

This introduction to working with the union interactive contracts is based on [Sarah Elmaleh's consulting](#) research and client preparation, with input from generous industry veterans.

Intended as a primer, this document should NOT be considered final-word - please confirm questions, details, and waiver proposals with your friendly union contract rep: (323) 549-6815, INTERACTIVE@SAGAFTRA.ORG.

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What is the SAG-AFTRA Low-Budget Agreement (LBA)?

[2020 Agreement info sheet here.](#)

[2020 Agreement here.](#)

[2020 Interactive Media Agreement Rate Sheet here.](#)

[Video of IndieCade panel breaking down the Low-Budget Agreement here.](#) (Wages and HR contribution amounts subject to change, please check with your union rep for accurate numbers.)

[SAG-AFTRA Producer's Guide here.](#)

[Interactive portal at SAG-AFTRA including other information and forms for signing.](#)

How does the LBA compare or connect to the (full-budget) Interactive Media Agreement?

The LBA consists of key amendments to the terms of the full-budget Interactive Media Agreement (IMA), which is also [available on the union website](#). (That is, when you sign the LBA, you are bound to the terms of the IMA *except* where the LBA offers an amendment.)

The most significant of these amendments is a reduced time and rate minimum. Productions that meet the LBA budget criterion (under 1.5 million USD total production budget) may conduct 2-hour sessions for \$478.50, versus the IMA \$956.75 minimum for sessions up to 4 hours (also referred to as “scale” rate). The LBA still allows for 4 hour sessions at the IMA rate, if you prefer. Please note: vocally stressful sessions should/may not last more than 2 hours. (See below for more on what dialogue and vocalizations count as “vocally stressful”.)

Important note applying to both the IMA and LBA: **actors are paid wages as employees and receive W-2s at the end of the year, not 1099s.** Your third-party payroll company will process all of this for you - and as the [Producer's guide](#) notes, you should *definitely* hire one.

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Whether you are a domestic or foreign company, your contracted payroll company becomes the employer of record for tax purposes, and processes everything tax-related (along with additional talent-related costs besides wages - see "Other Costs" below.) You sign with the union (or a signatory) and use the payroll company to pay your actors. (Signatory and payroll, what they are and how they work, are covered at the bottom of this document.)

The IMA requires that the producer provide a recording space for the actor, however actors are able to waive this requirement and record from home at their discretion.

Answers to other common questions:

- **'Vocally stressful'** encompasses anything from screaming/yelling to hoarse whispering, anything that stressfully manipulates the actor's natural voice. Think of it as vocal stunt work. A few of these lines in a session are totally fine, but more than a handful can trigger the clause. Ask your actors about their experience with vocal stress, what causes it and how to work within their personal safe zone to get what you need.
- **'Integration'** means reuse, specifically using old recordings in a new title. One example: they're making a new *Gears of War* game and want to use combat sets from a character recorded in a previous GoW game. There are full Integration options and Limited Integration options - if you think you will reuse lines, just ask your Contract Representative to discuss Integration.
- **Trailer recordings** are generally treated like any other in-game session. If you have other uses in mind for recordings (like DLC, commercials, ports, etc.) consult with the union and/or the full-budget IMA - they may be included in your session fee.
- **'Secondary payments'** are currently \$239.19 each at tier of sales starting at 500,000 units sold (subject to updates. Is your game free-to-play? Talk to your contract rep if you require different models for reflecting project success.) If you'd rather not have extra accounting to track and handle post-release, you can do a discounted buyout at 75% upfront at a tier of your choosing.
- **Note: if your budget exceeds the \$1.5 million cap and you must use the [IMA](#), those secondary payments work differently, as bonus payments per session worked rather than as tied to game sales.** The bonuses increase as the talent works more sessions, and you can pay bonuses with each session payment OR in full at time of game release. The full payout, for 10 or more sessions, is an additional \$2100 - compared to the LBA's additional \$956.75 for 2 million or more unit sales, \$717.57 if paid up front with the 25% buyout discount.

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Other costs:

Note, these estimations can vary depending on the specific talent you hire and the payroll & signatory configuration/services you use. Adding 65% to actor wages (session fee + any prepaid secondary payments or other use add-ons + commission) is a rough estimate for final cost, not including casting/direction or outside studio/audio services.

- agent fee: **10%** of session fee, technically optional but industry-standard. N/A if talent is unrepresented.
- contribution to the SAG-AFTRA pension and healthcare fund: **16.5%** of session fee. Talent must *qualify* yearly to receive P&H benefits, and by taking your project union you are actively helping them earn and keep these benefits.
- payroll taxes and worker's comp: **varies by state, roughly ~21%** of session fee. BUT if the actor has a loan-out company such as an S Corporation, they pay their own payroll taxes.
- payroll and signatory service fees: vary by company. Their bid may be calculated based on your budget and recording load. It could be under **5%**, if you hire a payroll company and sign directly with the union. It may be more like 15% if you prefer to hire a combination payroll/signatory to handle the union paperwork and liability. They may also charge for postage or a weekly invoice wiring fee, for making payments. (See below for more on becoming or hiring a signatory.)

Okay, what are signatory and payroll, exactly?

In short, payroll and signatory cover your paperwork and legal liability.

Payroll processes your checks in compliance with union and federal specifications/pipelines and is the employer on tax record, providing the required year-end W-2. They calculate and submit all of the previously mentioned itemized talent costs as well as wages for you. As filing experts on payroll taxes, worker's compensation, and contributions to the SAG-AFTRA Pension & Health funds, they provide a valuable means of full compliance with these required payments. They can be very easy to register with, and usually provide a simple, all-inclusive invoice per session, just as an actor would do as a freelancer.

A **signatory** is the entity signed to the union contract and therefore legally liable to the agreement. The signatory:

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- provides information about the company and project to the union through its registration package and signs the required adherence forms
- clears the actor to work based on their union membership status
- preps union contracts and timesheets for the actor to execute at each session, sending these to payroll/agent/union
- double-checks the payroll invoice and makes sure it gets paid

A hired signatory is responsible for any errors in use or failures to pay, etc, so you will need to pay them for any penalties they incur on your behalf, and what you pay them as a service rate represents both this fundamental liability and the paperwork they process for you. They will invoice you for the costs they send on to payroll, the union, and the actor, as well as their own fee.¹ So whether you hire signatory and payroll or just payroll, you will likely only have one invoice per session for all of the above costs.

The union encourages you to sign with them directly as a developer/publisher - it will save you money in hired signatory fees, and is good for your actors, as it means you have a direct and accountable relationship with SAG-AFTRA. While learning the contract and registration process means taking time to absorb details and handle extra paperwork, it can be worth fully understanding the terms of your agreement with your actors, to avoid infractions or missteps (and therefore penalties incurred by yourself or your hired signatory.) That being said, the option to hire a signatory is always there if the administrative burden is too intimidating or onerous. Click here for the [Producer's Guide](#) - page 1, Step 1 outlines the documents you will be asked to have on hand, fill out, and/or sign to be registered as signatory. It also lays out the other forms and steps for the rest of production, and answers other questions.

NOTE: the Low-Budget Agreement is One Production Only (OPO) compared to the IMA in which you enter into an ongoing relationship/pledge with the union, inclusive of your future projects.

Again, whether you decide to become signatory yourself or not, to save yourself either money or paperwork, it is *highly* recommended that you hire payroll services.

The folks at SAG-AFTRA are glad to answer your questions and help however they can - it is perfectly okay to give them a call to make contact and get more info for a project in early stages!

In fact, it is NEVER TOO EARLY to start exploring and understanding the voiceover process, even if you don't need to act on the information right away.

¹ As an independent consultant, Sarah's current practice is to encourage developers/publishers to absorb and complete the signatory package from the union, and from that point on she can handle cast clearance and talent contracts/timesheets for sessions, and coordinate directly with agents and payroll.

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The union requires weeks to get your production registered - often the Interactive reps are able to move more rapidly on this, but you don't want to begin this process while needing to cast and record in a few days. Much better to map it all out well in advance, and tackle each step as the time comes.

Thank you for reading, and for honoring your actor collaborators by meeting their community-ratified baselines and protections - we deeply appreciate the chance to work with your brilliant creativity!