



National Basketball Association Players' Pension Plan Stats for 2018

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. Plan liabilities increased significantly in 2018 primarily because benefits were increased effective February 2, 2018.

Pension Plan Stats²

As of Feb. 2, 2018

Active participants	434
Retirees receiving pension benefits	529
Inactive participants ³	833
Total participants	1,796
Average approximate annual pension benefit	\$69,000
Total pension benefits paid for 2018	\$37 million
Contributions for 2018	\$73 million
Assets for minimum required funding ⁴	\$384 million
Liability for minimum required funding	\$796 million
Unfunded liability for minimum funding	\$413 million
Funded ratio (based on unrounded values)	48%
Market value of assets	\$410 million
Current Liability ⁵	\$1.65 billion
Unfunded Current Liability	\$1.24 billion
Funded ratio (based on unrounded values)	25%

Plan Funded Status

2013–2018



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 48% funded for 2018.

The discount rate for calculating Current Liability must be based on a 4-year average yield of 30-year Treasury securities; this plan's rate is 2.96% for 2018. Against the market value of assets, the plan's Current Liability is 25% funded for 2018.



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 2018 limit is \$220,000, increasing to \$225,000 for 2019 and \$230,000 for 2020.

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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