

SAG ACTORS...HAVE YOU STUDIED THE IMPACT OF THIS MERGER?

IF NOT, HERE ARE CRITICAL FACTS YOU NEED TO KNOW:

(Limited to the words allotted to us)

PENSION & HEALTH

SAG relies upon a “Feasibility Review.” While it concluded that a merger would be legal, *no one ever doubted Mergers are legal*. What about our benefits?

SAG did not request any actuarial study regarding whether a merger would be **financially** safe.

Why? They know, like the AFTRA Trustees, that *“the merger of pension and health funds as large and divergent as the AFTRA and SAG plans raises complex and unique financial, legal and benefit issues which can only be addressed through a comprehensive analysis performed by the funds.”*

Despite the express statements in Appendix I to the SAG Constitution, and Board Resolutions, **no study** was conducted to assess the financial impact of a merger of Pension or Health Plans.

Are your benefits safe? The SAG and AFTRA P&H&R Plans are extremely different. Consider merging these factors:

- SAG pension accrual rate: **2%** of earnings: AFTRA: less than **1%** of earnings.
- SAG early retirement penalty: **3%** per year. AFTRA: **DOUBLE: 6%** per year.
- SAG Plan 2 annual premium (family of four): **\$1,620**: AFTRA Individual Plan annual premium (family of 4): **\$17,260**

The merger plan does not even attempt to reconcile these and other differences. Experts addressing the financial impact issues are convinced SAG members will likely suffer diminished future benefits.

Highly respected pension and health experts Brucker & Morra have concluded:

“Until a full and formal ERISA Impact Report of how to address and quantify these problems is completed, no one, not even pension experts, can intelligently evaluate or quantify the probable negative impact on the members’ pension and health benefits. The union merger is so inextricably interconnected with the plan merger that members cannot be asked to evaluate and vote on the Union Merger until issues relating to the Plan Merger have been resolved and concrete proposals formulated so the members can make informed choices.”

The issue has always been the impact on SAG member benefits, when merged with lower AFTRA benefits. **If the merger of unions is approved, SAG members will never have any right to vote to protect their benefits by preventing merger of the Pension or Health Plans.**

If you vote to merge the unions, you are removing a major hurdle to **later merger** of those plans. Once the unions are merged, individual members will have no vote and no recourse regarding a merger of Pension and Health Plans.

SPLIT EARNINGS

The merger Plan does not even address, much less solve our split earnings issues. Rather, it will codify the problem. **If merger is approved, the stated plan is to CONTINUE to split your earnings, just like during the last 12 months. If the proposed merger is approved, without signatures from 15% of the approximately 158,000 members, you will have no further right to vote on this issue either.**

NEW DUES STRUCTURE

If merger is approved, over 70,000 SAG-only members' base **dues will increase from \$116 to \$198.**

BROADCASTERS - Preferential Treatment

Broadcasters in the merged union can still work NON-UNION on basic cable networks (ESPN, MSNBC, CNN, CNBC, FOX NEWS, etc.), with drastically discounted dues compared to actors.

Broadcaster work dues from \$0 to \$100,000 will be the same as actors at 1.575%. Broadcaster work dues from \$100,000 to \$250,000 can be drastically discounted to .274% (and capped at \$250,000) with maximum dues of \$2,184.

Actors, however, will pay 1.575% on ALL earnings up to \$500,000, with maximum dues almost 400% higher: \$8,073.

BACKGROUND ACTORS - THREE VOUCHER SYSTEM

The much maligned and poorly regulated Three Voucher entry requirement for SAG will continue.

Merging unions does not guarantee more Background jobs. It can only result in more competition for the same covered jobs.

BLOATED BUREAUCRACY

There is no plan to streamline or eliminate duplicated services post merger. The new union will keep **all 635 SAG and AFTRA employees**. Nor is there a plan to equalize the existing SAG staff (3.5%) and SAG member (2%) pension accrual rates.

CONVENTION

Convention will be the highest governing body in the merged union - higher than the Board of Directors. Convention will have the authority to MERGE with more unions, set policy, control the Constitution, **without giving the membership any direct vote on such matters**.

8 out of 10 National officers will be CHOSEN at Convention; not by direct member vote.

The ELECTED President will be able to delegate authority to the Executive VP, also chosen by the Convention, not directly by members.

ELECTED LEADERS MAY RECEIVE PAY

The SAG Constitution prohibits paying elected officers and board members. The new union Constitution opens the door for payments, currently not permitted.

MAJORITY NO LONGER RULES

Hollywood represents the majority of SAG members, and the majority of revenue. If merged, when Hollywood has a majority, it must secure **an additional 5% from other Locals, regardless of its majority vote**.

Traditionally, seats on negotiating committees were based on Division/Local earnings. That would no longer be true. The President can simply choose members with National Board approval. Those earning the majority of revenue on specific contracts will no longer be guaranteed majority say on those negotiating committees.

EXCHANGE OF INFORMATION

The unions have not exchanged actor contract details. We have no idea how-what-when-why AFTRA gives away residuals in made-for-basic cable shows or other concessions to management.

AGENTS

If merged, the Board, without a member vote, can alone decide whether agents can own or be owned by production entities. **The SAG membership rejected the last agent agreement because of this potential conflict of interest.**

NEGOTIATING STRENGTH

SAG and AFTRA have been negotiating jointly since 1981. How has that benefited SAG members? AFTRA has routinely undercut SAG interests. A merger of actors is all that is necessary. This merger merely handcuffs SAG.

CONCLUSION

The current merger plan solves almost nothing and adds too many inherent problems. Vote NO and demand that our union leaders conduct the necessary due diligence to create an agreement which will not harm actors.

For more detailed information –

<http://www.sagminorityreport.com/www.sagaftraminorityreport.com>

In Solidarity:

Scott Bakula

Ed Harris

Joe d'Angerio

Anne-Marie Johnson

Elliott Gould

David Jolliffe

Valerie Harper

Martin Sheen