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## Update on SAG/AFTRA Talent Compensation Contracts

June 30, 2008

The ANA-AAAA Joint Policy Committee on Broadcast Talent Union Relations (JPC) negotiates contracts with the Screen Actors Guild (SAG), the American Federation of Television and Radio Artists (AFTRA) and the American Federation of Musicians (AFofM) on behalf of the advertising community. These contracts determine the payment of talent in advertising production and placement. The current contracts with SAG and AFTRA expire on October 29, 2008. We are optimistic that there will be a successful negotiation of new contracts by that date. **However, as we have done in the past, to ensure that marketers are fully prepared for all contingencies, the JPC has provided a series of recommendations for prudent commercial production planning in light of the upcoming negotiations for successor contracts. The JPC memo is available [here](#) at ANA's Web site.**

### Background

The current SAG/AFTRA contracts are based on an antiquated talent payment system that has been in place for more than 50 years and do not reflect the tremendous changes that have taken place in the marketing/media landscape. In 2006, the JPC and the unions agreed to conduct a joint study to determine how to revamp the compensation models to bring them up to date and to provide a more-measurable return on investment critical in today's business environment.

Booz Allen Hamilton (BAH) has developed two compensation models, and the JPC recently conducted two seminars/Webinars to evaluate those models. Those seminars were open to both industry and union participation and were very well attended. **Another seminar/Webinar is scheduled for July 15, from 3 to 5 p.m. [Click here for more details and to register for that event.](#)**

We anticipate that negotiations for new contracts with SAG and AFTRA will begin in the next several months. The two compensation models developed by BAH may be the centerpiece of those negotiations. It is critical that we hear from as many marketers as possible so that the JPC can fully judge the models and make an informed decision on which approach works best for the industry.

Information about the two compensation models is available [here](#) at *ADLAW by Request*, the online newsletter of Reed Smith. Doug Wood of Reed Smith is ANA's general counsel and the lead negotiator for the JPC. Please take a close look at those models and give us your input on how they work for your company's media plans.

If you have any questions about the talent contract negotiations with SAG and AFTRA, please contact Doug Wood at 212.549.0377 ([dwood@reedsmith.com](mailto:dwood@reedsmith.com)) or Dan Jaffe in ANA's Washington, D.C., office at 202.296.1883 ([djaffe@ana.net](mailto:djaffe@ana.net)).

### SAG/AFTRA and AFofM News

*June 30, 2008*  
[Update on SAG/AFTRA Talent Compensation Contracts](#)

*June 26, 2008*  
[Industry Wins Major Arbitration Case on Talent Compensation](#)

*October 18, 2007*  
[JPC and AFofM Reach Two-Year Extension Agreement](#)

*June 1, 2007*  
[Performers' Unions and Advertising Industry Select Booz Allen Hamilton To Conduct Study on Commercials Compensation Models](#)

*May 9, 2007*  
[UPDATE: ANA-AAAA Joint Policy Committee on Broadcast Talent Union Relations](#)

*August 4, 2006*  
[Tentative Agreement to Extend Commercials Contracts](#)

*May 17, 2006*  
[8 Consultants from Industry, Academia Invited to Respond](#)

*April 11, 2006*  
[Unions, Advertising Industry Hold Productive Meeting](#)

*April 5, 2006*  
[Unions, Advertising Industry To Meet on April 8](#)

*March 8, 2006*  
[SAG/AFTRA Contract Negotiations Status Report](#)

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