

National Basketball Association Players' Pension Plan Stats

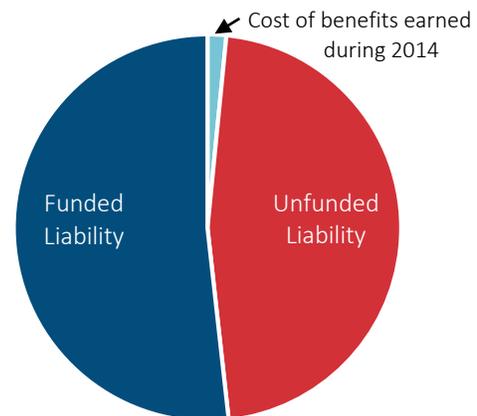
NBA players have had a pension plan since 1965. Players are fully vested after 3 years, but the retirement benefit amount is based on the number of credited seasons. After 10 seasons, players earn the maximum benefit payable by law.¹ The plan considers age 50 to be standard retirement age, but players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

Pension Plan Stats²

As of Feb. 2, 2014, the most recent publicly available data.

Active players	436
Retirees receiving pension benefits	478
Inactive players ³	<u>756</u>
Total participants	1,670
Average approximate annual pension benefit	\$63,000
Total pension benefits paid in 2014 ⁴	\$30 million
Plan assets ⁵	\$245 million
Plan benefit liabilities ⁵	\$466 million
Unfunded liability	\$221 million
Funded ratio	53%
NBA club contributions in 2014	\$38 million
Cost of benefits earned in 2014	\$ 7 million

Plan Funded Status, 2/2/2014⁵



About Pension Finances

As of Feb. 2, 2014, the plan was 53% funded, with \$245 million in assets against accumulated benefit liabilities for retired, active and inactive members of \$466 million.⁵ In the context of the red-yellow-green (stoplight colors) zone system commonly used with this type of pension plan,⁶ this plan is in the yellow zone and working toward the green zone.

During 2014, NBA clubs collectively contributed \$38 million to the plan, of which \$7 million covered the cost of benefits that active players earned during 2014, leaving \$31 million to be applied toward the funding shortfall of \$221 million.



The NBA Players' Pension Plan is a multiemployer pension plan. For more Society of Actuaries' research on multiemployer pension plans: <http://www.soa.org/Research/Research-Projects/Pension/research-2015-08-multiemployer-plan-stress-metrics.aspx>



For more Society of Actuaries' research on pension plans and retirement issues in general: <http://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 for the 2014 plan year 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 for 2014.

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

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