

# Labor Relations Update

Volume II, June 27, 2016

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Cast & Crew aims to provide timely, topical information on the challenges that our clients face. Our Labor Relations Updates address evolving areas of interest, including California leaves of absence, general payroll administration and labor relations issues.

## Industry Labor News Cont.

### *SAG & AFTRA Health Care Plans to Merge in January 2017*

Nearly five years after SAG and AFTRA merged into one union, the two guilds will finally become one on January 1, 2017. The expected melding of the plans will allow more than 65,000 SAG-AFTRA participants and their dependents to combine covered earnings from all of the guild's contracts toward eligibility for coverage in a single plan.

Please note, the SAG and AFTRA pension plans will not be merged and will continue to operate as separate benefit plans.

### *New Studio Zone and Secondary Studio Zone Map Available*

The new Studio Zone and Secondary Studio Zone Map referred to in "Exhibit Z" of the 2015 IATSE Basic Agreement, West Coast Studio Local Agreements and Basic Crafts Agreements can be found and downloaded by clicking [here](#). The map is a high-resolution version containing street names and zip code boundaries, making it much more useful than the version appearing in the printed agreements.

### *WGA Indicates They Want a Larger Share of Hollywood Majors' Profits*

The WGA's current film and TV contract doesn't expire for another year, but guild leaders already are gearing up for negotiations. In a letter signed by WGA leadership, the guild said that the guild's health plan now is running in the red and that the average incomes of film and series TV writers "have actually decreased" during the past 10 years.

The Guild has identified several high-priority issues, including cable parity, diversity, free rewrites, free pre-writes, sweepstakes pitching and "bake-offs," late payments, packaging, creative rights, one-step deals, so-called "paper teams," the erosion of the "quote" system, the guild's ailing health plan and the steady decline in pay and jobs for feature film writers.

The guilds' current contract expires on May 1, 2017, and negotiations are expected next spring.

First Reported in Deadline Hollywood

### *Additions Made to 2014-2017 SAG-AFTRA Bargaining History*

Among other notes, the following items of interest have been added to the 2014-2017 SAG-AFTRA negotiations bargaining history:

- **Motion Capture Work:** Producers consider motion capture work as not-covered under the SAG Codified Basic Agreement. Motion-capture acting, also called performance-capture acting, sometimes abbreviated as MoCap or Pcap, is a type of acting in which an actor wears markers or sensors on a skintight bodysuit or directly on the skin. Andy Serkis' performance as Gollum in Lord of the Rings is an example of motion capture acting.
- **Temporary Upgrades of Background Performers:** When a performer has been adjusted to perform day performer services and thereafter resumes background actor work in the same part in the same photoplay (e.g. a background actor in the part of the weatherman is upgraded to a day performer on Tuesday because he has a line, and then returns as the weatherman in the background on Friday), he or she shall be engaged as a day performer and shall be eligible for residuals as a day performer.

## Wage and Hour Law Updates

### MINIMUM WAGE RATES:

#### *Los Angeles County Fire Safety Officers (FSOs) and Fire Safety Advisors (FSAs):*

- The NEW rate for FSOs (effective July 1, 2016) is \$163.13 per hour.
- The NEW rate for FSAs (effective July 1, 2016) is \$50.66 per hour for the first 8 hours; \$74.73 per hour from 8-12 hours; and \$99.84 per hour after 12 hours.
- There is a four (4) hour minimum for both FSOs and FSAs.

#### *July 1, 2016 Municipal Minimum Wage Increases*

For more information on recently passed minimum wage ordinances, please see Cast & Crew's Labor Relations Production Update, [here](#):

- Birmingham, AL - \$8.50
- Chicago, IL (employers with 5 or more employees) - \$10.50
- Los Angeles City - \$10.50
- Louisville, KY - \$8.25
- Maryland - \$8.75
- Pasadena, CA - \$10.50
- Portland, OR - \$9.75
- San Francisco, CA - \$13.00
- Santa Monica, CA - \$10.50
- Unincorporated Areas of Los Angeles County - \$10.50
- Washington D.C. - \$11.50

#### *Miami Beach Raises Minimum Wage*

The ordinance, approved June 8 by the City Commission, calls for raising the minimum wage to \$10.31 effective 2018. The ordinance challenges Florida law preempting local wage and benefit ordinances, meaning it may never go into effect. We'll provide updates as they arise.

#### PAID SICK LEAVE LAWS:

##### *Santa Monica, CA*

Under Santa Monica's ordinance, individuals who work for employers with 26 or more employees will receive nine paid sick days and those who work for employers with less than 26 employees will receive five paid sick days. These provisions, effective January 1, 2017, exceed California State Paid Sick Leave, the Paid Sick Leave provisions in the various industry collective bargaining agreements, and Los Angeles City's new ordinance.

##### UPDATE:

Santa Monica's paid sick leave law has been waived in the 2015 AFM Basic Theatrical and Television Motion Picture Agreements by letter agreement.

##### *Los Angeles and San Diego*

On June 2, 2016, Mayor Eric Garcetti signed Los Angeles Minimum Wage Ordinance (No. 184320), adopting both new minimum wage rules and paid sick leave benefits applicable to all employees. In San Diego, a similar ballot measure on wage and leave requirements was approved by voters on June 7.

The Los Angeles and San Diego ordinances do not include an exception for employees covered under a valid collective bargaining agreement, meaning all employees working in Los Angeles are subject to the more employee-friendly paid sick leave provisions going into effect July 1, 2016 (San Diego's new requirements are set to take effect as soon as the election results are certified, which could be as early as July 2016. According to City Attorney Jan Goldsmith the Ordinance will not be retroactive).

For more information on these ordinances, please see Cast & Crew's June 21, 2016 Production Alert, [here](#).

### *Minneapolis Becomes First City in the Midwest to Mandate Paid Sick Leave*

On May 27, 2016, the Minneapolis City Council unanimously passed a citywide sick leave ordinance, the Minneapolis Sick and Safe Time Ordinance ("Ordinance"), requiring employers with at least six employees to provide paid sick and safe time leave to employees who work in the City of Minneapolis. The Ordinance goes into effect on July 1, 2017.

### *Chicago Follows the Lead of Other Cities, Passes Paid Sick Leave Ordinance*

Under the [Ordinance](#) (pdf), employers must allow employees to accrue at least one hour of paid sick leave for every 40 hours worked, up to a maximum of 40 hours per year (unless the employer chooses to set a higher limit). The accrual begins from the employee's first day of work or from the Ordinance's effective date of July 1, 2017, whichever is later.

For unionized employers, the Ordinance's requirements do not take effect until the expiration of the collective bargaining agreement in place at the time the Ordinance goes into effect. After that date, an employer and union may agree to waive the requirements of the Ordinance in the collective bargaining agreement.

## Reminders

### *Updated Form I-9*

Employers should continue using Form I-9, Employment Eligibility Verification, until further notice. The latest version of the form continues to be effective even though the Budget Office control number shows an expiration date of March 31, 2016. USCIS plans to provide updated information about a new version of Form I-9 after it becomes available.

### *Basic Crafts/IATSE Pension and IAP Increases in July*

The MPIPHP has issued reminders of the upcoming increases (eff. July 31, 2016) in MPIPHP Pension Plan and IAP percentages, resulting from various 2015 negotiations. This information has been previously provided as part of the Memorandums of Agreement (“MOAs”) for the Producer – IATSE Basic Agreement of 2015 (memo), the Producer – Basic Crafts Agreement of 2015 (memo), the Producer - Casting Directors Agreement of 2015 (memo), the Producer – Animation Guild IATSE Agreement of 2015 (memo) and the Producer – L399 Location Managers Agreement of 2015 (memo).

### *Annual Rate Increases for DGA, SAG-AFTRA*

On July 1, 2016, rates will automatically increase for most DGA and SAG-AFTRA members. Please contact Cast & Crew if you have questions.

## Looking Forward

### *House Approves Bill To Crack Down On Foreign Visa Abuse In Film Industry*

The House of Representatives has approved a bill that would crack down on producers who bring unqualified directors and movie crews into the country to take the jobs of American film workers.

The bill would amend the Immigration and Nationality Act to require the Department of Homeland Security to give the DGA, IATSE and management’s AMPTP a copy of any decision regarding the approval or denial of O-1 and O-2 visa applications of foreign directors and crews seeking to work on films and TV shows shot in the U.S. Currently, the unions and the AMPTP only have the right to offer their advice about the qualifications of those visa applicants, but are not informed about whether the applications were approved or not.

The bill must still be approved by the Senate and signed by the president before becoming law.

Reported in Deadline Hollywood

*The information contained in this publication has been abridged from laws, court decisions, news articles and administrative rulings and should not be construed or relied upon as legal advice and is subject to change without notice. If you have questions concerning particular situations, specific payroll administration or labor relations issues, please contact your labor relations representative.*