28 effective July 1, 2019 and to \$29 effective July 1, 2020.
- e. Promotional Announcements:** Apply the following increases in lieu of the General Wage Increase:
  - i. Background:** Increase the background promo rate from \$97 to \$106 effective July 1, 2018, to \$120 effective December 31, 2018 and to \$123 effective July 1, 2020.
  - ii. On-Camera:** Increase the on-camera promo rate from \$323 to \$340 effective July 1, 2018.
  - iii. Off-Camera:** Increase the off-camera promo rate from \$240 to \$248 effective December 31, 2018.
  - iv. News Insert/News Service Fee:** In lieu of the General Wage Increase, increase rates by 2.5% effective July 1, 2018.
  - v. Extra Rehearsal Rate:** In lieu of the General Wage Increase, increase from \$28 to \$30 effective July 1, 2019.
- 3. AFTRA RETIREMENT FUND:** Increase the contribution rate to the AFTRA Retirement Fund from 17% to 17.5% effective July 1, 2018. At its option, SAG-AFTRA may redirect .5% of the wage increases applicable in the second and/or third years of the contract to the AFTRA Retirement Fund contribution rate. The foregoing increases are subject to “decoupling” the increased contributions from beneficiary accruals, i.e., additional contributions resulting from the rate improvement will not count toward beneficiary accruals and will instead serve to improve the overall funding of the AFTRA Retirement Fund.
- 4. AFTRA INDUSTRY COOPERATIVE FUND (“AICF”):** Increase the AICF contribution rate from .1% to .3% with the understanding that contributions will not be made on background earnings. Clarify that AICF contributions are not paid on gross-receipt based residuals that are inclusive of Health and Retirement contributions. Recommend a merger of the AICF and the SAG-Producers Industry Advancement Cooperative Fund to the trustees of the respective plans.
- 5. GROUP DANCERS:**
  - a. Rehearsal Hours:** Reduce the included rehearsal hours for dancers by 3 hours on all but 5 minute or less and over 5 to 15 minute programs.
  - b. Non-Syndicated, Non-Primetime Programs:** Allow group dancers employed on programs of one hour or more under the terms provided by paragraph 5(14) for Non-Syndicated, Non-Primetime Programs to utilize a one-day

rate (in lieu of the current requirement of a two-day rate) provided that such rate will cover only 8 hours of work. Hours 9 and 10 will be paid at the overtime rate and should a dancer work beyond 10 hours, the two-day rate shall automatically apply.

**c. Group Dancers on Award Shows:** Increase the overtime rate for Group Dancers on award shows provided in paragraph 5(16) from \$45 to \$48 effective July 1, 2018.

**6. GROUP SINGERS:** Reduce the included rehearsal hours for singers under paragraph 5.B(1)(b) by 1 hour on all but 5 minute or less and over 5 to 15 minute programs.

**7. MEAL PERIODS:** Upon request, SAG-AFTRA will grant a waiver allowing for a meal period of not less than ½ hour on programs other than Daytime Serials provided that the Producer caters a balanced meal.

**8. PEOPLE COVERED, WAIVERS:**

**a. Interviewees on Non-Dramatic Entertainment Programs:** Increase the rate from ½ of the 30-minute rate (presently \$469) to \$480.

**b. Non-Professional Group Waivers:** Modify the sideletter that waives coverage over certain non-professional performance groups when performing on morning news programs, talk shows, magazine shows and holiday specials to:

**i.** Make the waiver automatic where all the conditions are met;

**ii.** Allow discretionary consideration of waivers where all the conditions are not met and cap the donation to the SAG-AFTRA Foundation that SAG-AFTRA may seek in such circumstances to \$1,000; and

**iii.** Clarify some of the criteria that SAG-AFTRA uses in determining whether a performance group is “professional” and whether that group is “backing a star performer.”

**9. PROMOTIONAL PROGRAMS:** Add a provision allowing the use of excerpts without additional compensation in “promotional programs” of up to 60 minutes in length.

**10. SICK LEAVE WAIVERS:** To the extent permitted by law, waive the application of various State and municipal laws requiring employers to allow employees to accrue and use paid sick leave. With respect to California, agree to language describing how the accrual and use of sick leave will be administered.

**11. DATA PRODUCTION & PROTECTION:**

**a. New Media Information:** Require Producers of covered productions Made for New Media to provide the

following information to SAG-AFTRA: The beginning and end dates of principal photography; the length of the project (for a series, the average episode length); the total number of episodes produced in the season and whether the budget is above or below \$25,000 per minute. Upon request, Producer shall update this information for each season of a series.

- b. Social Security Numbers:** Producers shall not include social security numbers on any sign-in sheet for an interview or audition and may provide SAG-AFTRA with only the last four digits of performer social security numbers, provided, however, that the parties acknowledge that there will be circumstances in which the full social security number is required.

## 12. DIVERSITY:

- a. No Auditions or Meetings in Hotel Rooms:** Prohibit Producers from holding auditions or other meetings in private hotel rooms. If there is no reasonable alternative, the performer shall be allowed to bring another individual of his or her choosing with them.
- b. Harassment Prevention:** Include a new paragraph explicitly committing Producers to maintain a workplace free of unlawful violence or harassment and specifying Producers' obligations when there has been a complaint.
- c. Middle Eastern/North African:** Update the list of protected categories in Exhibit H / Paragraph 97 to include "Middle Eastern / North African."
- d. Diversity Meetings:** Expand Producers' obligation to meet with SAG-AFTRA to discuss diversity and inclusion to all Producers, not just Producers of Daytime Serials, and clarify that in addition to individual Producer meetings, SAG-AFTRA may request an Industry-wide meeting, which the Networks, by mutual agreement, will facilitate.
- e. Nudity:** The parties will meet to discuss the applicability of any changes to the nudity provisions that may be bargained during primetime negotiations.

## 13. RESIDUALS:

- a. Non-Dramatic Strip Weekly "Best of" Show (Paragraph 73):** For non-dramatic weekly strip shows that air five or six times per week, allow Producer to pay for a "best of" show that airs as the fifth or sixth episode of the week, respectively, and is comprised mainly of excerpts from the prior episodes in the same week, to be paid as a regular episode rather than pursuant to the compilation program provisions.
- b. Non-Dramatic First Run Syndication Replays:** For the first three seasons of a non-dramatic, first-run syndication program except for those featuring a single host, provide for a second run residual of 20% (instead of 40%) for a run within one week of the initial broadcast.
- c. Flashbacks:** Allow Producers to reuse brief scenes from one episode of a series into another episode of the same series as "flashbacks" upon payment to performers appearing in the flashbacks (other than those who are also



engaged to perform on the episode in which the flashback appears) of 100% of the minimum applicable program fee in effect at the time of use (as opposed to the Performers' actual "performance fee"). Waive claims arising from any prior misapplication of this language.

- d. Foreign Residuals:** SAG-AFTRA shall give good faith consideration to Producer's request to apply a 6% of distributor's gross receipts formula in circumstances where the fixed residual serves as a barrier to licensing the program in foreign television.
- e. West Coast Award Show Rerun:** Allow payment of one-third of the otherwise applicable residual in the event of a limited West Coast rerun of an awards program which has aired live and then is rerun beginning on the same day as the live broadcast.

#### **14. NEW MEDIA:**

- a. Sideletters:** Renew Sideletters 29 and 30, which govern content reused in or made for initial use in New Media, respectively.
- b. Advertiser Supported Streaming:**
  - i.** Effective July 1, 2019, increase the residuals due for the first two, 26-week periods of free-to-the-consumer, advertiser-supported streaming of dramatic and non-dramatic programs from 5% to 5.5% of the first replay fee, with respect to dramatic programs, and of the program fee with respect to non-dramatic programs.
  - ii.** Effective July 1, 2019, increase the residuals due for the first two, 26-week periods of free-to-the-consumer, advertiser-supported streaming of dramatic and non-dramatic Derivative New Media programs from 3% to 5.5% of the first replay fee, with respect to dramatic programs, and of the program fee with respect to non-dramatic programs.
- d. Applicable Terms:** Clarify that all non-serial Dramatic Original Made for New Media programs are governed by the terms of the SAG-AFTRA Television Agreement and that all Derivative New Media programs are governed by the terms of whichever agreement governed the original production.

**15. VIRTUAL MVPD:** The parties will confirm that the same treatment that is applied to traditional Multichannel Video Program Distributors ("MVPDs"), like a cable or satellite provider, will apply to Virtual Multichannel Video Program Distributors ("vMVPDs") like SlingTV, PlayStation Vue and CBS All Access.

- a.** The defining characteristic of a vMVPD is that, like a cable or satellite service, it offers access to at least one network or basic cable linear channel that is not exclusive to that service.
- b.** The fact that the consumer pays a subscription fee to these vMVPDs does not convert either the linear exhibition of a network or any on-demand offerings available through the vMVPD as a result of rights held by the underlying network (i.e., "stacking rights") into pay television or any other type of paid availability.

- c. The vMVPD may stand in the shoes of the underlying network for purposes of the network's rights to exhibit covered television motion pictures through advertiser-supported streaming or to exploit excerpts of covered television motion pictures in New Media.
- d. If there is a linear channel available exclusively through the vMVPD, then a license of a covered program to that channel will be treated as a license to a basic cable service. If there is a covered program available on-demand on a non-exclusive basis through the vMVPD, it will be treated as a consumer pay new media exhibition. If the covered program, however, is available exclusively through the vMVPD, it will be treated as Subscription Video on Demand.

**16. OVER-THE-TOP SERVICE OF A PAY TELEVISION SERVICE:** When a pay television service like HBO offers its traditional linear subscribers an internet-delivered (or "over-the-top") service like HBO Go that does not have an additional subscription fee, it will be treated as an extension of traditional linear HBO for all purposes. Similarly, when a pay television service like HBO offers a standalone over-the-top service like HBO Now, through which consumers may subscribe to HBO without having cable or satellite service, it is also treated as an extension of traditional HBO for all purposes. Accordingly, the same pay television residuals are due whether the covered picture is exhibited on any or all of HBO, HBO Go and HBO Now with the following exception: In the event that a program is available exclusively on a standalone over-the-top service like HBO Now, the parties will meet to discuss the appropriate treatment of such program.

**17. LICENSE TO SECONDARY DIGITAL CHANNELS:** In 2014, the parties agreed that Producers could pay a revenue-based residual instead of a fixed residual for the exhibition of certain television programs on "diginets." The revenue-based residual, however, was only available after certain holdback periods had elapsed. Pursuant to the Tentative Agreement, the parties will remove the holdback periods and allow the revenue-based residual of 3.6% of distributor's gross receipts to be applied to programs as soon as they are out of production. The minimum per program payments that apply when the producer is licensing the program to a related or affiliated entity will include new, higher floors applicable to non-serial dramatic programs of \$225 for a 30-minute program, \$450 for a 60-minute program, \$600 for a 90-minute program and \$750 for a 120-minute program.

**18. LICENSE OF DRAMATIC PROGRAMS MADE FOR BASIC CABLE TO DIFFERENT BASIC CABLE SERVICE:** In 2014, the parties agreed that Producers could pay a revenue-based residual for the second license of a made-for-basic-cable television series that had completed its initial run on its original basic cable network and been cancelled. The revenue-based residual, however, was only available after certain holdback periods had elapsed and not for a second sale back to the original basic cable network. Pursuant to the Tentative Agreement, the parties will remove the

holdback periods and the exception for second sales back to the original basic cable network, allowing Producers to access the revenue-based residual of 3.6% of distributor's gross receipts as soon as the made-for-basic-cable series is out of production. SAG-AFTRA agrees to waive any claims that may have arisen prior to July 1, 2018 regarding whether 3.6% or 6% is the appropriate percentage residual for licensing of basic cable programs pursuant to Sideletters 53 or 55. As to licenses for basic cable programs or series entered into on or after July 1, 2018, the parties agree to urge the underlying producer to meet with SAG-AFTRA to discuss whether the applicable percentage is 3.6% or 6%. If no agreement is reached, the parties reserve their respective positions.

**19. STUNT PERFORMERS:** Provide that if there is a change in a planned stunt, the stunt performer shall be allowed an additional rehearsal upon request.

**20. EMPLOYMENT OF MINORS:**

- a. Interviews and Auditions:** Amend paragraph 100.A to provide that the limitations on hours that apply to interviews of minors will also apply to auditions of minors.
- b. Work Hours:** Amend paragraph 100.C to apply to the Network Television Code the limitations on minors' work hours reflected in paragraph 50.F of the Codified Basic Agreement, except that where paragraph 50.F allows minors to work until 12:30 a.m., paragraph 100.C will allow minors to work until 1 a.m.

**21. SAFETY:**

- a. Safety Reports:** Provide that in the event of an injury in the course of employment that results in medical attention, Producer shall provide SAG-AFTRA with a legible report setting forth the production's identifying information and the date, time, place, circumstances and nature of the injury.
- b. Stunt Coordinator Training:** Discuss safety training for stunt coordinators hired under the Network Television Code.

**22. STAND-INS/DANCE-INS:** Require that stand-ins be advised of their minimum call at the time of engagement.

**23. PRODUCTION STAFF TITLES:** Agree that production staff, including casting staff, should not be designated in ways that indicate that they are representatives of the Union (e.g., "Union Coordinator" or "SAG-AFTRA Manager.")

The general wage increase shall apply to the following sections: 2.A.(2)(a); 2.B.(1),(2) and (3), 2.C.(1); 3.A. and B.; 4.A.(1),(2) and (3); 4.B.(1) and (2); 5.A.(1), (3), (7), (14) and (16); 5.B.(1)(a), (2)(a), (3)(a) and (3)(b); 6.B and E.; 7.(A), (B), (C) and (D); 9.A.; 36.B(2).