

Songwriter U: \$70M+ In Royalties Just Waiting To Be Claimed

Royalties can be a complicated subject; most artists know they exist, but exactly to whom they are entitled can present even more of a challenge. Songwriters, publishers, labels, featured artists—all can be entitled to royalties from broadcasted recordings, but did you know that non-featured performers can be entitled to royalties as well?

Who is a non-featured performer?

Here is an example: if Katy Perry is the featured performer on a recording, her band and any vocalist that she hires to do background vocals are considered “non-featured.” And that is who The Fund pays.

What does The Fund do?

As the CEO of The AFM & SAG-AFTRA Intellectual Property Rights Distribution Fund (“The Fund”), I oversee the collection and distribution of royalties for non-featured performers in the United States. The most significant source of The Fund’s collections are in the non-interactive streaming category; this includes internet radio, webcasting, Sirius XM, any radio-like service that picks which songs make it to your ears as a consumer.

SoundExchange collects royalties from the non-interactive digital broadcasting services and distributes 50% to the copyright holder—this is normally the label, though if an artist owns their own copyrights, that percentage would go to the artist. Forty-five percent of that amount goes to the featured artist, and then 5% comes to The Fund to distribute to the non-featured artists on those recordings.

The Fund collects and distributes royalties for non-featured performers in every genre possible—from rock, pop, hip hop, country, jazz, children’s music, even what is played on the most niche channels on satellite radio stations. We also collect royalties for *featured* performers in symphonies because of our ties to the unions—mainly the American Federation of Musicians (“AFM”), which represents the symphonies.

There is, however, a lot of confusion when it comes to our affiliation with the AFM and SAG-AFTRA unions. Though the unions make up our board and are in our organization’s name, The Fund was created through US copyright law, and under that law, The Fund is required to distribute these royalties without regard to union affiliation or membership. If a recording gets played by these US digital services, we pay everybody: singers and musicians, union and non-union, US and foreign artists.

There is an additional source of royalties which the Fund handles on behalf of SAG-AFTRA or AFM affiliated performers only. This includes audio and audiovisual royalties we collect internationally for distribution to US artists.

Why is it important for you to know about The Fund?

“We have money for you” is not something that non-featured artists hear very often. In the past, particularly in the 60s, 70s, and 80s, an artist might sing or play in a recording session for a few hundred dollars and even if those records generated millions of dollars in revenue, those performers never saw another dime. The Fund’s work is a game-changer for non-featured artists who now have the ability to see a continuing income stream from all the work that they have done for so many years. It is so gratifying to be able to distribute royalties to the session musicians and vocalists who contribute to making the sound of the song something that becomes an important part of music history—artists who were not getting any other money for those performances. Now, we’re able to give that to them, and to their heirs.

Do we have royalties for you?

This year The Fund made a record-breaking distribution of over \$70M, and that amount continues to grow. Even with entire departments devoted to research and outreach, it is a challenge to identify and locate everyone on every recording. We want to do everything we can to let non-featured performers know that there is an income stream out there just for them. Be sure to visit The Fund's website (afmsagaaftrafund.org/) to learn more about royalties that might be waiting there for you.

Stefanie Taub is chief executive officer of the AFM & SAG-AFTRA Intellectual Property Rights Distribution Fund, which collects and distributes royalties to over 40,000 musicians and vocalists annually. The Fund has distributed more than \$500 million in royalties to date. Royalties are paid on domestic non-interactive digital use of sound recordings, as well as for use in foreign territories subject to reciprocal agreements with collective management organizations in those territories.

Prior to joining the Fund in 2018, Stefanie served as national director, music at SAG-AFTRA, where she lead SAG-AFTRA's representation of its recording artist, singer, and dancer members, and negotiated its Sound Recordings and Music Video collective bargaining agreements.

She has previously served on the boards of the AFM and SAG-AFTRA Intellectual Property Rights Distribution Fund, the Alliance of Artists and Recording Companies, and as Chair of the board of the SAG-AFTRA and Industry Sound Recordings Distribution Fund. Taub received her B.A. from UC Berkeley and her J.D. from Loyola Law School.

The AFM & SAG-AFTRA Intellectual Property Rights Distribution Fund is a 501c(6) not-for-profit organization whose purpose is to collect and distribute royalties to non-featured performers on sound recordings domestically and internationally.

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