



December 13, 2021

To: Current JPC Authorizers

Re: **SAG-AFTRA COMMERCIALS CONTRACT AND AUDIO COMMERCIALS CONTRACT**

The current collective bargaining agreements between Screen Actors Guild - American Federation of Television and Radio Artists ("SAG-AFTRA" or the "Union") and the advertising industry that cover the services of performers in commercials (*i.e.*, the SAG-AFTRA Commercials Contract and Audio Commercials Contract, collectively, the "Contracts") will expire on March 31, 2022. The industry is represented in these negotiations by The Joint Policy Committee (the "JPC"). This memorandum outlines various options with respect to the expiring Contracts and the upcoming negotiations between the JPC and the Union over successor contracts. As always, the JPC strongly advises entities to seek the guidance of legal counsel when assessing the options outlined below.

Option 1):

If you wish to remain a JPC authorizer signatory to the current Contracts and any successor agreement, you do not need to do anything.

Option 2):

- a) If you are a JPC authorizer and no longer wish to be represented by the JPC in collective bargaining with SAG-AFTRA, you must provide timely notice to the JPC in order for your withdrawal of authorization from the JPC to be effective. Such notice must be submitted to the JPC no later than **January 31, 2022** if you do not wish to be bound by any successor agreement. The current Contracts expire on March 31, 2022.
- b) If you also wish to terminate your status as a signatory to the current Contracts following their expiration on March 31, 2022, you must also provide SAG-AFTRA with sixty (60) days advance written notice of your desire to terminate your status as a signatory to the Contracts. Such notice must be sent to SAG-AFTRA, with a copy to the JPC no later than January 31, 2022.

As noted below, you may be obligated to separately bargain with SAG-AFTRA prior to being released from your obligations under the 2019 Contracts. As you will be bound by the terms of the 2019 Contracts for a period of at least sixty (60) days after you provide notice, the terms of the current Contracts may be extended beyond the March 31, 2022 expiration date. If you provide notice after January 31, 2022 (e.g., if you provide written notice on February 1, 2022 of your intent to terminate your status as a signatory to the Contracts, you would be bound by the terms of the 2019 Contracts through at least April 1, 2022.)

Please note: Recent decisions by the National Labor Relations Board impose greater requirements on employers who wish to terminate their obligations under union contracts. Under the National Labor Relations Act, if you withdraw your authorization for the JPC to negotiate on your behalf and notify SAG-AFTRA that you intend to terminate your status as a signatory under the Contracts, SAG-AFTRA can then demand that you negotiate directly with the



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Union. There is no set timeframe in which SAG-AFTRA must notify you of its demand for direct negotiations. If SAG-AFTRA makes such a demand, you must bargain until such time as you and the Union either agree to terms and conditions on new collective bargaining agreements for TV and/or radio or you and the Union bargain to impasse. During such period of negotiation, you remain bound to the terms and conditions of the 2019 Contracts. This includes being responsible for contractual and statutory liabilities created as a result of the Contracts; for example, residual payments, pension and health contributions, and compliance with audit requirements. If the Union does not demand that you negotiate, you may be released from further obligations under the Contracts. It is strongly recommended that you consult with your legal counsel before making any decision on terminating the Contracts. Based upon recent events in the industry the JPC believes that the Union will assert a demand to negotiate.

Should you terminate the Contracts or should the Union abandon the Contracts, you may also be liable for withdrawal liability from the Union's respective pension plans (i.e., the SAG-Producers Pension Plan and the AFTRA-Producers Retirement Fund).

If you have questions regarding withdrawal from the JPC, termination of the Contracts, and/or pension withdrawal liability, we strongly advise that you consult with your legal counsel and request an estimate of your potential withdrawal liability from the SAG-Producers Pension Plan and the AFTRA Retirement Fund prior to notifying the Union of your intent to terminate the Contracts.

Option 3) Companies Who Wish to Become JPC Authorizer Signatories:

If you would like to become a JPC authorizer and thereby signatory to the Contracts and support the JPC's vital industry efforts, you may become an authorizer of the JPC by authorizing the JPC in writing to negotiate on your behalf. We can provide you more information regarding the JPC, the obligations of being a signatory and the forms you will need to complete in order to accomplish this task. As a reminder, becoming an authorizer to the JPC and/or becoming a signatory to any union labor agreement is not a requirement of ANA or 4A's membership.

If you have questions regarding the information presented above, please feel free to contact Stacy Marcus, the JPC's Chief Negotiator, at (212) 549-0446, email: smarcus@jointpolicycommittee.org; or Kim Stevens, JPC's Director of Industry Relations, at (617) 233-7672, email: kstevens@jointpolicycommittee.org.