

# Letter of Understanding

This is to confirm our agreement that the Employers will voluntarily recognize IATSE Local 891's representation of certain visual and computer generated imagery and effects employees ("VFX employees"). The VFX employees, set out below, may be employed directly by productions upon the following terms and conditions. This agreement is not to be used to prohibit or inhibit the historical rights and practices of producers to have VFX work performed by third parties and employees, including those from other jurisdictions, without regard to union status or union affiliations. The parties agree that:

1. Employers shall have the unrestricted right to subcontract any or all VFX work of a production without restriction as to union status, membership, or affiliation.
2. The practice of hiring contractors or employees who are not subject to this Letter of Understanding from other jurisdictions including the United States is confirmed and may be continued without objection from the Union.
3. Where an Employer hires an employee under this Agreement in a VFX classification, such employee shall be or become a member of IATSE Local 891 or a permittee. The following weekly rates will apply:

Job Position	Weekly Flat Rate (up to 14 Hours/Day)
VFX Supervisor CGI Supervisor Character Animator Supervisor	Negotiable between the employee and the Employer
VFX Artists: Skill Level 1 Skill Level 2 Skill Level 3	1,442.00 1,339.00 1,100.00
VFX Technicians: Skill Level 1 Skill Level 2	1,339.00 1,100.00

4. These rates are basic minimum scales for television production. Nothing in this Letter of Understanding shall prevent an Employer from paying the employees a rate higher than these minimum rates, but no Employer will be obligated to pay more than the minimum rates without bargaining with an individual employee for a higher rate and reaching an agreement to pay that employee a higher rate.
5. These rates shall be increased in accordance with the salary rate increases contained in the Master Agreement.
6. Such employees may be employed on a daily basis at 1/5 of the weekly rate.
7. Overtime shall be paid at a rate of two times the employee's hourly rate for all hours worked after 12 hours and one-half times the employee's hourly rate for all hours worked on the sixth day of a workweek and two times the employee's hourly rate for all hours worked on the seventh day of the workweek.
8. Daily turnaround: There shall be a 10 hour rest period between the end of one shift and the next shift. If such rest period is encroached, the employee shall be paid for the encroached time at the same rate the employee was receiving at the end of the preceding shift but in no event, less than one and one-half times the employee's hourly rate.
9. The covered classifications include VFX Supervisors and VFX Office Coordinators. The work duties of the covered classifications shall be generally described as creating computer generated VFX where such employees will perform interchangeable work, depending on skill set and supervision required. Skill levels will be set in accordance with the training and experience of the individual employees. It is understood that staffing shall be determined by the Employer.
10. Employees in the position of VFX Artists will have an artistic and creative component to their work. Examples of this include modelers, compositors and character animators.
11. Employees in the position of VFX Technicians will exercise mainly technical skills without creative responsibility. Examples of this include matte painters, junior compositors, coordinators and assistants.
12. The Fringe Rates applicable to the type of production (Article 8 of the Master Agreement) will apply to persons employed under this Agreement. No other provision of the Master Agreement will apply, except for Article 11: Grievance and Arbitration.

On behalf of IATSE Local 891

---

On behalf of Negotiating Producers

---

J. Nicholas Counter III

---

Neil Haggquist  
BC Branch of CFTPA

---

DRAFT