

UNION FEES: UNRAVELING THE MYSTERY
EAST COAST GMS PANEL
SEPTEMBER 9, 2021 at 4:30pm PDT/7:30pm EDT

SAG-AFTRA AND AFM

NEW USE CONVERSION FEES

*Rates as of 8/1/2020. Subject to Change
Presentation produced by Kelly Baden*

DOMESTIC NEW USE CONVERSION FEE GUIDELINES

If the LICENSED USE is for
FILM (including Trailers & Festivals)
or **TELEVISION** (including Promos*)

And

If the TOTAL LICENSE FEE is
\$7,500 OR LESS
(does not apply to promos for the AFM's purposes)

SAG-AFTRA

Union Payment Formula

[A] 7% of Licensee Fee or \$165 USD (whichever is greater)
PLUS
[B] 12.75% of amount in [A] (for Health & Retirement Fund)

Payment Process

Label will:

- calculate the amount owed
- send invoice to Licensee
- collect payment from Licensee
- remit amount collected to union

AFM

Union Payment Formula

[A] 7% of Licensee Fee or \$165 USD (whichever is greater)
PLUS
[B] 14.09% of amount in [A] (for Pension Fund)

Payment Process

Label will:

- calculate the amount owed
- send invoice to Licensee
- collect payment from Licensee
- remit amount collected to union

Example: \$5,000 License Fee

SAG-AFTRA: $\$5,000 \times 7\% = \$350 + (\$350 \times 12.75\%) = \394.63

AFM: $\$5,000 \times 7\% = \$350 + (\$350 \times 14.0883\%) = \underline{\$399.31}$
\$793.47

Example: \$500 License Fee

SAG-AFTRA: $\$500 \times 7\% = \$165^* + (\$165 \times 12.75\%) = \186.04

AFM: $\$500 \times 7\% = \$165^* + (\$165 \times 14.0883\%) = \underline{\$188.25}$
\$374.29

*Min. Payment is \$165

*Promos produced for Network TV are not covered for AFM. No fee is due.

DOMESTIC NEW USE CONVERSION FEE GUIDELINES

If the LICENSED USE is for
FILM (including Trailers & Festivals)
or **TELEVISION** (including Promos)

And

If the TOTAL LICENSE FEE is
MORE THAN \$7,500

SAG-AFTRA

Union Payment Formula

Applicable Scale + H&R for any SINGER
who performed vocals on the track

*(Amount of "Applicable Scale" is determined pursuant to
the SAG-AFTRA TV and Movie Contracts)*

Payment Instructions

Licensee should e-mail SRLicenses@sagaftra.org
to request:

- Amount of Union Fee due
- Payment Instructions

****LICENSEE PAYS FEE
DIRECTLY TO UNION****

AFM

Union Payment Formula

Applicable Scale + Pension for any MUSICIAN who
performed on the track

*(Amount of "Applicable Scale" is determined pursuant to
the AFM TV and Theatrical Contract)*

Payment Instructions

Licensee should e-mail Chris DeLeon
cDeLeon@afm.org for film/television to
request:

- Amount of Union Fee due
- Payment Instructions

****LICENSEE PAYS FEE
DIRECTLY TO UNION****

If the LICENSED USE is for a
COMMERCIAL

SAG-AFTRA

Union Payment Formula

Applicable Scale + H&R for any SINGER
who performed vocals on the track

*(Amount of "Applicable Scale" is determined pursuant to
the SAG-AFTRA Commercials Contract)*

Payment Instructions

Licensee should e-mail SRLicenses@sagaftra.org
or call the Commercials Dep't at (323) 549-6858
to request:

- Amount of Union Fee due
- Payment Instructions

****LICENSEE PAYS FEE
DIRECTLY TO UNION****

AFM

Union Payment Formula

Applicable Scale + Pension for any MUSICIAN who
performed on the track

*(Amount of "Applicable Scale" is determined pursuant to
the AFM Commercials Contract)*

Payment Instructions

Licensee should e-mail Alyson Sheehan
Asheehan@afm.org to request:

- Amount of Union Fee due
- Payment Instructions

****LICENSEE PAYS FEE
DIRECTLY TO UNION****

DOMESTIC NEW USE CONVERSION FEE GUIDELINES

If the LICENSED USE is for a
VIDEO GAME

SAG-AFTRA

Union Payment Formula

Applicable Fee is due for any SINGER who performed vocals on the track

(Amount of "Applicable Fee" is determined pursuant to the SAG-AFTRA Interactive Media Agreement)

Payment Instructions

Licensee should e-mail SRLicenses@sagaftra.org to request:

- Amount of Union Fee due
- Payment Instructions

****LICENSEE PAYS FEE
DIRECTLY TO UNION****

AFM

Union Payment Formula

Applicable Fee + Pension is due for any MUSICIAN who performed on the track

For "Flat" License Fees

If License Fee is less than \$30K:

3% of License Fee

If License Fee is \$30K or more:

[A] \$198 per non-royalty musician

PLUS

[B] other applicable fees

PLUS

[C] 14.17% of Step A total
(for Pension)

For "Per Unit" License Fees

If Applicable Fees less than \$30K:

3.25% of License Fee

If Applicable Fees = \$30K or more:

[A] \$198 per non-royalty musician + [B] SRLA + [C] 14.17% of Step A total *(for Pension)*

"Applicable Fees" means total license fees paid on 1st 5 quarters of sales after game's release

Payment Instructions

Licensee should e-mail Mary Beth Blakey mblakey@afm.org to request:

- Amount of Union Fee due
- Payment Instructions

****LICENSEE PAYS FEE
DIRECTLY TO UNION****

"Supplemental Video Game" content is a "Video Game" for AFM but a "Non-Traditional" Use for SAG-AFTRA.

DOMESTIC NEW USE CONVERSION FEE GUIDELINES

If the LICENSED USE is for a
NON-TRADITIONAL USE

“Non-Traditional” Uses include digital clips, supplemental content for video games (SAG-AFTRA only), audio/visual programs made for initial exhibition in new media, low-fee “life cycle” uses under \$2,500, non-public business conferences/presentations, and mobile apps*

SAG-AFTRA

Union Payment Formula

3% of Licensee Fee

Payment Process

Label will:

- calculate the amount owed
- send invoice to Licensee

Label may

- collect payment from Licensee and remit to the Sound Recording Digital Fund (SRDF) *OR* direct Licensee to send payment directly to SRDF

AFM

Union Payment Formula

3% of Licensee Fee

Payment Process

Label will:

- calculate the amount owed
- send invoice to Licensee

Label may

- collect payment from Licensee and remit 2/3 to AFM Special Payments Fund (SPF) and 1/3 to Music Performance Trust Fund (MPTF) *OR* direct Licensee to send payment to SPF/MPTF.

Example: \$100 Low-Fee Lifecycle License Fee

SAG-AFTRA: \$100 x 3% = \$3

AFM: \$100 x 3% = \$3
 \$6

Example: \$5,000 Supplemental Video Game Content License Fee

SAG-AFTRA: \$5,000 x 3% = \$150

AFM: \$5,000 x 3% = \$150
 \$300

**New Media does not include uses in programs comparable to traditional, full-length, scripted television programs that are produced for initial exhibition on paid streaming services (e.g., “House of Cards,” “Transparent”).*