

Advertising + Marketing

SAG-AFTRA's New Low Budget Digital Waiver

The Bottom Line

- The 2024 Low Budget Digital Waiver will take effect on June 27, 2024.
- Talent session and overtime fees are no longer negotiable, and talent must be paid no less than minimum scale under the 2022 Commercials Contract.
- Principal Performer use and edit fees remain freely negotiable.
- Low-budget shoots under the Waiver must be filmed on a separate day from any related full-budget production.

Talent costs will be impacted under the Screen Actors Guild-American Federation of Television and Radio Artists (SAG-AFTRA)'s new Low Budget Digital Waiver to the Commercials Contract, which will be effective June 27, 2024 through March 31, 2025.

Background

The [Low Budget Digital Waiver](#) was first introduced by SAG-AFTRA in 2017 as a welcome relief to signatory advertising agencies who were finding it increasingly difficult to compete with non-union agencies as digital advertising rose in popularity. Non-union agencies were able to offer competitive, budget-friendly talent cost options for digital productions, which signatory agencies could not match due to significant union talent costs. A major benefit to the original Low Budget Digital Waiver was the ability to freely negotiate rates with talent – a benefit that is now, in part, being stripped away.

This benefit began to erode under the next iteration of the Low Budget Digital Waiver that went into effect in 2020. The 2020 Waiver introduced the concept of “Connected Shoots” (a shoot in which a low-budget production eligible for the Waiver is shot on the same day as a full-budget production not subject to the Waiver) and “Unconnected Shoots” (in which only a low-budget production subject to the Waiver

would be shot). It specified that while talent rates could still be freely bargained for Unconnected Shoots, session and overtime fees must be no less than the minimum scale for talent performing in a Connected Shoot.

Talent Fee No Longer Negotiable

In a further departure from the original Low Budget Digital Waiver, the 2024 Waiver closes the gap between Connected and Unconnected Shoots by specifying that session and overtime rates will no longer be freely negotiable under any circumstances. Under the new Waiver, Principal and Extra performers must therefore both be paid no less than minimum scale session rates and overtime fees in accordance with the [2022 SAG-AFTRA Commercials Contract](#).

No Same-Day Connected Shoots

In addition to eliminating free bargaining on talent rates, the 2024 Low Budget Digital Waiver can no longer be used for a “Connected Shoot” shot on the same day. Rather, in order to use the new Waiver for a low-budget digital production, such production must now take place on a different day than any full-budget production it may be connected to. While it removes another key distinction between Connected and Unconnected Shoots, this change also reduces the chances of blurred lines as to production costs between the “Connected” low-budget and full-budget productions.

Shift in Maximum Period of Use

Agency and advertiser signatories will benefit from a shift in the maximum period of use (MPU) for content produced under the new Waiver. Under the prior Waiver from 2020, the MPU was one year from the date of the talent’s session, creating pressure to release the advertising content as soon as possible after the shoot date in order to take full advantage of the permitted period of use. Under the new 2024 Low Budget Digital Waiver, the MPU is now the later of one year from the date of first use or 13 weeks after the last production date – providing for a more flexible start to the usage period than previously allowed.

Staying the Same

Despite the changes described above, many elements of the 2024 Low Budget Digital Waiver remain the same. Notably, notwithstanding the change to union session and overtime fees, the Principal Performer use fees and edit fees are still freely negotiable.

Other unchanged provisions include:

- The budget threshold remains \$100,000 per production day.
- The Waiver is available to advertiser and advertising agency signatories only.
- Distribution of low-budget digital content is limited to “Traditional Digital” only (e.g. social media, YouTube, brand websites, retailer websites and third-party websites). The Low Budget Digital Waiver remains unavailable for content intended for distribution on streaming platforms (e.g. Amazon Prime, Hulu, Netflix, Disney+), as well as for non-digital media, like traditional broadcast.
- The Low Budget Digital Waiver remains unavailable for productions involving the use of celebrities, stunts and/or hazardous work.

For More Information

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