WGA CONTRACT 2023

MENU

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Home / The Campaign

SUMMARY OF THE 2023 WGA MBA

The following is a summary of the deal terms for the 2023 MBA. It is a simplified version of the Memorandum of Agreement ("MOA"), which contains the full text of the new provisions. The language of the MOA controls in the case of any inconsistency with this summary. Unless amended in the 2023 negotiations, the provisions of the 2020 MBA remain unchanged.

1. Term of Agreement

The term of the agreement is September 25, 2023 through May 1, 2026.

2. Minimums Increases

Most MBA minimums will increase by 5% on ratification of the contract, 4% on 5/2/2024 and 3.5% on 5/2/2025. Some minimums and rates increase less, mostly by 3% each year, while a few rates increase only once or do not increase over the contract. These exceptions are the result of patterns established in the industry.

3. Increased Health and Pension Contribution Rate

The Health Fund contribution on reportable earnings will increase 0.5% in the second year of the agreement, from 11.5% to 12%. The Guild also has the right to divert an additional 0.5% in each of the second and third years of the contract from various minimum increases to either the Health Fund or Pension Plan.

4. Increased Health and Pension Contributions for Writing Teams

Each writer on a writing team employed for a script will receive pension and health contributions up to the relevant cap as though they were a single writer, rather than splitting the applicable cap. In addition, when a writing team is employed on a series, the contribution for each writer on the team will be made on the full weekly minimum instead of one-half of the weekly minimum.

5. Artificial Intelligence

We have established regulations for the use of artificial intelligence ("AI") on MBA-covered projects in the following ways:

- AI can't write or rewrite literary material, and AI-generated material will not be considered source material under the MBA, meaning that AI-generated material can't be used to undermine a writer's credit or separated rights.
- A writer can choose to use AI when performing writing services, if the company consents and provided that the writer follows applicable company policies, but the company can't require the writer to use AI software (e.g., ChatGPT) when performing writing services.
- The Company must disclose to the writer if any materials given to the writer have been generated by AI or incorporate AI-generated material.
- The WGA reserves the right to assert that exploitation of writers' material to train AI is prohibited by MBA or other law.
- 6. Improved Terms for Screenwriter Employment

- Guaranteed 2nd step: A second step is required whenever a writer is hired for a first draft screenplay for 200% of minimum or less, including original and non-original screenplays. The requirement also applies to spec purchases.
- Accelerated payment structure for flat deals: Screenwriters hired on a flat deal basis for 200% of minimum or less must be paid 50% of their fee on commencement. If the writer has not delivered within 9 weeks of commencement, 25% of the fee is payable upon invoice. The final 25% is due on delivery of the step.
- Streaming features: When a feature-length project is made for streaming with a budget of \$30 million or more, the minimum initial compensation for a story & teleplay is \$100,000 (an 18% increase from the current rate) and a 26% increase in the residual base. Combined with the foreign residual improvements described below, this results in a 3-year residual of \$216,000 for projects on the largest services, a 49% increase from \$144,993 under the 2020 MBA.

7. <u>Improved Terms in High Budget Subscription Video on Demand</u> (HBSVOD)

- Increased foreign streaming residuals: Foreign streaming residuals will now be based on the streaming service's number of foreign subscribers for services available globally, amounting to a 76% increase (including a 2.5% base increase) to the foreign residual for the services with the largest global subscriber bases over 3 years. For instance, Netflix's 3-year foreign residual will increase from the current \$18,684 for a one-hour episode to \$32,830.
- Viewership-based streaming bonus: The Guild negotiated a new residual based on viewership. Made-for HBSVOD series and films that are viewed by 20% or more of the service's domestic subscribers in the first 90 days of release, or in the first 90 days in any subsequent exhibition year, get a bonus equal to 50% of the fixed domestic and foreign residual, with views calculated as hours streamed domestically of the season or film divided by runtime. For instance, projects written under the new MBA on the largest streaming services would receive a bonus of \$9,031 for a half-hour episode, \$16,415 for a one-hour episode, or \$40,500 for a streaming feature over \$30 million in budget. This bonus structure will take effect for projects released on or after January 1, 2024.

- *Streaming Data Transparency:* The Companies agree to provide the Guild, subject to a confidentiality agreement, the total number of hours streamed, both domestically and internationally, of self-produced high budget streaming programs (e.g., a Netflix original series). The Guild may share information with the membership in aggregated form.
- Premium for Pilot & Backup Scripts: 150% pilot premium and 115% backup script premiums will now apply to programs made for HBSVOD.

8. Minimum Terms for Advertising-Supported Streaming (AVOD)

High-budget programs made for ad-supported streaming services (including FAST) get the same initial compensation terms as the equivalent programs made for subscription streaming services, including network primetime script fees for the highest-budget series, as well as protections like span (using the basic cable span cap of \$375,000) and premium rates for pilots and backup scripts. These programs will also receive a 2% residual for reuse on the AVOD service.

9. Increased Compensation for Series Employment: Weekly Pay and Staff Writer Script Fees

- *Weekly Pay Increases:* The minimum weekly rates for staff writers and Article 14 writers (story editors/executive story editors) will increase by the overall minimum increases (5%-4%-3.5%). The increases for staff writers go into effect immediately; and those for story editors/executive story editors go into effect the Sunday after ratification.
- *Writer-Producer Weekly Rates:* There will be a new writer-producer tier (co-producer level and above) that has a higher minimum weekly rate, amounting to a 9.5% premium over the story editor/executive story editor rate. These rates will go into effect for new seasons that start 60 days after ratification.

Term of Employment	Year 1
Up to 9 weeks	\$11,371

Writer-Producer Weekly Minimums

Writer-Producer Weekly Minimums

10-19 weeks	\$9,476
20 weeks+	\$8,524

• **Development room premiums**: Writers of any title working in pregreenlight rooms of at least 3 writers—including a pre-greenlight room between seasons of a show—will be paid premium rates up to guarantees of 19 weeks. If writers are guaranteed 20 weeks or more the premium doesn't apply. The development room rates will be 25% above the highest regular room rate. These rates will go into effect for new contracts beginning November 1, 2023 assuming ratification in October.

Development Room Premium Rates up to 19 Weeks

Title	Year 1
Staff Writer	\$6,959
Story Editor/Executive Story Editor	\$12,978
Writer-Producer	\$14,214

• **Staff Writer Script Fees**: Staff writers must be paid script fees for the episodes they write.

10. Staffing and Duration Provisions for Episodic Series

Development rooms (aka pre-greenlight rooms) and regular writers' rooms for television and HBSVOD series will now have requirements regarding the minimum number of writers who must be hired and the duration of their employment. These new provisions go into effect for seasons where the first episode is written after December 1, 2023 assuming ratification in October.

• **Development rooms**: Once 3 writers are convened before a series order, at least 3 writer-producers (including the showrunner) are guaranteed 10 consecutive weeks of employment.

Development rooms where writers are guaranteed 20 weeks of work or more are treated as post-greenlight rooms. For these rooms on first season shows, the minimum staff size required will be 3 writerproducers (including the showrunner). For these rooms in the second or subsequent season of a show the required minimum number of writers is determined by the anticipated episode order.

 Post-greenlight rooms: The following requirements are triggered depending on the number of episodes ordered, unless a single writer is engaged to write all episodes:

# of Episodes	Minimum # of writers in writers' room	
6 or fewer	3	3
7-12	5	3
13+	6	3

The minimum staff must be guaranteed at least 20 weeks or the entire duration of the post-greenlight room, whichever is shorter. If there was a development room, the two writer-producers who worked in the development room must be hired for the writers' room. Weeks worked in the development room can be credited against the guaranteed weeks in the writers' room, but development room compensation cannot be credited.

- Writers in Production: For single-camera series made for HBSVOD and Pay TV that are exclusively filmed in the US and Canada, 2 writer-producers must be employed for the lesser of 20 weeks of production or the duration of production along with the showrunner. The two writer positions can be used for more than two writers provided that the total weeks worked by the additional writers adds up to the minimum required number for each position.
- 11. Improved Options, Exclusivity, and Span Protections
 - The salary limit under which options & exclusivity protections apply will increase from \$325,000 to \$350,000 as of May 2, 2024.

 Span protections will be expanded to cover more writers working on short orders, by increasing the cap on earnings from \$400,000 to \$450,000 (Basic Cable remaining at \$375,000), and by extending span protection to writers on limited series, for contracts made 30 days after the ratification date.

12. Appendix A Series Made for Subscription Streaming Services

- Comedy-Variety, Quiz & Audience, or Other Non-Dramatic programs with budgets at or above \$600,000 for a half-hour or \$1.15 million for a one-hour show that are made for subscription streaming services will have weekly initial compensation minimums like television. Projects with four episodes per week have lower breaks; for instance, Comedy-Variety strip shows have budget breaks of \$150,000 for 30-minute show, \$250,000 for 60-minute.
- Comedy-Variety series employment will get the aggregate minimum compensation in addition to weekly minimums. Comedy-Variety series with 13 programs will get 13-week guarantees; shorter orders may have shorter guarantees by applying for a Guild waiver. Quiz & Audience and Other Non-Dramatic series have weekly minimums, though 13-week guarantees are not required.
- The Guild has the right to negotiate initial compensation terms and residuals for existing Daytime Serials that move to subscription streaming services in the same fashion as it negotiates for Appendix A and low budget dramatic shows on Basic Cable.
- All high budget Appendix A programs will receive a residual of 1.2% of the license fee for use after the first 26 weeks.

13. <u>Showrunner Training Program</u>

We reached an agreement to renew \$250,000 in annual funding for the Showrunner Training Program.

14. Additional Arbitrators

We agreed to replace three arbitrators on the panel to hear MBA claims in Los Angeles.

15. Tri-Guild Audit Program

We renewed funding for Tri-Guild auditing of residuals payments for the term of the agreement.

16. Other Changes (Company Proposals)

- We agreed to increase the number of episodes on new made for broadcast series that can get a single free "promotional" run from 2 to 3, but with the number of episodes capped at no more than 25% of the season;
- We agreed that the companies can exhibit a longform program made for HBSVOD in theaters for not more than 8 days, at least 40 days after the program's release on the original streaming platform, for 3% of accountable receipts;
- We agreed to a 3% increase in the thresholds for payment of the 1.2% residual for foreign free television reuse;
- We agreed to allow a company to credit a sole writer/director or writer/producer of a project as "produced by" or "presented by" in publicity releases or advertising without a separate writing credit;
- We agreed that interest isn't due when writers haven't provided the information necessary to process payment.

Note: The above summary is for informational purposes only. The MOA contains all negotiated deal points in contract language.

If you have questions, WGAW members should contact the <u>Contracts</u> <u>Department</u>; WGAE members should contact <u>Geoff Betts</u>, Director of Contract Enforcement & Credits.

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