



**JOINT FAQs REGARDING THE
2022 SAG-AFTRA COMMERCIALS CONTRACTS NEGOTIATIONS**

A. FAQs Regarding General Changes Effective April 1, 2022.

1. Q) *For commercials produced prior to April 1, 2022, is there an increase to wage and use fees?*
A) No. The 4.88% increase to wages and use fees applies to new commercials produced on or after April 1, 2022, including new productions and “new” commercials created as a result of editing or integrations.
2. Q) *Does the increase apply to allowances, such as per diem, meal penalties, and wardrobe allowances?*
A) No. The increase only applies to session and use.
3. Q) *Is Theatrical and/or Industrial Use worldwide effective immediately?*
A) Yes. It is a clarification to Section 43, effective immediately.
4. Q) *Are the COVID Safety Protocols still in place?*
A) Yes. The COVID Safety Protocols will remain in place through August 31, 2022. The bargaining parties will meet prior to that date to discuss their continued necessity.
5. Q) *Is the Low Budget Digital Waiver still in place?*
A) The Low Budget Digital Waiver has been extended through December 31, 2022. The bargaining parties will meet prior to that time to further discuss the waiver.
6. Q) *Is the Temporary Stock Footage Waiver still in place?*
A) Yes. The waiver is still in place, there were no changes to its terms, and it will continue to be available under the new 2022 Commercials Contract structure.
7. Q) *Is the Waiver for Influencer-Produced Sponsored Content still in place?*
A) Yes. The waiver still in place, there were no changes to its terms, and it will continue to be available under the new 2022 Commercials Contract structure.
8. Q) *Is the Waiver for Non-Professional Endorsers still in place?*
A) Yes. The waiver still in place, there were no changes to its terms, and it will continue to be available under the new 2022 Commercials Contract structure.
9. Q) *Does the language related to Contractors include a change to singers’ session fees?*
A) No. The language applies to the payment of Contractors only.
10. Q) *Does the new PSA language mean I do not have to renegotiate for a 2nd year of PSA use?*
A) Yes. The new language relating to PSAs means that if you intend to use the commercial for an additional one-year period, you would pay one session to the performers (excluding celebrities who previously waived session). A third year would require approval by the union (excluding for the Ad Council) and consent of the performers.

11. Q) *What does the new Statute of Limitations (“SOL”) mean?*
A) In 2016, we added a 6-month SOL for session-related claims. In 2019, we added a 4-year SOL for all other claims. The new SOL provides a 6-month SOL for claims made by performers for unpaid use. Under the new SOL, the union must file a claim for unpaid use within 6 months of the expiration of the applicable Maximum Period of Use (“MPU”)—meaning the MPU during which the unpaid use occurred—or 6 months from the date the performer is released from exclusivity, whichever occurs first.
12. Q) *How are Diginets paid between April 1, 2022 and May 31, 2022?*
A) Between April 1, 2022 and May 31, 2022, all Diginets can be paid under either the Traditional Contract (on a per use basis or under the Diginet Waiver) OR under the ACS Upfront Plus OR under the ACS Flex (“All Other North American Use” payment category).

B. FAQs Regarding General Changes Effective June 1, 2022.

1. Q) *What payment and editing structure should commercials produced on or after June 1, 2022 follow?*
A) Starting June 1, 2022, commercials can be produced (or renewed following the expiration of the MPU) under the Traditional Contract or the new 2022 Commercials Contract payment and editing structure. Beginning June 1, 2022, commercials produced under the Traditional Contract will have wages and use fees 10% higher than the 2019 rates, will not have a cap on Class A, and will not be able to use the new editing structure.

A 4.88% increase to wages and use (but NOT allowances, penalties, per diems, etc.) effective April 1, compounded with a 4.88% increase to wages and use (but NOT allowances, penalties, per diems, etc.) effective June 1, yields a 10% increase to the Traditional Contract over the 2019 rates for commercials produced (including “new” commercials created as a result of editing or integrations) on or after June 1. In addition, under the Traditional Contract, there will be no 5% reduction to Class A, no cap on Class A, and no new editing structure.

This means that beginning June 1, Class A will be more expensive for commercials produced or renewed under the Traditional Contract than under the new 2022 Commercials Contract structure. In addition, the difference between Section 26 and the new editing structure – which offers unlimited shorter/longer versions, paid edits, and addressable edits, thereby virtually eliminating the “new” not new issue that led to agencies and advertisers having to pay full residuals for versions/edits – will further reduce costs under new 2022 Commercials Contract structure.

2. Q) *Do the use fees under the new 2022 Commercials Contract structure also increase 4.88% on June 1, 2022?*
A) No. The only increase that impacts the new 2022 Commercials Contract structure is the increase in the session fee. When the new structure starts, the session fee will be 10% higher than the 2019 session fee (e.g., \$783.20 for OCPs instead of \$712).
3. Q) *How are Diginets paid between June 1, 2022 and December 31, 2022?*
A) Between June 1, 2022 and December 31, 2022, all Diginet payments may be made on a per use basis or for a flat fee for 13-weeks under both the Traditional Contract and the new 2022 Commercials Contract structure.

4. Q) *How does adding the right to edit commercials change the Social Media and YouTube Waiver?*
- A) Prior to June 1, 2022, editing was not permitted under the Social Media and YouTube Waiver. This meant that every change to a commercial produced under the Waiver (including, for example, shorter/longer versions, changes to supers, product changes in the nature of a tag, etc.) resulted in a new commercial for use purposes—meaning each commercial was paid separately under the provisions of the Social Media and YouTube Waiver. Effective June 1, 2022, commercials produced under the Social Media and YouTube Waiver can enjoy the same editing rights available to all other commercials produced under the new 2022 Commercials Contract structure.

C. FAQs Regarding the Traditional Contract.

1. Q) *Does the 4.88% increase occur twice?*
- A) Yes. There is a 4.88% increase to wages and use for commercials produced (including “new” commercials created as a result of editing or integrations) or renewed on or after April 1, 2022, and a second increase to wages and use for commercials produced on or after June 1, 2022. These 2 increases compound, yielding a total increase of 10% over the 2019 rates for commercials produced (including “new” commercials created as a result of editing or integrations) or renewed on or after June 1, 2022.
2. Q) *Does the additional 4.88% increase on June 1, 2022 mean the total increase is 9.76%?*
- A) No. An additional 4.88% increase compounded with the prior 4.88% increase means that wages and use under the Traditional Contract will be 10% higher than in 2019 for commercials produced (including “new” commercials created as a result of editing or integrations) or renewed on or after June 1, 2022.
3. Q) *Is OTT still covered by an Internet payment until December 31, 2022, when the Traditional Contract ends?*
- A) Yes.
4. Q) *When the Traditional Contract expires December 31, 2022 and is replaced in full by the new 2022 Commercials Contract, what happens to active commercials that were produced under the Traditional Contract?*
- A) All active commercials previously produced under the Traditional Contract continue to be paid under the Traditional Contract at the rate in effect at the time of the production until the expiration of the MPU. Upon the expiration of the MPU after December 31, any renewal must be under the new 2022 Commercials Contract structure.
5. Q) *If I produce under the Traditional Contract after June 1, 2022, can I take advantage of the new calculation of the MPU (i.e., 13 weeks from first use or the last production date (excluding recalls/retakes))?*
- A) No. The new calculation of the MPU only applies to the new 2022 structure.

D. FAQs Regarding the Alternate Compensation Structure.

1. Q) *Does the guarantee for the Upfront Plus (aka Full Bundle) increase on April 1, 2022?*
A) No. There is no change to the guarantee for the Upfront Plus (aka Full Bundle). There is also no change to the guarantee for the ACS Flex. Only the flat fee use payments that are applied to the guarantee under the ACS Flex increase, as well as the ACS Digital rate.
2. Q) *If the ACS expires on May 31, 2022, what happens to active commercials previously produced under the ACS?*
A) All active commercials previously produced under the ACS continue to be paid under the ACS at the rate in effect at the time of the production until the expiration of the MPU. Upon the expiration of the MPU, any renewal must be under the new 2022 Commercials Contract structure or the Traditional Contract (if prior to December 31, 2022).
3. Q) *If the ACS expires, what do I do about renegotiations upon expiration of the MPU?*
A) Upon the expiration of the MPU, any renewal must be under the new 2022 Commercials Contract structure or the Traditional Contract (if prior to December 31, 2022).
4. Q) *If I produce under the ACS, can I take advantage of the new calculation of the MPU (i.e., 13 weeks from first use or the last session (excluding recalls/retakes))?*
A) No. The new calculation of the MPU only applies to the new 2022 Commercials Contract structure.
5. Q) *How long is the ACS available?*
A) The ACS (which includes the ACS Upfront Plus (aka Full Bundle), the ACS Flex, and the ACS Digital) expires on June 1, 2022 and, after this date, will no longer be available for new productions.

All active commercials previously produced under the ACS continue to be paid under the ACS at the rate in effect at the time of the production until the expiration of the MPU. Upon the expiration of the MPU, any renewal must be under the new 2022 Commercials Contract structure or the Traditional Contract (if prior to December 31, 2022).

6. **Example:** In October 2021, video footage was produced under the ACS Upfront Digital. Now, in April 2022, the footage is being edited into commercials, and a voiceover will be recorded and added. Based on that fact pattern:
 - (i) Q) *Is the ACS Digital Upfront payment of \$3,825 previously paid to the OCPs still the correct rate?*
A) Yes. The 4.88% increase to wages and use fees only applies to new commercials (including “new” commercials created as a result of editing or integrations) produced on or after April 1, 2022 and performers employed after April 1, 2022.
 - (ii) Q) *Will the P&H rate remain at 19% (18.5% for JPC Authorizers) under the 2019 contract, or will it increase to 20.5% (19.25% for JPC Authorizers)?*
A) The P&H rate would remain at the 2019 contribution rate because that was the rate in effect at the time of employment.

- (iii) Q) *Will the VO that was now hired and recorded to add to the commercial be paid the 2019 ACS Upfront Digital rate?*
A) No. Since the VO is employed after April 1, 2022, they would be paid at the new ACS Upfront Digital rate of \$3,008.75 (i.e., \$2,868.75 + 4.88%), and the P&H contribution would be at the new contribution rate of 20.5% (19.25% for JPC Authorizers).

7. **Example:** In May 2022, video footage was produced under the ACS Upfront Digital. Now, in July 2022, the footage is being edited into commercials, and a voiceover will be recorded and added. Based on that fact pattern:

- (i) Q) *Is the ACS Digital Upfront payment of \$3,825 previously paid to the OCPs still the correct rate?*
B) Yes. The 4.88% increase to wages and use fees only applies to new commercials (including “new” commercials created as a result of editing or integrations) produced on or after April 1, 2022 and performers employed after April 1, 2022.
- (ii) Q) *Will the VO that was now hired and recorded to add to the commercial be paid the 2019 ACS Upfront Digital rate?*
B) No. Since the VO is employed after May 31, 2022, they would be paid under either the new 2022 Commercials Contract structure OR the Traditional Contract.

E. FAQs Regarding the New Compensation Structure (the “2022 Commercials Contract”) (Effective June 1, 2022).

1. Q) *Is the increase only 4.88% from 2019 rate if we hire under the new 2022 Commercials Contract as of June 1, 2022?*
A) The increase will only apply to session under new 2022 Commercials Contract structure and anything that flows from the session (e.g., industrial use, foreign use). The session fee effective June 1 will be \$783.19 (i.e., \$712 x 1.0488= \$746.75 (the rate from the initial increase), \$746.75 x 1.0488=\$783.19 (the new session fee amount after the second increase)).
2. Q) *If Producer is not ready to run a commercial produced for linear television and/or streaming 13 weeks after the last production date, what happens?*
A) The Producer would pay a holding fee, just as they do today.
3. Q) *Under the new 2022 Commercials Contract structure, are session and holding fees applied against use?*
A) Yes. For commercials shot for Linear and Linear + Digital, session and holding fees are applied against ALL types of use. For Digital Only commercials, session is applied but there are no holding fees because there is no automatic exclusivity. If Producer obtains the performer’s consent to exclusivity for a Digital Only commercial and pays a holding fee every 13-weeks, the session fee may still be applied, but the holding fees shall not be applied.
4. Q) *What is the difference between a commercial “Made-For” Traditional Digital versus a commercial running in Traditional Digital under the Linear + Digital payment terms?*
A) While the rates are now the same for Traditional Digital under the Digital Only and Linear + Digital structures, there are no holding fees under the Digital Only structure unless you need (a) exclusivity or (b) to run nonconsecutive cycles.

5. Q) *Is the new 2022 Commercials Contract structure available to all signatories?*
A) Yes. The new compensation and editing structure is available to all signatories for new commercial productions as of June 1, 2022. Beginning January 1, 2023, the new compensation structure will be the only structure in the Commercials Contract. HOWEVER, the cap on Class A is only available to advertiser signatories and advertising agency signatories.
6. Q) *When calculating the MPU based on the last production day, does ADR count?*
A) No. For purposes of calculating the MPU, the last production day is the last day of live production (excluding recalls and retakes).
7. Q) *When does the first fixed cycle begin under the new 2022 Commercials Contract structure?*
A) The first fixed cycle commences on the final production day (excluding recalls and retakes).
8. Q) *How do outgrade and downgrade requirements change in the new 2022 Commercials Contract structure?*
A) The only change is the date of the first fixed cycle (the final shoot day), everything else will remain the same.
9. Q) *Is the price listed for Wild Spot for one market?*
A) No. The price for Wild Spot is no longer calculated by individual markets, and there is no longer a requirement to list markets and count units. The 4-week rate covers all markets. The 13-week and 1-year rates each have 2 options: 1) all markets; 2) a less expensive option for all markets excluding New York and Los Angeles.
10. Q) *Can you pay for a Wild Spot use cycle that excludes NY and LA and upgrade during the cycle if NY and/or LA is added?*
A) Yes. You may upgrade to the “all market” Wild Spot use category and pay the difference. The original cycle dates would remain in place.
11. Q) *Can an agency or advertiser signatory opt to forgo tracking Class A and just pay the cap for a 13-week cycle?*
A) Yes.
12. Q) *What is the Class A cap for a voiceover?*
A) \$15,000. There will be a different Class A cap for each principal performer category according to the same rate ratios that exist today.
13. Q) *Is the flat fee for Cable use for use on one station or on all of the stations?*
A) The flat fee covers use on all stations. It is not per station, and there is no longer a requirement to list stations and cable units.
14. Q) *Does Local Cable cover National Cable?*
A) No. The definition of Local Cable has not changed. Local Cable means one million subscribers or less. The National Cable use category also includes Local Cable.
15. Q) *Can I upgrade from Local Cable to National Cable?*
A) Yes. You may upgrade from Local Cable to National Cable by paying the difference in rates for the cycle.

16. Q) *For Dealer use, under the Traditional Contract when 6-month use was purchased, it covered the next holding fee cycle. How does that work now?*
A) Under the Linear + Digital provisions of the new 2022 Commercials Contract structure, holding fees are still due every 13 weeks unless a commercial is being used in any media. Once a holding fee is paid, if any use occurs within that 13-week period, the holding fee is credited against the use payment.
17. Q) *Does the payment for All Other North American Use cover unlimited airings on those media types or does payment need to be made for each media type (Class B, Class C, and Unwired Networks)?*
A) A single payment covers unlimited use during the 4-week, 13-week or 1-year cycle on all media types in the category—not per media type.
18. Q) *Where does OTT fit in the new 2022 Commercials Contract structure?*
A) OTT is a broad term that can cover both devices (e.g., Roku or Amazon Fire TV Stick) that allow viewers to access regular live TV (e.g., NBC, FOX, AMC, MTV, etc.), as well as streaming platforms (e.g., Roku Channel, Hulu, Amazon Prime, etc.). For example, a spot aired in a program on NBC that is accessed via an OTT device would be paid just as it would be if it was accessed via a traditional television provider, such as FiOS or Spectrum. A spot airing on a streaming platform, such as Hulu, would be paid under the Streaming and All Digital flat fee category of the Linear + Digital provisions of the new 2022 Commercials Contract structure. Examples of streaming platforms include, but are not limited to: Hulu, Peacock, AppleTV+, Paramount+, Amazon Prime, Netflix and HBOMax. Typically, the media buy will specify the platform(s) and not simply say “OTT”.
19. Q) *Can you upgrade from Traditional Digital to the Streaming and all Digital payment?*
A) Yes. If you produced under the Linear + Digital provision, you can upgrade from Traditional Digital to Streaming and All Digital by paying the difference between the two flat fee rates. If you produced under the Digital Only provision, you must first obtain performer consent (because of exclusivity). If you are already paying holding fees for exclusivity under the Digital Only provision, performer consent is not required.
20. Q) *How did the Spanish Language provisions of the Traditional Contract change under the new 2022 Commercials Contract structure?*
A) Under the new 2022 Commercials Contract structure, Schedule C was removed and Spanish language commercials were integrated into the Contract. There is a new flat fee rate for 4-week, 13-week or 1-year cycles of Spanish Program use. Spanish Wild Spot is now paid under the regular Wild Spot flat fee use cycles of the new 2022 Commercials Contract structure. There is no longer a combined Spanish Language Program Use and Wild Spot category. The rates for Spanish Foreign Use did not change.

F. FAQs Regarding the New Editing Structure Under the New 2022 Commercials Contract (Effective June 1, 2022).

1. Q) *Does Section 20.G - Alternate Scenes and Lines still exist?*
A) Yes.

2. Q) *Can we have a second shorter/longer version that contains new footage?*
A) Yes. Under the editing provisions of the 2022 Commercials Contract, when creating shorter or longer versions, you may use any footage from the same production, provided it follows the same script or storyboard. So-called “wild footage” is not permitted.
3. Q) *If I have different performers in an edit/version, does it make it a new commercial?*
A) No. A shorter/longer version, paid edit, and/or addressable edit may include different performers than the base (“mother”) commercial, provided that the footage is from the same production (for shorter/longer versions) and the commercial message does not change. For paid edits and addressable edits, any performer rendering services in connection with the paid or addressable edit must receive a session fee for the day of work and the paid edit or addressable edit fee, as applicable. Bringing in a different cast to record the same spot would result in an unpermitted edit making it a new commercial. Please see the editing examples in the MOA for further details.
4. Q) *Are the permitted changes under the new 2022 Commercials Contract structure the same as the permitted edits in Section 26 of the Traditional Contract?*
A) The new 2022 Commercials Contract has more editing freedoms than Section 26, and anything that was permitted under Section 26 is also a permitted change under the new 2022 Commercials Contract structure.
5. Q) *Can a special offer be mentioned more than once in a permitted edit?*
A) Yes, and it is also no longer limited to 6 weeks.
6. Q) *Can the tag be changed anywhere in the commercial?*
A) Yes. The tag may be changed anywhere in the commercial, and it will be considered a permitted change, as long as it remains in the nature of a tag.
7. Q) *Can the VO be changed?*
A) Yes. Changing the VO is considered a permitted change, provided it does not change the commercial message.
8. Q) *Are there limits to the number of shorter/longer versions?*
A) No. Under the 2022 Commercials Contract, you may create an unlimited number of shorter or longer versions, with no restrictions on the number of versions that are the same length. Use for all shorter/longer versions is paid as one commercial with the base (“mother”) spot. Please see editing examples in the MOA for further details.
9. Q) *For edits after 4, what is the price per edit?*
A) The 4th and all subsequent shorter/long versions are 30% of a session fee for the principal performers whose work is in the shorter/longer version. For the 4th and all subsequent paid edits, the principal performers appearing in the paid edit each receive 30% of a session fee. For addressable edits, a one-time fee of 200% of a session fee is paid to principal performers to cover an unlimited number of addressable edits.

10. Q) *Is use covered under the base (“mother”) spot for all shorter/longer versions, paid edits, and addressable edits?*
A) Yes. For all shorter/longer versions, paid edits, permitted edits, and addressable edits, use is covered under the base spot. They are ALL one commercial for use purposes.
11. Q) *How is Class A use paid for paid edits and addressable edits?*
A) Addressable edits are different versions of a commercial that are dynamically inserted at the household level. The addressable edit fee is a single flat fee of 200% of a session fee that covers any and all addressable edits. The use payment for addressable edits is covered under the base spot. Similarly, the use payment for paid edits is covered under the base spot.
12. Q) *Are we still permitted to freely bargain for extended or unlimited editing rights for digital only commercials?*
A) No. Under the new 2022 Commercials Contract structure, you automatically have the right to an unlimited number of shorter/longer versions, unlimited paid edits, and unlimited addressable edits for both linear and digital without the need to negotiate with the performers. In addition, there is a new provision that allows you to pay four session fees to a principal performers in order to submit the commercial to an advertiser’s “Advertising Library” (or other similar asset management platform) for the purpose of creating an unlimited number of edits for Traditional Digital use. Based on industry feedback, under the Traditional Contract, the majority of the industry paid a session fee for between 3 and 5 edits. Now, you automatically get 3 shorter/longer versions (which may contain new footage from the same production) for one session fee. Five shorter/longer versions would be 1.6 session fees. Thus, you have the same or similar editing rights without the need of engaging in negotiations with the agents for every OCP in the commercial.

G. FAQs Regarding the Audio Commercials Contract

1. Q) *For the Audio Commercials Contract, are rates increased two times?*
A) Yes. Wages and use fees (but NOT allowances, penalties, per diems, etc.) under both the traditional Audio Commercials Contract and the Audio ACS will increase 4.88% for audio commercials produced (including “new” commercials created as a result of editing or integrations) on or after April 1. Effective June 1, 2022, new audio commercials produced (including “new” commercials created as a result of editing or integrations) will have an additional 4.88% increase to wages and use (but NOT allowances, penalties, per diems, etc.). This compounded increase yields a 10% increase to over 2019 rates for audio commercials produced (including “new” commercials created as a result of editing or integrations) on or after June 1.
2. Q) *Were there any changes to the Audio Commercials Contract for digital streaming?*
A) No. There are no changes.
3. Q) *Will the Audio ACS terminate May 31, 2022?*
A) No. The Audio ACS will continue to be available through March 31, 2025.
4. Q) *Will the traditional Audio Commercials Contract terminate December 31, 2022?*
A) No. The traditional Audio Commercials Contract will continue to be available through March 31, 2025.