

derivative programs made for

This document is intended to provide an overview of “Derivative New Media Programs” under the Made for New Media Sideletter: when are they covered, what minimums apply and selected terms we suggest be negotiated.

WHEN IS A DERIVATIVE NEW MEDIA PROGRAM COVERED?

A New Media Program is deemed derivative and covered by the WGA Minimum Basic Agreement (“MBA”) when it is based on a television motion picture traditionally covered by the WGA such as a TV show or TV movie and is produced by a signatory company (“Company”) for the Internet, a mobile device, or any other platform thought of as “new media” by the industry. A common example would be a webisode based on an existing television series.

When a New Media Program meets the above criteria, the WGA has jurisdiction over it. Under WGA jurisdiction, certain terms of the MBA automatically apply, while other terms remain freely negotiable between the writer and the Company.

new media

FACT SHEET



SO MY DERIVATIVE NEW MEDIA PROGRAM IS COVERED – WHAT DOES THIS INCLUDE?

Minimum Initial Compensation:

NEW MEDIA PRODUCTIONS DERIVATIVE OF DRAMATIC PROGRAMS (OTHER THAN DAYTIME SERIALS)

EFFECTIVE 2/13/08 – 5/1/09	EFFECTIVE 5/2/09 – 5/1/10	EFFECTIVE 5/2/10 – 5/1/11
\$618 for programs up to two minutes in length, plus \$309 for each minute or portion thereof over two minutes.	\$640 for programs up to two minutes in length, plus \$320 for each minute or portion thereof over two minutes.	\$662 for programs up to two minutes in length, plus \$331 for each minute or portion thereof over two minutes.

NEW MEDIA PRODUCTIONS DERIVATIVE OF COMEDY-VARIETY PROGRAMS AND DAYTIME SERIALS

EFFECTIVE 2/13/08 – 5/1/09	EFFECTIVE 5/2/09 – 5/1/10	EFFECTIVE 5/2/10 – 5/1/11
\$360 for programs up to two minutes in length, plus \$180 for each minute or portion thereof over two minutes.	\$373 for programs up to two minutes in length, plus \$186 for each minute or portion thereof over two minutes.	\$386 for programs up to two minutes in length, plus \$193 for each minute or portion thereof over two minutes.

NEW MEDIA PRODUCTIONS DERIVATIVE OF ALL OTHER TYPES OF PROGRAMS

EFFECTIVE 2/13/08 – 5/1/09	EFFECTIVE 5/2/09 – 5/1/10	EFFECTIVE 5/2/10 – 5/1/11
\$309 for programs up to two minutes in length, plus \$155 for each minute or portion thereof over two minutes.	\$320 for programs up to two minutes in length, plus \$160 for each minute or portion thereof over two minutes.	\$331 for programs up to two minutes in length, plus \$166 for each minute or portion thereof over two minutes.

Pension & Health Contributions: The Company will make contributions on behalf of the writer to the Producer-Writers Guild of America Pension Plan and the Writers Guild-Industry Health Fund.

The contribution rates for 2/13/08 – 9/30/08 are Pension Plan (6%) and Health Fund (8.5%). From 10/1/08 – 3/31/09 the contribution rates are Pension Plan (6%) and Health Fund (8%) and from 4/1/09 – 5/1/11 the contribution rates are Pension Plan (6%) and Health Fund (8.5%). (MBA Article 17)

A written contract is to be submitted to the writer within 10 days following commencement of services and to the WGA within one week after the Company's receipt of the executed contract.

Guild Shop: A writer employed by the Company who is then a member of the WGA shall remain member in good standing. Each writer who is not a member shall become a member on or before the 30th day of employment, if eligible to do so. (MBA Article 6)

Time of Payment: Payments are due within 48 hours of delivering literary materials and late if not paid within 7 days after delivery. (MBA Article 13.B.9)

Credits: The Company must submit a Notice of Tentative Writing Credits. The writing credit must appear on-screen if there are any personal on-screen credits. If any personal credit can be accessed via hyperlink, the writing credit must be similarly accessible. For more details please contact the Credits Department.

Residuals: Under the following circumstances residuals apply to Derivative New Media Programs. For information about specific residual formulas please contact the Residuals Department.

- If the program is reused on a new media platform and the consumer pays to watch then 1.2% of distributor's gross will be payable after the first 26 weeks.
- If the program is reused on a new media platform where viewing is free to the consumer, 3% of the specified applicable minimum prorated in 5 minute increments (3.5% from 5/2/10 - 5/1/11) is due after the first 13 weeks for up to two 26-week periods¹. 2% of distributor's gross is due thereafter.

- If the program is reused on free television, television residuals are payable, with the first run treated as run 2; applicable minimums vary depending on length.

- If the program is reused on basic cable, pay television, home video, or in interactive media, the normal reuse formulas apply. (MBA Articles 51, 58 and 64)

Separated Rights: may apply to the Derivative New Media Program pursuant to MBA Article 16.B.1.d. For more details please contact the Contracts Department.

No Strike, No Lockout: During the term of the MBA, the WGA will not engage in any strike or work stoppage against the Company and the Company will not engage in any lockout of WGA members. (MBA Article 7)

Grievance and Arbitration: A claim arising out of a dispute regarding writing on a covered Derivative New Media Program shall be subject to the grievance and arbitration rules/procedures as set forth in the MBA. (MBA Articles 10-12)

SUGGESTED TERMS TO NEGOTIATE:

Above-scale initial compensation

Above-scale residuals

Other compensation: A writer may negotiate other compensation such as production or credit bonuses, back-end compensation, merchandising, publications, dramatic stage rights, etc...

Additional creative rights may be negotiated to the extent they do not undercut the MBA.

¹ The 26-week period may decrease if it reaches a hard year-end.

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