

# AFTRA'S SOUND RECORDINGS CODE AT A GLANCE

The AFTRA National Code of Fair Practice for Sound Recordings (a.k.a. the "Code"), covers sound recordings on vinyl, CDs, digital, cassettes, etc., and includes all music formats as well as books on tape, cast albums, and any other sound recording utilizing vocal performance. The Code not only covers singers, but announcers, actors, comedians, narrators, and sound effects artists as well.

The Code applies to artists who work at scale and overscale, and who appear as both royalty and non-royalty artists. In addition, some artists may be royalty artists for their own recordings, but qualify as non-royalty artists when they appear on other artists' recordings.

AFTRA's Code has been in existence since the early 1950s. Today, over 600 companies are signed to the AFTRA Code, including the four major labels: Sony/BMG, Warner, EMI, and Universal Music Group and most of their subsidiary labels.

The following information provides a summary of the key provisions of the Code, as of July 1, 2010. Members should consult the actual Code for specific terms applicable to a given recording, and contact the AFTRA office for the rates and terms that apply to work performed on or before June 30, 2010.

## BASIC SESSION RATES EFFECTIVE JULY 1, 2010

(rates are per person – per hour or per side, whichever is higher except where otherwise indicated by \*)

- ◆ Minimum call: 2 hours
- ° Payments vary based on AEA minimum and actual number of hours and sides.
- 3 hour session

Soloists and Duos	\$209.75	<b>“Stepping Out”</b>	<b>Original Cast Albums:</b>	
Group 3-8	\$95.50◆	<u>Groups 9+:</u>	Broadway Shows	\$631.75°
Group 9-16	\$73.25◆	Solo/Duo Step Out	Other	\$423.25°
Groups 17-24	\$63.75◆	<u>Groups 3-8:</u>	<b>Sound Effects Artists:</b>	
Groups 25-36 (non-classical)	\$54.00◆	1 Singer Steps Out	First Hour	\$151.50*
Groups 36+ (non-classical)	\$46.25◆	2 Singers Step Out	Each add'l half-hour	\$57.25*
<b>Classical Recordings</b>		3+ Singers Step Out	<b>Contractors:</b>	
Groups 25+ (with Orchestra)	\$120.25■	<b>Actors, Comedians, Narrators,</b>	Groups 3-8	\$46.00
Overtime	\$40.50	<b>Announcers:</b>	Groups 9-16	\$54.00
Groups 25+ (A Capella)	\$40.50*◆	Narrators/Announcers	Groups 17-24	\$65.75
Coach Rehearsal	\$16.50*◆	Actors - 1 Role	Groups 25-35	\$79.50
		Actors - 2 Roles	Groups 36+	\$94.75
		Actors - 3 or more Roles		

### Health and Retirement Contribution Rate:

Non-royalty	12.5%	Royalty	11%	Royalty	11.5%
		effective 1/1/10		effective 1/1/11	

Premium pay applies for work between noon and 8:00 a.m., on a 6th or 7th consecutive day, or on New Year's, Memorial Day, July 4th, Labor Day, Thanksgiving, and Christmas.

A "side" is each track recorded (each overdub or multi-track is an additional side). Further, a side is defined as a track of up to 4 minutes 30 seconds. If the song is longer than 4:30, an additional "side" is paid for each additional period up to 4:30. (See Code for definitions and rules applicable to singles, classical recordings, and narrators/actors/announcers). To calculate number of sides: take the original track, add any overdubs or additional tracks performed, and multiply by the following based on the playing time of the song.

Playing time	Multiply by "sides"
Up to 4:30	1
4:31-9:00	2
9:01-13:30	3

*Example:* A five minute song with two overdubs totals six sides (original track + 2 overdubs = 3 sides, multiplied by 2 because playing time is 5:00).

## CONTINGENT SCALE

“Contingent Scale” refers to additional payments made to non-royalty artists appearing on recordings that reach certain sales levels in the U.S. The term “non-royalty” refers to the artist’s status on that recording. So, if a royalty artist appears as a background singer on another artist’s recording, he/she is considered “non-royalty” for contingent scale purposes for that song.

Contingent scale applies to recordings recorded after 1974 which have not been previously released (e.g., it does not apply to “greatest hits” albums). Recordings cease to be eligible for contingent scale treatment ten years after their original release.

For albums released after July 1, 2002, a contingent scale payment of a specific percentage of the applicable minimum scale is made to an artist for each side on which he/she appears on the recording, each time the album reaches one of the following sales plateaus.

Plateau	Percentage Due	Plateau	Percentage Due
Below 157,500 units	N/A	1,250,000 units	75%
157,500 units	50%	1,500,000 units	75%
250,000 units	50%	1,750,000 units	75%
375,000 units	50%	2,000,000 units	75%
500,000 units	60%	2,250,000 units	75%
650,000 units	60%	2,500,000 units	75%
825,000 units	60%	2,750,000 units	75%
1,000,000 units	75%	3,000,000 units	75%

*(For albums released prior to 7/1/02, contact the AFTRA office for the applicable contingent scale percentage. Note: other percentages apply to singles and cast albums).*

## DIGITAL EXPLOITATIONS

Effective January 1, 2008, the Code provides for additional payment to non-royalty artists for the digital exploitation of sound recordings and music videos on which their performance appears. This includes Permanent Audio/Video Downloads (e.g., iTunes, master ringtones), Non-Permanent Audio/Video Downloads (e.g., subscription services), and Video Streams. All digital exploitation income is distributed by the AFM & AFTRA Intellectual Property Rights Distribution Fund.

## HEALTH AND RETIREMENT

The Code provides that the signatory label makes AFTRA H&R payments on behalf of artists, whether royalty or non-royalty artists.

**Non-royalty Artists:** The AFTRA Code requires the label to make AFTRA H&R contributions on all non-royalty earnings paid to a singer or performer appearing on a recording. Contributions are made on session payments and contingent scale payments. Note that even a royalty artist may have non-royalty earnings. For example, if a royalty artist appears as a session singer on another royalty artist’s recording, he/she is considered a “non-royalty” artist for purposes of session rates, contingent scale and H&R contributions.

**Royalty Artists:** Because of the unique nature of royalty contracts, the AFTRA Code also requires that H&R contributions be made on royalties earned, even if un-recouped. Therefore, if the artist has royalties earned and credited, even if not paid to the artist because of recoupment, the artist receives credit towards his/her AFTRA H&R eligibility.

**Special provisions for royalty artists under contract:** Royalty artists under contract to a label (a.k.a. active roster artists) are guaranteed eligibility for at least individual health coverage under the AFTRA Plan for so long as they are on the active roster of the label. Every six months, the label will verify whether the artist’s annual royalty earnings were sufficient to meet the minimum earnings threshold to qualify for AFTRA Health Plan coverage. If not, the label will make a special payment to the AFTRA Health Funds, to ensure that the artist is eligible for coverage under the AFTRA individual health plan.

**PLEASE NOTE:** *The artist must be enrolled in the AFTRA Health and Retirement Funds, and pay the necessary premiums, in order for the label to be required to make the special health payment to the AFTRA Fund to ensure guaranteed eligibility.*

In order for your earnings to be credited towards AFTRA H&R eligibility or for a roster artist to participate in the special provisions ensuring health plan coverage, the label must be signatory to the AFTRA Code. If you have any questions about whether or not your label is signed to the AFTRA Code, contact the AFTRA office.

## CONVERSIONS

If your recording is licensed for use in another medium (e.g., movies), you may be entitled to a separate payment. Please contact AFTRA if your recording is released for use in films, TV, video games, or commercials.

## ARBITRATION

The AFTRA Code provides access to binding arbitration of disputes, whether for scale payments or matters arising under an individual agreement between the artist and the label. If you have a dispute with a record label, contact AFTRA to find out if your dispute can be submitted to arbitration.

## AFTRA Offices and Staff

Assistant National Executive Director, Randall Himes

Los Angeles: Stefanie Taub, Sidney Kibodeaux White, Sarah Hardy 323.634.8100

Nashville: Randall Himes, Dee Bowers, Josh Reese 615.327.2944

New York: Ralph Braun, Kimberlee Archie, Veniece Vicente 212.532.0800

Other Areas: Contact the nearest AFTRA office

Royalty Artist Assistance Hotline:

1.866.912.3872 (91AFTRA)



www.aftra.com