

## SAG-AFTRA – WHAT IS IT?

If you are new to this business, you probably have no clue what it is. If you are seasoned, there may still be some info in here that is valuable to you. If talent is already a member of SAG-AFTRA, please enter the ID number on their PMT profile.

In early 2012, the Screen Actors Guild (SAG) and the American Federation of Television and Radio Artists (AFTRA) merged to create one union referred to as SAG-AFTRA. This powerful organization is responsible for actors and other artists earning reasonable if not substantial wages for their professional work. Membership to SAG-AFTRA is earned, and is a privilege.

We truly appreciate what SAG-AFTRA has been able to do to protect working artists and wholeheartedly support their endeavors. SAG-AFTRA has jurisdiction on what are referred to as union jobs, but no jurisdiction on non-union jobs, which includes all print jobs. Talent that work on SAG-AFTRA jobs enjoy the benefits and protections of SAG-AFTRA whether or not they are members of SAG-AFTRA, and earn standard SAG-AFTRA rates.

What does SAG-AFTRA mean to you? If talent is successful in this business you will start to consider joining the union. If you or your child is dead set on having a successful career as an actor, joining SAG-AFTRA is an important step in establishing that career. Nearly all of the television programming on the major network and cable stations are all SAG-AFTRA shows, except a lot of reality-based shows. The biggest, largest-paying commercials are SAG-AFTRA commercials. Whenever you see SAG-AFTRA on an audition notice, that means it is a union job. Non-union talent can work on SAG-AFTRA jobs per SAG-AFTRA's approval.

Working a SAG-AFTRA job while non-union has certain ramifications. Children under age 4 can work as many SAG-AFTRA jobs as they want to and will not be obligated to join the union. After that age, talent only has a certain number of SAG-AFTRA jobs they can work before being mandated to join the union, or risk losing their next job. More specifically...

- 1) Talent working their first SAG-AFTRA job in a principal role (not background) will get what is called a Taft-Hartley. This means that the production company hiring the talent is petitioning the union to allow them to hire a non-union actor for the role. The younger the talent, the easier it is for the petition to be approved. With children under around age 7, Taft Hartleys are simply approved without question. The older an actor gets, the more difficult it is for production to justify hiring non-union talent unless the available union talent pool for the job is small. Upon working the first day under a Taft Hartley, the talent will then be given a 30-day period in which they can continue to work further SAG-AFTRA jobs. Principal jobs include those designated as U-5 (which implies under 5 lines, but technically means under 50 words, and is a pay rate associated with smaller roles.) Once talent has worked a principal SAG-AFTRA job, they are now considered SAG-ELIGIBLE, and all casting sites should reflect this honorable title.
- 2) After the 30-day Taft Hartley period expires, if the talent is then hired on another SAG-AFTRA job, whether principal or background, they will be given what is called an OK-30. This is another 30-day period in which the talent can work as many SAG-AFTRA jobs as they are given.

- 3) After the OK-30 expires, this is when talent may be obligated to join SAG-AFTRA. SAG-AFTRA itself cannot obligate that talent join the union, but they can fine the production company hiring the talent if they are due to join SAG-AFTRA and don't. So it is the production company that mandates that the "must-pay" talent join SAG-AFTRA, or they may not move forward with hiring the talent.

There are certain considerations that can affect the simplicity of the process above:

- 1) If your child worked principal SAG-AFTRA work before age 4, it is unclear as to whether or not they will still be given Taft Hartley and OK-30 opportunities or if those are credited before age 4. We have been given conflicting answers from SAG-AFTRA and suggest talent inquires with them on an individual basis to determine your status (more later on this.)
- 2) Principal SAG-AFTRA jobs can vary greatly. They can be the starring role in a TV show or big commercial to a 2 second part on a small cable show or in a music video. Rates for SAG-AFTRA jobs can be tens of thousands of dollars for a union commercial or recurring tv role to \$100 for a music video or YouTube show. All principal jobs are supposed to count toward the Taft Hartley and OK-30 but in practice, it seems that the lower the pay on the job, the less likely it is that SAG-AFTRA will process the contract for the job. Our guess is simply that SAG-AFTRA prioritizes the higher wage contracts since it earns a percent of SAG-AFTRA wages from its members, and lower wage contracts are set aside until they can be processed, which may never happen. It is also dependent on the production company filing the contracts as well, which they may not do consistently.
- 3) Given the above, talent might work a lower-pay principal job that never gets recognized by the SAG-AFTRA system, and thus they do not have on file that the talent is now to OK-30 or "must-pay" status. Therefore, talent may be able to work multiple SAG-AFTRA jobs outside of the Taft Hartley and OK-30 windows and not be on record for being "must-pay" status. Or, those contracts may indeed be processed by some random chance. We have had multiple kids work principal roles on certain shows, most commonly late night talk shows or cable shows, but when parents have called SAG-AFTRA for an eligibility check, there is no record. Those shows operate under an AFTRA contract (as opposed to SAG) and may not get processed the same way. Years ago, SAG and AFTRA merged to form one union, but the contracts still have variation to them. AFTRA shows included those "variety" shows of yesteryear and the talk shows fall under that category.
- 4) Talent may also earn eligibility or "must-pay" status by working three days of background jobs on union vouchers. We generally don't encourage our talent to pursue background work. Talent under age 14 may work an unlimited number of television and film union background jobs and not be mandated to join SAG-AFTRA, but they may be obligated upon their fourth commercial background job. Talent should be conscious of their status and the requirement to join SAG-AFTRA if they are working background jobs and not eagerly pursuing membership.

It is important to understand talent's SAG-AFTRA status to make a conscious choice in regards to what type of jobs to pursue. As of 2023, SAG-AFTRA initiation fees are \$3000 and annual base dues are \$227.42. Members of SAG-AFTRA must also contribute 1.575% of

their SAG-AFTRA earnings. Becoming a member of SAG-AFTRA is an honor, but a commitment. Whether or not to join SAG-AFTRA is a huge decision for any young talent and their parents.

#### BENEFITS TO BEING SAG-AFTRA:

- 1) SAG-AFTRA talent are supposed to be hired on SAG-AFTRA jobs, which are the most lucrative, desirable jobs. As talent ages, it is more and more likely that casting directors will bring in only SAG-AFTRA talent first, and then only if they need more options, will turn to SAG-ELIGIBLE talent, and then finally to non-union talent. That means SAG-AFTRA talent have first shot at the better SAG-AFTRA jobs unless the job requires specific skills or look which means the CD will cast a wider net from the outset. We have started to notice this trend in children as young as 7 years old with some casting directors. While it is still very common to have many opportunities for non-union talent on SAG-AFTRA jobs, it is not the case that they will be equally considered vs. SAG-AFTRA talent for all SAG-AFTRA jobs.
- 2) SAG-AFTRA talent get many benefits including pension, great health insurance if they earn enough to qualify, workshops and various classes, access to an online casting directory, discounts, free screenings and much more. See <https://www.sagaftra.org/membership-benefits> for more information.
- 3) Being a member of SAG-AFTRA is a prestigious designation that is well respected in this industry. If your ultimate goal is to become a professional actor, it will never get less expensive to join.

#### CONSIDERATIONS FOR NOT BEING SAG-AFTRA:

- 1) Joining SAG-AFTRA is not cheap. They do provide financing options, but you don't want to be put in a position of having to join for your next job if you are not ready.
- 2) Once you join SAG-AFTRA, SAG-AFTRA members are prohibited from working in California on non-union jobs unless they elect to become Fi-Core, which is most certainly frowned upon by SAG-AFTRA. It does not make much sense to join the union just to turn Fi-Core, but you can read more at <https://www.sagaftra.org/financial-core>. If your child does not necessarily have ambitions to become a professional actor, joining SAG-AFTRA may be too much to take on.
- 3) Pursuing solely SAG-AFTRA jobs means that the competition is a committed pool of serious people who have dedicated themselves to taking the next big step in their careers. Competition on non-union jobs may be of a lower caliber. If talent does not have significant training or experience, competing solely for SAG-AFTRA jobs may mean that getting those jobs may happen much less frequently. This is more applicable for theatrical, acting jobs than for commercial work, but not inconsequential for commercial work either.

Once talent becomes SAG-ELIGIBLE, and then especially "must-pay," talent should be very conscious about what types of jobs they want to be submitted on and let us know. If talent has no long-term ambition to become a professional actor and is "must pay," they might want to hold out for that lucrative, big union commercial that could earn \$20,000 and not pursue \$1,000 television co-star roles, or even lower pay movie or new media roles. We presume that ANY of our talent will be willing to join SAG-AFTRA for a lucrative job, but will

certainly attempt to refrain from submitting “must-pay” talent on lower paying jobs when indicated to do so by our talent. If you are in this position, please familiarize yourself with what various SAG-AFTRA jobs pay by visiting their website and downloading the various rate sheets. We’ve included some further information on different types of commercial usage for you below.

Once talent has begun working SAG-AFTRA principal jobs, especially if they are the lower pay type of contracts previously discussed, you may want to call SAG-AFTRA to determine their status. With name and social security number, they will tell you what jobs they have on file as having been worked. With that information, you can then make a more educated decision as to what types of SAG-AFTRA jobs to pursue if you are not game for all types of SAG-AFTRA job. We suggest you ask them, but not volunteer any info. Alysa did that once and although they didn’t have a job on file, once they learned about it from her, they added it and resulted in instant must-pay status!

Paloma Model & Talent is proud of the number of talent we have fostered and lead into membership into SAG-AFTRA. We wholeheartedly embrace the progression of our talent to join the ranks of the amazing actors and actresses that have brightened our days or made us ponder the tender moments of humanity.

#### SAG COMMERCIAL USAGES DEFINED

So my child booked a SAG commercial!! What does all this mean? How much will he/she make? SAG commercial payouts are very complicated. It depends on what type of usage the commercial will have. In recent years, SAG has developed a lot of options for advertisers to try and keep commercial work SAG. There are still the typical broadcast commercials (those that run on TV), but there are also commercials that run solely on the streaming networks and/or the internet or social media. In the past, commercials usually were paid by use, but now advertisers can also opt for an Upfront package deal, or create commercials under a low-budget digital waiver contract (LBDW). There are even more new changes to the Commercials contracts coming in 2023 which we will outline in a future iteration of this document.

Upfront packages vary from \$3825 to \$20,000 as a lump sum, one-time fee. LBDW are completely negotiable. Look for info on audition breakdowns as to what type of payment structure is indicated. Upfront packages can require a conflict hold but LBDW contracts cannot. Broadcast commercials that are paid in the historical manner can result in compensation that varies greatly depending on how much and how long it airs. Please read on for detailed info on broadcast compensation...

For starters, as of 2022 the session payment (the day talent actually works) is \$783 per day, and double that on weekends. There will also be a fitting payment if a fitting is required. If talent films more than one broadcast (not internet or new media use only) spot in a day, they will be paid per spot. If after the fact they make a second or third broadcast spot out of new footage not already airing in another spot, you will get another session payment.

Internet and New Media spots work a bit differently and can be negotiated for cost to use multiple spots.

The \$783 session payment covers the day and the rights to use the footage for 13 weeks (essentially one quarter of a year) following the work date. They need to renew the rights every 13 weeks to retain the right to air the commercial on broadcast TV, and that is called a Holding payment. Sometimes a Holding payment is included in a certain type of payment called a Dealer usage. If you didn't get a Holding payment but you got a Dealer payment for that 13 week period, you are still being "held" to the commercial. The session and holding payments can be applied to residual payments due for usage. In the upcoming 2023 Contracts, they will have the option to include holding fees in certain up front media purchases.

Being held to a commercial means that you cannot do another commercial for any competitor in that same space. It is also termed having a conflict. Conflicts are usually listed for SAG broadcast commercials, and sometimes even non-union jobs with the audition/project information. Consult with your agent if you are unclear if your commercial is carrying a conflict.

You can find the specific payout numbers on the SAG website:

<https://www.sagaftra.org/production-center/contract/802/rate-sheet/document>

Download the latest Commercials Contract Main Rate Sheet and any additional documents that may assist you to determine your payout.

What about all those different types of broadcast usages? Well, that is complicated. Lucky for us, a former PMT mom who works in network marketing put this together for us to describe the major types of usages (there are others.) FYI – Spanish Language markets have a different pay scale, as well as other foreign uses. NOTE: SOME OF THIS MAY BE CHANGING WITH THE NEW 2023 COMMERCIAL CONTRACT.

“Hi Everybody- Since I work in advertising, and place commercials on the air, Alysa asked me to give a little tutorial on the different ways a commercial can run. I'm not an expert on the SAG payouts, but I can help with the run terminology. I hope this helps explain the different types of media listed on the SAG Residual contract.”

**NETWORK-** This is programming that runs across the entire country on every network affiliated station. This is only NBC, ABC, CBS, FOX, CW. It includes morning shows like GMA and The Today Show, Soaps, Nightly News with the Network Anchor, Primetime shows- M-Sa8-11p/Sun 7-11p and Late Night Shows - Kimmel, Fallon, SNL and also weekend sports. Advertising agencies buy the program and the spot will run everywhere in the country when this program airs. You get paid every time the spot airs. The payout per spot declines the more times it airs over a 13-week period of time.

**NATIONAL-** This is network, but also includes syndicated programs like Wheel of Fortune, Jeopardy, Extra, Access Hollywood and most of the daytime talk and judge shows. Advertising agencies purchase the program through the distributor of these shows and the



spot will air whenever these shows air on all stations carrying the show across the country. Network and National appear to be counted together for payout spot payout.

CABLE- This is every other station you watch- CNN, TNT, USA, Lifetime, MTV, HGTV etc. There is a much lower fee paid per spot that airs, or they can pay a flat fee for a maximum of 3000 spots over 13 weeks to cover the all spots that will run on all cable networks - Cable time is a lot cheaper to purchase, so your spot will likely run more here than on network.

WILD SPOT (spot markets)- Now it gets tricky. This is when an advertiser wants to pick specific markets only. For example, an airline might be launching new service from LA to Phoenix, so they may only buy spots in those two markets. They CAN purchase time in the network shows, but they would be buying it from only the LA and Phoenix stations, so it would not be a network payout. Cable can also be purchased on an individual market basis. The local stations and local cable operators all have their own commercial time to sell in each program. The network or distributor retains a few minutes per show to sell that will cover the entire country, and each local market gets a few minutes to sell that will only be seen in their local marketing area. An advertiser might buy National, Network, Cable AND Wild Spot because the either want to heavy up their message in certain key markets and/or they want to buy local programming like the news. The pay out on wild spot is based on the market size. It still pays every time the spot runs, but a spot that airs in New York or LA will have a higher per spot pay out than a spot that runs in San Diego or Fresno. It's cheaper to run in individual markets, so even though the per spot payout is lower, the number of times your spot runs and the number of markets it airs on may mean you earn a lot more than a Network spot.

All the residuals are paid on a scale depending on how many times a spot runs over a 13-week period in the various different scenarios. If it keeps running after the 13-week cycle, you start over at the top of the scale in the next 13-week period, in addition to a new holding fee. If your spot runs on National Network, Cable and Wild Spot (like the AT&T spots) the college fund will grow a much quicker pace.