

National Basketball Association Players' Pension Plan Stats for 2017

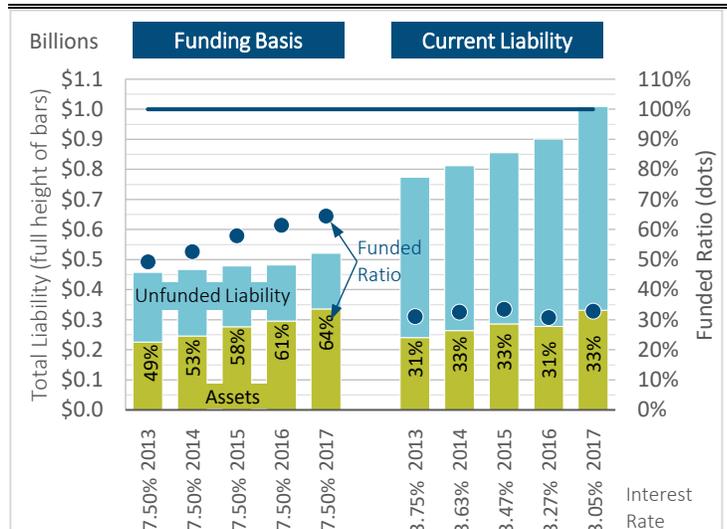
NBA players have had a pension plan since 1965. The retirement benefit amount depends on the number of credited seasons and is fully vested after 3 years. After 10 seasons, players earn the maximum benefit payable by law.¹ The plan considers age 50 to be standard retirement age, but as early as age 45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

Pension Plan Stats²

As of Feb. 2, 2017

Active participants	445
Retirees receiving pension benefits	524
Inactive participants ³	794
Total participants	1,763
Average approx. annual pension benefit	\$44,000
Total pension benefits paid for 2017	\$23 million
Contributions for 2017	\$41 million
Assets for minimum required funding ⁴	\$336 million
Liability for minimum required funding	\$521 million
Unfunded liability for minimum funding	\$185 million
Funded ratio (based on unrounded values)	64%
Market value of assets	\$331 million
Current Liability ⁵	\$1,009 million
Unfunded Current Liability	\$678 million
Funded ratio (based on unrounded values)	33%

Plan Funded Status 2013–2017



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%. For funding purposes, the plan is 64% funded for 2017.

The discount rate for calculating Current Liability must be based on a 4-year average of 30-year Treasury securities; this plan's rate is 3.05% for 2017. Against the market value of assets, the plan's Current Liability is 33% funded for 2017.



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. The 2017 limit is \$215,000, increasing to \$220,000 for 2018 and to \$225,000 for 2019.

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. Asset value may reflect an actuarial smoothing method.

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

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