

National Basketball Association Players' Pension Plan Stats for 2015

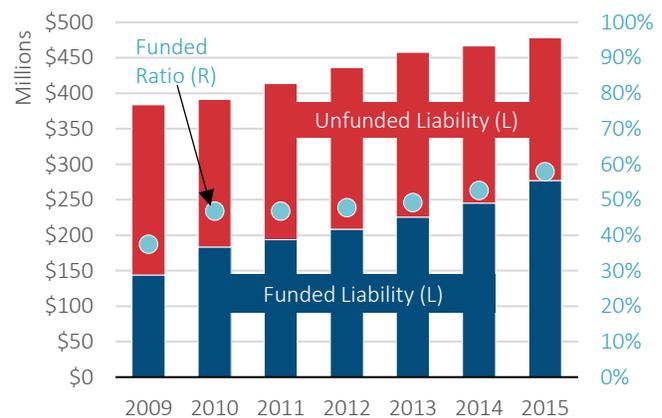
NBA players have had a pension plan since 1965. The retirement benefit amount depends on the number of credited seasons and is fully vested after 3 years. After 10 seasons, players earn the maximum benefit payable by law.¹ The plan considers age 50 to be standard retirement age, but as early as age 45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

Pension Plan Stats²

As of Feb. 2, 2015, the most recent publicly available data.

Active players	441
Retirees receiving pension benefits	509
Inactive players ³	755
Total participants	1,705
Average approximate annual pension benefit	\$69,000
Total pension benefits paid in 2015 ⁴	\$35 million
Plan assets ⁵	\$277 million
Plan benefit liabilities ⁵	\$466 million
Unfunded liability	\$201 million
Funded ratio	58%
NBA club contributions for 2015	\$38 million
Cost of benefits earned in 2015	\$ 8 million

Plan Liability and Funded Status⁵



About Pension Finances

As of Feb. 2, 2015, the plan was 58% funded, up from 53% the previous year after reducing its unfunded liability by \$20 million.⁵ In the context of the red-yellow-green (stoplight colors) zone system commonly used with this type of pension plan, this plan is in the yellow zone and working toward the green zone.⁶

During 2015, the 30 NBA clubs collectively contributed \$38 million to the plan, of which \$8 million covered the cost of benefits that active players earned during the year, leaving \$30 million to be applied toward the funding shortfall of \$201 million.



The NBA Players' Pension Plan is a multiemployer pension plan. For more Society of Actuaries' research on multiemployer pension plans or pension and retirement issues in general: <https://www.soa.org/research/research-projects/pension/default.aspx>

¹ As defined by Internal Revenue Code section 415.

² The source of all data shown is the Department of Labor Form 5500 and its accompanying schedules as filed for the National Basketball Association Players' Retirement Plan. Some figures may not add because of rounding.

³ Former active members who have not yet started to receive pension benefits; they may begin to receive monthly benefits as early as age 45.

⁴ Includes lump sum benefit payments.

⁵ As calculated by the plan's actuary for funding purposes and documented on the plan's Form 5500 Schedule MB. Liabilities are computed with a 7.50% discount rate and the RP2000 Combined Healthy Mortality Table projected to 2030 using Projection Scale AA.

⁶ Internal Revenue Code Section 431 defines the funding status zones.

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