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2022 Netflix Agreement* & 2022 AMPTP Exclusivity

*This presentation will focus primarily on the impact of this agreement on series regulars. Please visit sagaftra.org/Netflix2022 for additional details.

2022 Netflix Agreement Basics

- August 2, 2022 through expiration of the (anticipated) 2023 AMPTP Agreements (likely June 30, 2026)
- Netflix will join the AMPTP and agreements will have concurrent no strike clauses
- Standalone Netflix Agreement will be negotiated concurrently with AMPTP Agreement starting in 2026
- Terms that affect the industry generally will be negotiated with AMPTP (scale rates, residuals, etc.)

Exclusivity

- Effective for new contracts entered into on or after 90 days after notice of ratification to Netflix (November 29, 2022)
- In exchange for withdrawing legislation

Money Breaks

- Increased from
 - Half Hour: \$40,000 to \$65,000/episode
 - Hour: \$40,000 to \$70,000/episode

Permitted Appearances

- Unlimited guest star appearances (Up to 6 in a continuing/recurring role in each season of a series) and
- Either one second position series regular role or one second-position miniseries lead per year
- *Increased from the 2019 Agreement which allowed for 8 guest appearances every 13 weeks (up to 5 in a continuing role each year)*

Conditions

- First Position
- Scheduling/Availability
- Substantially Similar Roles (with definition)
- Irreversible Changes to Appearance
- Parody
- Key Art and Trailers (narrowed)

Eliminated Conditions

- Competing platforms
- Two series regulars appearing on the same other show



Despite the conditions,
Netflix continues to agree
to work **cooperatively**
to allow a series regular
to accept another offer
whenever possible

Conflict Free Window

- After each season
- 3 month minimum
- 30 days' notice
- Restrictions (other than scheduling) still apply
- Use best efforts to be available for series if needed
- Hiatus less than 4 months → no CFW required
- Failure to provide CFW → episodic fee

Options

- In exchange for withdrawing legislation
- Effective for new contracts entered into on or after 90 days after notice of ratification to Netflix (November 29, 2022)
- Increased money breaks from \$40k/episode to:
 - Half hour: \$65k/episode
 - Hour: \$70k/episode

Before

- Most Performers exceed money break, but for those that didn't:
 - Exercise 12 months after completion of principal photography
 - Two six-month extensions (prior episodic fee each)
 - No start date requirement
- Over money break: freely bargainable (often years between seasons)

Now

- Money break captures more performers:
 - Exercise 18 months from beginning of principal photography
 - Three three-month extensions (prior episodic fee each)
 - Start date within 3 months of end of option period
 - One two-month extension (subsequent episodic fee)

Other Terms of the Netflix Agreement



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- Addition of Juneteenth holiday
- Albuquerque Background Zone
- HB SVOD Residuals for Stunt Coordinators
- Spanish Language Dubbing
- Increased Dubbing Minimum Session Length
- Restrictions and Premium Payment for Vocally Stressful Dubbing
- Shortening the “Soft Pickup Window” to +/- 4 days
- Extension of Modified Deal Performer to Mini-Series
 - \$21,538/episode or part
 - 10 work days in a 30 day period (times number of episodes)
- Creation of Modified Guest Performer
 - \$14,000/episode or part
 - 8 work days in a 23 day period (times number of episodes)
- Franchise Projects Reuse & Consecutive Employment
- Administrative: NP on Exhibit Gs, Schedule F Contracts

2022 AMPTP Exclusivity



Exclusivity

- Changes here are limited to exclusivity only, not options
 - Modified rules for minors employed on Children's Programming
- Also extends to single employer agreements
- Effective January 1, 2023



Money Breaks

- Other than Minors on Children's Programming
- Increased from:
 - Half Hour: \$15,000 to \$65,000/episode
 - Hour: \$20,000 to \$70,000/episode

Permitted Appearances

(other than minors on children's programming)

- Unlimited guest star appearances (Up to 6 in a continuing/recurring role in each season of a series) and
- Either one second position series regular role or one second-position miniseries lead per year
- *Increased from prior agreement which allowed 3 every 13 weeks*

Conditions

- First Position
- Scheduling/Availability
- Substantially Similar Roles (with definition)
- Irreversible Changes to Appearance
- Parody
- Key Art and Trailers (narrowed)

*Like Netflix, the AMPTP also committed not to use these conditions as a basis for automatic refusal. They will work **cooperatively** to allow the performer to take another offer whenever possible.*

Minors on Children's Programming

- A “children's program” is a program created for an audience primarily consisting of viewers under the age of 16 and of the type traditionally produced for Disney Channel or Nickelodeon.

Permitted Appearances - Minors On Children's Programming

- Same as the main agreement, except
 - Earning more than 2x weekly scale and less than \$26,000/episode: may agree that **2nd position series lead or 2nd position mini-series** may not be on another children's program
 - Earning \$26,000/episode or more (up to the money break): may also agree that **unlimited guest appearances** may not be on another children's program

Conflict Free Window

- After each season
- 3 month minimum
- 30 days' notice
- Restrictions (other than scheduling) still apply
- Use best efforts to be available for series if needed
- Hiatus less than 4 months → no CFW required
- Failure to provide CFW → episodic fee

HB SVOD Residuals



Links and Info

- HBSVOD residuals are only applicable to productions that meet the “high budget SVOD” definition, have initial release on an SVOD platform, and then have ongoing exhibition on that same platform. Otherwise, residuals for SVOD exhibition are 3.6% of Distributor’s gross shared pro rata by the principal performers in the picture/episode.
- Earlier this week there was a brief presentation on High Budget SVOD residuals that can be found here <https://www.youtube.com/watch?v=eQ19zOjHyns>
- A longer presentation about residuals formulas is available here <https://www.sagaftra.org/videos/understanding-residuals-sag-aftra-performers>



Thanks! Questions?

Contracts

TV/New Media:

Beth Millman, Executive Director

Beth.Millman@sagaftra.org

Jessica Johnson, National Director

Jessica.Johnson@sagaftra.org

Theatrical:

Olga Rodriguez-Aguirre

Olga.Rodriguez-Aguirre@sagaftra.org

Residuals:

Jennifer Gaudry, Executive Director

Jennifer.Gaudry@sagaftra.org

Professional Representatives:

Zino Testa-Macaluso, National Director/Senior Counsel

ztm@sagaftra.org

Jeffrey Bennett, General Counsel

JPB@sagaftra.org

Duncan Crabtree-Ireland, National Executive Director

DCI@sagaftra.org

