



NEWS RELEASE



FOR IMMEDIATE RELEASE

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MLB, MLBPA ANNOUNCE DETAILS OF NEW LABOR AGREEMENT Parties Maintain Streak of More Than Two Decades Without a Work Stoppage

Major League Baseball (MLB) and the Major League Baseball Players Association (MLBPA) today jointly issued details of the tentative new five-year labor agreement that will allow play to continue uninterrupted through the 2021 season. The parties agreed to the terms of the pact, which is subject to ratification by both sides, on Wednesday, November 30th, prior to the December 1st expiration of the collective bargaining agreement.

The five-year agreement will match the previous two labor contracts as the longest in baseball history. By the end of the new contract, Baseball will have gone 26 years without a strike or a lockout, which continues the sport's longest period of labor peace since the inception of the collective bargaining relationship. Baseball's active streak without a work stoppage also marks the longest of its kind among the major North American professional sports.

Commissioner Robert D. Manfred, Jr. said: "I am pleased that we completed an agreement prior to the deadline that will keep the focus on the field during this exciting time for the game. There are great opportunities ahead to continue our growth and build upon the popularity that resonated throughout the Postseason and one of the most memorable World Series ever. This agreement aims to further improve the game's healthy foundation and to promote competitive balance for all fans."

Tony Clark, Executive Director of the MLBPA, said: "Every negotiation has its own challenges. The complexities of this agreement differ greatly from those in the past if for no other reason than how the industry has grown. With that said, a fair and equitable deal is always the result you are working toward, and, once again, I believe we achieved that goal. I would like to thank our Players for their involvement, input and leadership throughout. Their desire to protect our history and defend and advance the rights and interests of their peers is something I am truly grateful for."

Commissioner Manfred also said: "I thank Tony Clark, his colleagues and many Major League Players for their work throughout the collective bargaining process. We appreciate their shared goals for the betterment of the sport. I am grateful for the efforts of our Labor Policy Committee, led by Ron Fowler, as well as Dan Halem and our entire Labor Relations Department."

Clark also said: "I would also like to recognize Commissioner Rob Manfred, Dan Halem, MLB and the Labor Policy Committee for their hard work over the last year plus, and for staying committed to the process. In coming to an agreement, this deal allows both sides to focus on the future growth and development of the sport. There is a lot of work to be done and we look forward to doing it."

A summary of many features of the new Basic Agreement accompanies this press release.

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SUMMARY OF MAJOR LEAGUE BASEBALL PLAYERS ASSOCIATION- MAJOR LEAGUE BASEBALL LABOR AGREEMENT



I. TERM

- A. Five-year contract.
- B. Termination Date: December 1, 2021.

II. SCHEDULING, POSTSEASON PLAY, AND DISABLED LIST

- A. Beginning in 2018, the regular season will be expanded to provide four additional off-days for players. Players will continue to be credited with a full year of service for accruing 172 service days over 187 days, rather than 183.
- B. Additional restrictions on start times of games on getaway days so that players will arrive in their next city at an earlier time.
- C. Home-field advantage in the World Series will be awarded to the Club with the higher winning percentage in the Championship Season, rather than based on the outcome of the All-Star Game.
- D. The 15-day disabled list will be replaced with a 10-day disabled list.

III. ALL-STAR GAME

- A. All players on the Active Roster of the winning team shall share equally in a \$640,000 bonus.
- B. The roster for the All Star Game shall be 32 players, with 20 position players and 12 pitchers.
- C. Following election of players by fans, the Commissioner's Office will select seven players from the National League (4 pitchers) and five players from the American League (4 pitchers) to participate in the All-Star Game. Such selections will replace the selections awarded to the managers of the American and National League teams in the prior agreement.
- D. The Home Run Derby format will remain the same, but player prize money will be increased throughout the term.

IV. CLUBHOUSE

- A. Clubs will assume more responsibility for providing food and amenities to players in the home and visiting clubhouses.
- B. Agreement on a list of best practices for Clubs in maintaining clubhouses, including standards for meals, amenities, assistance for player families, etc.
- C. All Clubs will establish a Player/Management Advisory Council that will work with a full-time chef and registered dietician to improve clubhouse nutrition.
- D. All Clubs must provide access, on a voluntary basis, to a sports psychologist.
- E. MLB and the MLBPA will jointly retain a dietician to provide recommendations to players and Clubs on nutrition and dietary supplements.

V. REVENUE SHARING

- A. The total net transfer value under the Revenue Sharing Plan, as a percentage of industry revenue, will remain the same, but the formula by which individual Club's revenue sharing treatment is determined has been revised.
- B. The number of market disqualified Clubs will be reduced from 15 to 13, with Oakland phased-out over four years beginning in 2017.

VI. COMPETITIVE BALANCE TAX (“CBT”)

- A. The Competitive Balance Tax Thresholds will be \$195 million in 2017, \$197 million in 2018, \$206 million in 2019, \$208 million in 2020, and \$210 million in 2021.
- B. The base Competitive Balance Tax rates will be 20% for first-time CBT Payors, 30% for second-time CBT Payors, and 50% for third- or more time Payors.
- C. Additional surtaxes will be applied per the schedule below:

| | 1st-Time Payor | 2nd-Time Payor | 3rd-Time+ Payor |
|--|----------------------------------|----------------------------------|-----------------------------------|
| Surtax on Payroll Between \$20M and \$40M Above Threshold | 12% | 12% | 12% |
| Surtax on Payroll in Excess of \$40M Above Threshold | 42.5% | 45% | 45% |

- D. Beginning in 2018, Clubs with a payroll \$40 million or more above the Tax Threshold shall have their highest selection in the next Rule 4 Draft moved back 10 places, except that the top six selections will be protected and those Clubs will have their 2nd highest selection moved back 10 places.
- E. Changes to the CBT will fully take effect in 2018, and will be phased in for 2017.

VII. PLAYER WELFARE AND PENSION BENEFITS

- A. Current players will continue to receive the maximum allowable pension benefit under IRS rules.
- B. Clubs annual contribution for pension and medical benefits will increase to approximately \$200 million per year.
- C. Pension benefits for classes of retired players will be increased.
- D. Disability benefits for players will be improved.
- E. Payments to retired players who were not vested in the Pension Plan will be continued during the term of the Agreement.
- F. Players' medical and dental benefits will be improved in a variety of areas.
- G. Players will be guaranteed a minimum contribution to their individual retirement accounts based on service accrued.

VIII. DRAFT PICK COMPENSATION

- A. Clubs may not tender a Qualifying Offer to a player who has previously received a Qualifying Offer.
- B. The time period during which a player can accept a Qualifying Offer will be extended from 7 to 10 days.
- C. Clubs signing a Free Agent subject to compensation will no longer forfeit a first round selection, but will be subject to the following:
 - 1. A non-market disqualified Revenue Sharing Payee Club shall forfeit its third highest remaining selection in the next Rule 4 Draft.
 - 2. A CBT Payor shall forfeit its second-highest and fifth-highest remaining selections in the next Rule 4 Draft and shall have its International Signing Bonus Pool (described below) reduced by \$1,000,000 in the next full Signing Period.
 - 3. All other Clubs shall forfeit their second-highest remaining selection in the next Rule 4 Draft and shall have their International Signing Bonus Pool reduced by \$500,000 in the next full Signing Bonus Period.
 - 4. All forfeited International Signing Bonus Pool monies will be distributed equally among all other Clubs. Competitive Balance Selections will be exempt from forfeiture.

- D. A Former Club of a Free Agent subject to draft pick compensation will receive the following:
1. A non-market disqualified Revenue Sharing Payee Club shall receive a selection immediately following the first round of the draft if the player signs a contract with a total guarantee of \$50 million or more.
 2. A CBT Payor Club shall receive a draft selection immediately following the fourth round of the next Rule 4 Draft.
 3. All other Former Clubs shall receive a selection immediately following the Competitive Balance Round B of the next Rule 4 Draft (which follows the second round).

IX. MINIMUM SALARIES

- A. The Major League minimum salary will increase from \$507,500 in 2016 to: \$535,000 in 2017; \$545,000 in 2018; \$555,000 in 2019; and be subject to a cost-of-living adjustment in 2020 and 2021.
- B. The Minor League minimum salary will increase from \$82,700 in 2016 to: \$86,500 in 2017; \$88,000 in 2018; \$89,500 in 2019; and be subject to a cost-of-living adjustment in 2020 and 2021.

X. INTERNATIONAL PLAY AND DOMESTIC SPECIAL EVENTS

- A. The parties agreed on an international play plan in which Clubs will stage games or tours in Mexico, Asia, Puerto Rico, the Dominican Republic and London over the next five years in order to grow the game.
- B. Players will receive additional compensation for participating in Club and League-sanctioned events, in amounts ranging from \$15,000 to \$100,000 per player depending on the location and schedule.
- C. The parties agreed to allow the Commissioner to schedule regular season games at sites other than Major or Minor League stadiums in the United States and Canada, and players will receive additional compensation for participating in those events.

XI. INTERNATIONAL AMATEUR TALENT ACQUISITION

- A. Each Club will be allocated a Signing Bonus Pool as follows:
 1. Clubs that receive a Competitive Balance Pick in Round A of the Rule 4 Draft will receive a Signing Bonus Pool of \$5.25 million.
 2. Clubs that receive a Competitive Balance Pick in Round B of the Rule 4 Draft will receive a Signing Bonus Pool of \$5.75 million.
 3. All other Clubs will receive a Signing Bonus Pool of \$4.75 million.
 4. Clubs may not exceed their Signing Bonus Pools.
 5. Pools will grow with industry revenue.
 6. Clubs may acquire via trade up to 75% of their Signing Bonus Pools in the 2017-18 and 2018-19 signing periods, and 60% of their Signing Bonus Pools in subsequent signing periods.
 7. Signing bonuses of \$10,000 or less will not count toward a Club's Signing Bonus Pool.
 8. Signing restrictions incurred during the 2015-16 and 2016-17 signing periods will carry over into the new agreement.
 9. The Commissioner may impose strict penalties on any Club that attempts to circumvent the system.
 10. Foreign Professionals will continue to be exempt from the Pools. Foreign Professionals will be defined as players who are at least 25 years of age and who have played as a professional in a foreign league recognized by the Commissioner's Office for a minimum of six seasons.

XII. FIRST-YEAR PLAYER DRAFT (RULE 4 DRAFT)

- A. Signing bonus values associated with first round selections were adjusted to reduce the spread between slots.
- B. Competitive Balance Selections will be continue to be awarded to Clubs in bottom-10 markets or bottom-10 in local revenue based on a combination of winning percentage and local revenue. The lottery format was eliminated in favor of a system in which the eligible Clubs will receive selections after the first round or after the second round in alternating years.
- C. Procedure for Clubs to obtain MRIs from players on a voluntary basis prior to the draft.
- D. Improvements to the College Scholarship Plan, particularly for players living outside of the U.S.

XIII. JOINT DRUG PREVENTION AND TREATMENT PROGRAM

- A. Number of in-season random urine tests will increase from 3,200 to 4,800.
- B. Number of off-season random urine tests will increase from 350 to 1,550 in order to ensure that all 40-man roster players will be subject to at least one random off-season test.
- C. The number of in-season random blood tests will be increased from 260 to 500 and the number of off-season random blood tests will be increased from 140 to 400.
- D. The penalties and prohibitions for Stimulant violations will be increased to 50 games for a second time violation; 100 games for a third time violation, and up to a permanent suspension for a fourth time violation.
- E. Any player who violates the drug program will no longer receive Major League Service during his suspension, unless his suspension is reduced by 20 or more games under the mitigation provision of the Program.
- F. The Arbitration Panel will be provided more discretion to reduce penalties based on mitigating circumstances.

XIV. SMOKELESS TOBACCO

- A. Use of tobacco products on the field will be banned in all ballparks where it is prohibited by local law or ordinance.
- B. Any player who makes his Major League debut in 2017 or later will be prohibited from using smokeless tobacco on the field in every ballpark.

XV. DOMESTIC VIOLENCE POLICY, ANTI-BULLYING, ANTI-HAZING, TRANSLATORS

- A. Procedural changes to strengthen the Domestic Violence Policy and to expedite investigations conducted by the Commissioner's Office.
- B. The Commissioner's Office will implement an Anti-Hazing and Anti-Bullying Policy as a supplement to the Workplace Code of Conduct.
- C. The parties agreed to require Clubs to retain a bilingual media relations professional throughout the term of the new agreement, and provide additional English Language learning opportunities, for Spanish-speaking players.

XVI. MAJOR LEAGUE RULES/ALLOWANCES

- A. The time period in which a Club may designate a player for assignment has been shortened from 10 days to 7 days.
- B. Clubs will be prohibited from recalling a player from option prior to the expiration of 10 days if the player's Minor League season has concluded.
- C. Clubs will no longer have to place players on optional assignment waivers prior to optioning them to the Minor Leagues.
- D. Various improvements to the allowances that players receive, including moving allowances.