



National Basketball Association Players' Pension Plan Stats for 2016

NBA players have had a pension plan since 1965. The retirement benefit amount depends on the number of credited seasons and is fully vested after 3 years. After 10 seasons, players earn the maximum benefit payable by law.¹ The plan considers age 50 to be standard retirement age, but as early as age 45 players may begin receiving reduced benefits, reflecting that they will probably receive them for a longer time.

Pension Plan Stats²

As of Feb. 2, 2016

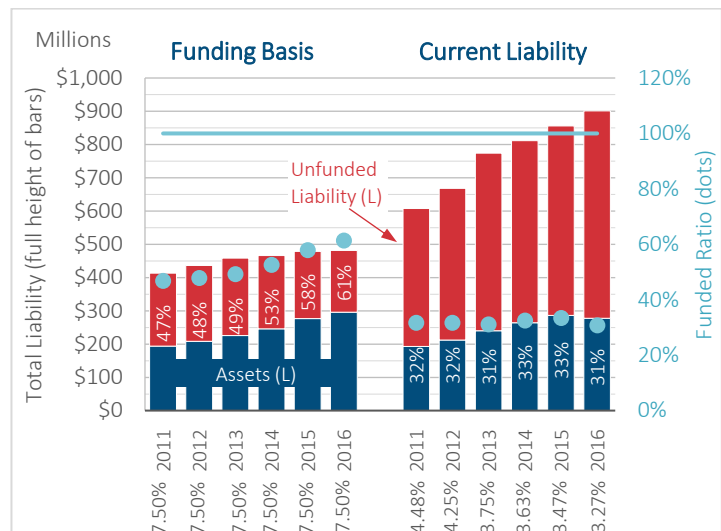
Active participants	445
Retirees receiving pension benefits	520
Inactive participants ³	<u>758</u>
Total participants	1,723

Average approximate pension benefit	\$38,000
Total pension benefits paid for 2016	\$20 million
Contributions for 2016	\$39 million

Assets for minimum required funding ⁴	\$296 million
Liability for minimum required funding	\$482 million
Unfunded liability for minimum funding	\$186 million
Funded ratio (based on unrounded values)	61%

Market value of assets	\$277 million
Current Liability ⁵	\$901 million
Unfunded Current Liability	\$624 million
Funded ratio (based on unrounded values)	31%

Plan Funded Status



About Pension Finances

For funding purposes, the discount rate used to compute liabilities represents the long-term expected return on assets; this plan uses 7.50%. In addition, assets may be smoothed. For funding purposes, the plan is 61% funded for 2016.

The discount rate for Current Liability must be based on a 4-year average of 30-year Treasury securities; this plan's rate is 3.27% for 2016. Against the market value of assets, the plan's Current Liability is 31% funded for 2016.



For more Society of Actuaries' pension plan stats:
<https://www.soa.org/research-reports/2016/2016-multiemployer-pension-plan-stats/>



For more Society of Actuaries' research on pension plans and retirement issues in general:
<https://www.soa.org/research/topics/pension-res-report-list/>

¹ Internal Revenue Code §415 defines the maximum benefits. For 2015–2016 the limit is \$210,000, increasing to \$215,000 for 2017.

² Based on publicly available Department of Labor Forms 5500 with accompanying schedules. Some figures may not add because of rounding.

³ Former active participants who have not yet started to receive pension benefits.

⁴ As reported by the plan's actuary on the plan's Form 5500 Schedule MB. Internal Revenue Code §§431–432 and accompanying regulations define minimum funding requirements for multiemployer pension plans.

⁵ Current Liability for multiemployer pension plans is defined by Internal Revenue Code §431(c)(6).

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