

Sports & Entertainment Spotlight

SAG-AFTRA and the Alliance for Motion Picture and Television Producers Reach a Deal

Foster Garvey on 7:10.14 | Posted in Entertainment, Film, Labor and Employment, Television

After [three](#) extensions and close to two months of [negotiations](#), [SAG-AFTRA](#) and the Alliance of Motion Picture and Television Producers (“[AMPTP](#)”), a trade association of Hollywood’s largest production companies, reached a tentative deal on a new three year master contract covering film and television on Friday, July 4, 2014. The negotiations were led by [Carol Lombardini](#) for AMPTP and David White for SAG-AFTRA and resulted in a new 2014 Producers-SAG-AFTRA Codified Basic Agreement and an industry-wide 2014 SAG-AFTRA Television Agreement (together, the “[Agreement](#)”).

[Industry](#) news outlets speculate that issues related to merging the legacy agreements of SAG and AFTRA were the reason for the protracted negotiations. The Agreement succeeds the Producers-Screen Actors Guild Codified Basic Agreement, Screen Actors Guild Television Agreement, Exhibit A of the AFTRA National Code of Fair Practice for Network Television Broadcasting, The CW Supplement, and the basic cable agreements. Ken Howard, SAG-AFTRA president, [said](#), “unifying the legacy SAG and AFTRA contracts was essential and I am very pleased that we were able to achieve that. . . . As important, we have established an industry-wide, basic cable agreement – something we have wanted for two decades.”

Some [highlights](#) from the Agreement include:

- similar terms and full television rate minimums for productions made for subscription video on demand services (e.g., Netflix, Hulu Plus);

- a reduction in the free streaming window from 17 days to 7 days;

- wage increases of 2.5% in the first year of the Agreement and 3% increases in the second and third years of the Agreement;

- the exclusion of two stand-ins from the count of background actors in television and one stand-in from the count of background actors in theatrical productions beginning in the second year of the Agreement;

SAG-AFTRA and the Alliance for Motion Picture and Television Producers Reach a Deal

an increase in the money union members must be paid before their residuals can be advance paid in several areas, including under The CW Supplement; and

a first-year increase of .5% in the AMPTP contribution rate applicable to the Screen Actors Guild-Producers Pension Plan (“SAG Plan”) and the AFTRA Health & Retirement Funds (“AFTRA Plan”), bringing the total benefits contribution rate to 17%.

In addition, AMPTP agreed to take steps towards merging the SAG Plan with the AFTRA Plan. Combining these plans was a chief motivator for the ratification of the [2012 merger](#) of SAG and AFTRA as many performers found themselves contributing to both unions’ plans but falling short of qualifying levels in either. The Agreement provides for a contribution allocation method to help stabilize the funding of the pension, health and retirement plans as well as a mechanism to amend contract provisions, as necessary, to facilitate a merger of the plans.

Joi Garner is a Senior Associate with Garvey Schubert Barer, working in its New York office.

Tags: Actors, AFTRA, AFTRA National Code of Fair Practice for Network Television Broadcasting, Carol Lombardini, CW, David White, employment, Ken Howard, Labor, Producers-Screen Actors Guild Codified Basic Agreement, SAG, Screen Actors Guild Television Agreement, union