



2025 SAG-AFTRA Commercials Contracts MOAs Transform in the Digital Age

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On April 11, 2025, [The Joint Policy Committee, LLC \(JPC\)](#), led by DLA Piper partner and Chief Negotiator, **Stacy Marcus**, and the Screen Actors Guild-American Federation of Television and Radio Artists (SAG-AFTRA) reached an agreement on terms for successor Commercials and Audio Commercials Contracts (“Commercials Contracts”). The DLA Piper team also consisted of partner and JPC Legal Counsel, **Michael Isselin** and associate **Emily Faro**. On April 27, 2025, the National Board of SAG-AFTRA unanimously approved the deal that will now go out for ratification by SAG-AFTRA members. The memoranda of agreements are forthcoming. The DLA team working on behalf of the JPC achieved the first major agreement to be successfully bargained with SAG-AFTRA without strike since 2022. Subsequent negotiations with the AMPTP and Interactive Producers in 2023 led to strikes by SAG-AFTRA.

Summary of Key Changes in the 2025 Commercial Contracts:

1. Artificial Intelligence:

a. Digital Replicas

i. *Definition, Notice, and Consent:*

1. 48-hour notice prior to services for creation/creation or use of a Digital Replica (or shorter if performer is engaged less than 48 hours prior to the performance).
2. Producers may obtain consent to the use of a Digital Replica to generate performances in commercials for which performers have not yet been engaged provided that: (i) the performance(s) to be generated are consented to in the reasonably specific description; and (ii) commercials are for the same advertiser and product line and production commences within the maximum period of use (“MPU”) of the original commercial for which Producer engaged performer.
3. Consent can be obtained either through the Digital Replica Rider appended to a performer’s employment contract or in a separate writing that is signed by a performer.
4. Producers may continue to use historic digital technologies (that may include AI components) to replicate or alter performers’ voices, likenesses, and performances, consistent with historical practices.

ii. *Session Payments for Use of Digital Replica:* If a producer uses a Digital Replica to generate a performance that a performer would otherwise have performed in person, 1.5 scale session fees for each commercial in which a performance generated by a Digital Replica is used. One scale session fee may be applied to use fees.

iii. *Use and Holding Fees for Digital Replicas:* Performers are paid for use of a performance generated by a Digital Replica as if Performer had performed in person, including all holding and use fees at scale.



- b. Synthetic Performers
 - i. Where a Synthetic Performer is used in a commercial that includes the on-camera principal performance of at least one (1) human: Producer shall, within thirty (30) days of the first air date of the commercial, pay 1.5 session fees and contributions under Section 47 – Contributions to Pension and Health Plans of the Commercials Contract based upon the 1.5 session fees and, where applicable based upon performer category, scale use and holding fees that would have been due to a human performer rendering the performance.
 - ii. Where a commercial is produced using exclusively synthetic performers, Producer and SAG-AFTRA will (in consultation with the JPC when Producer is an authorizer) negotiate in good faith regarding the amount of the contribution, if any, payable under Section 47 – Contributions to Pension and Health Plans of the Commercials Contract.
- 2. **Codification of the Low Budget Digital Waiver and Extension of Term:** The parties agreed to codify the Low Budget Digital Waiver as it exists, to sunset on March 31, 2028.
- 3. **Wages, Use Fees, and P&H:**
 - a. Wages: 5% in year 1, 4% in year 2, and 3% in year 3.
 - b. Use Fees:
 - i. **Held Class A** rates and cycle cap to 2022 rates.
 - ii. **Held all cable**-related rates to 2022 rates.
 - iii. **New Single Channel Cable Rate:** Added cycle options for advertisers running on a single cable channel (excluding ESPN, TNT, TBS, USA, Fox News, Bravo, Food Network, HGTV, Hallmark Channel, TLC, NFL Network, Fox Sports 1, CNN, Discovery, and E!).
 - iv. **National Cable Waiver Codified and Expanded:** Added a second tier for 2,000,001 to 3M subscribers.
 - v. **New Premium Tier for Paid YouTube:** Added a new category for Traditional Digital with Paid YouTube (defined as pre-roll and mid-roll on YouTube.com). Rates for the new category will be 12% higher than Traditional Digital but will not be subject to the annual wage increase.
 - vi. **Wild Spot:** Chicago is once again considered a “major market” as it was prior to 2022.
 - vii. **Streaming:** Streaming Platform rates are increased as a part of the continued transition from linear to digital. Rates are not subject to the overall wage increase.
 - c. P&H:
 - i. 23.5% contribution rate with a **waiver of 3.55% for JPC authorizers** (i.e., 19.95% contribution rate)
 - ii. **Reduced P&H Allocation for Commercials Used on Traditional Digital:** The parties agreed to a 40% P&H allocation for commercials used exclusively in Traditional Digital use categories.
- 4. **Longer Maximum Period of Use:** Lengthened the MPU to 24 months, beginning 10 business days after the start of on-camera principal photography.
- 5. **Non-Professional Testimonial Waiver:**
 - a. Updated the Non-Professional Testimonial Waiver (Section 8.B.) to make clear that a producer’s payment to an endorser to provide for consideration in signing the declaration



or otherwise comply with state employment laws will not preclude the producer from using the endorser for an additional commercial.

- b. In order to be considered a Non-Professional Testimonial, a person's appearance in the commercial consists of them describing their experiences and/or opinions of the product, service or advertiser being advertised, *consistent with legal and regulatory requirements for testimonials*. There is no longer a requirement for any experiences and/or opinions to be independently verifiable and typical of those of a reasonable consumer in a similar situation would experience.
6. **Collapsed the Liability Cap for Social Media and YouTube:** The Section 17 cap on liability for use after the MPU is now the same for social media and YouTube.
7. **Claims:** SAG-AFTRA is now required to provide the JPC a copy of any claim letter that is served on a JPC authorizer.

The full MOAs and the JPC's summary document, with additional details, are forthcoming.

For more information, please contact Stacy Marcus, DLA Piper partner and the JPC's Chief Negotiator, at Stacy.Marcus@us.dlapiper.com; or Michael Isselin, DLA Piper partner and the JPC's Legal Counsel, at Michael.Isselin@us.dlapiper.com.