

**National Pastime League Rules** 

1	Abo	ut		1			
	1.1	History					
	1.2	About	the Rules	1			
		1.2.1	Introduction	1			
		1.2.2	Committee	2			
		1.2.3	Rules Changes	2			
	1.3	Leagu	e Fees	3			
		1.3.1	Timing	3			
		1.3.2	Winnings	4			
		1.3.3	Paying Out	4			
2	League Structure						
	2.1	Deadli	ines	5			
		2.1.1	NPL Transactions	5			
		2.1.2	Scoresheet Transactions	5			
		2.1.3	Transactioners	6			
	2.2	Regular Season					
	2.3	3 Postseason					
		2.3.1	Postseason Eligibility	7			
		2.3.2	Postseason Rosters	7			
	2.4	Game	play	10			
	2.5	NPL V	Vebsite	10			
		2.5.1	Website Details	10			
		2.5.2	Anonymous Bidding	11			
		2.5.3	Countdown Timer	11			
		2.5.4	FASP Dashboard/Watchlist	11			
		2.5.5	Notifications	12			
3	Org	anizati	on Structure	13			
	3.1	Major	League Roster	13			
		3.1.1	40-Man Roster	13			
		3.1.2	Active Roster	13			

	3.2	Farm S	System	14
		3.2.1	Triple-A	14
		3.2.2	Double-A & Single-A	14
4	Fina	ancials		15
	4.1	Major	League Payroll	15
		4.1.1	Salaries	15
		4.1.2	Carried Salary	16
		4.1.3	Liabilities	16
		4.1.4	Retirement, Foreign, Deaths	16
	4.2	Cash I	Reserves	16
		4.2.1	What are Cash Reserves?	16
		4.2.2	Cash Deficits	16
		4.2.3	How Cash Reserves are Spent	17
		4.2.4	How Cash Reserves are Acquired	17
	4.3	Luxur	ry Tax and Cash Deficits	17
		4.3.1	What is a Luxury Tax?	17
		4.3.2	Luxury Tax Limit	18
		4.3.3	Tax Timing	18
		4.3.4	Cash Deficits	19
	4.4	Penalt		19
		4.4.1	Transactional Penalties	19
		4.4.2	Injured List Penalties	20
		4.4.3	Inactivity & Anti-Tanking Penalties	21
5	Con	tracts		23
	5.1	Arbitr	ration	23
		5.1.1	Service Time	23
		5.1.2	Arbitration Salaries	24
		5.1.3	More Reading	24
	5.2	Guara	inteed (Major-League) Contracts	25
		5.2.1	Contract Options	25
		5.2.2	Further Reading	27
	5.3		rbitration Non-Guaranteed Contracts	27
		5.3.1	League-Minimum Salaries	28
	5.4		League Contracts	28
	- / -	5.4.1	Terminology	28
		5.4.2	Timing	29
	5.5		sions	30
		5.5.1	Contract Length	30

		5.5.2	Contract Terms	30
		5.5.3	Free Agent Tender Value	30
		5.5.4	Finalizing Contract Parameters	31
	5.6	Opt-Ou	uts	31
		5.6.1	Guaranteed Contracts	31
		5.6.2		32
		5.6.3	Minor-League Contracts	32
	5.7	Qualify		33
		5.7.1	Qualifying Offer Eligibility	33
		5.7.2	How a Player Decides to Agree to/Decline a Qualifying Offer	34
		5.7.3		35
	5.8	Service	e Time	37
		5.8.1	Service Time	37
		5.8.2	Automatic Additions to Service Time	37
	5.9	Veterai	n Players	38
<u> </u>	A m	tour A	canisition	39
6	6.1		•	39
	0.1	6.1.1	· · · · · · · · · · · · · · · · · · ·	39
		6.1.2		39 40
		6.1.3		40 40
		6.1.4		40 40
		6.1.5	3	40 41
		6.1.6		41 42
		6.1.7	0 0	42 42
	6.2			44 44
	0.2	6.2.1	8	44 44
		6.2.2	8 7	44 45
		6.2.3		45 46
		6.2.4	ξ ,	46 46
		0.2.4	Dollus I dol	±0
7	Free	Agenc	<b>y</b> 4	19
	7.1	In-Seas	son Free Agency	49
		7.1.1	Foreign Player Movement to MLB	50
	7.2	Off-Sea	ason Free Agency	50
		7.2.1	Free Agency Bidding and Contracts	51
		7.2.2	Free Agent Contract Limitations	52
		7.2.3	Contract Options	53
		7.2.4		53
		7.2.5	Tender Sheet	54

		7.2.6	Bidding Amounts
8	Trai	nsaction	Types 57
	8.1	Depart	cures from MLB
		8.1.1	Death
		8.1.2	Foreign Leagues
		8.1.3	Retirement
	8.2	Injured	l List
		8.2.1	Types of IL
		8.2.2	Activating a Player
		8.2.3	Special Rules for IL Placement
		8.2.4	MLB IL Placement
	8.3	Option	ing, Recalling, and Purchasing Players 61
		8.3.1	Optioning a Player 61
		8.3.2	Option Years
		8.3.3	Option Terminology
	8.4	Releasi	ing or Non-Tendering a Player
		8.4.1	Releases
		8.4.2	Nontenders
	8.5	Restric	ted List
	8.6	Rule 5	Draft
		8.6.1	Draft Order
		8.6.2	Player Eligibility for MLB Rule 5
		8.6.3	How Rule 5 Eligibility Years Are Determined 66
		8.6.4	Roster Limits
		8.6.5	Selecting Players
		8.6.6	Trading
		8.6.7	Removing Major League Rule 5 Player from Roster 68
	8.7	Trades	
		8.7.1	What Can Be Traded
		8.7.2	Trade Deadlines
		8.7.3	Draft Pick Trades
		8.7.4	IFA Cap Space Trading
		8.7.5	Financials
	8.8	Waive	
		8.8.1	Waiver Priority
		8.8.2	Waiver Types
		8.8.3	Unconditional Release Waivers
		• •	

## 1 About

## 1.1 History

The National Pastime League (NPL) was founded in February 2015 by Evan Brunell (Defenestrations of Prague) and Gerald Andriole (former owner, MIT Beavers).

The current NPL directors are Jarrett Seidler (Asbury Park Bosses), Michael Sarinsky (Hunter Gatherers), Tommy Bennett (Los Angeles Bulldog), Chris Fargis (Brooklyn TOOTBLANs), Bret Sayre (Cheesequake Cheddar), and Daniel Rathman (Defenestrations of Prague).

Before founding NPL, Evan and Gerald were members of the Big Show League, part of Reality Fantasy Baseball. Big Show League was in operation for many years, with the most recent iteration born in 2006. Using RFB's proprietary engine, Big Show was designed to mimic MLB as closely as possible for the most realistic fantasy baseball experience possible.

For several reasons, Evan and Gerald decided to create their own take on a fantasy baseball league modeled after actual mechanics of an MLB team and formed their own league. Many owners from Big Show are also members of NPL.

After one year using RFB's proprietary engine, NPL shifted to the Scoresheet platform. Using real-life statistics of baseball players, fantasy statistics are generated with head-to-head games against other teams in the league. Adherence to MLB rules is prioritized and applied whenever possible.

## 1.2 About the Rules

#### 1.2.1 Introduction

This rules document covers most, but not all, rules in NPL. If rules are missing, owners may request that the rule be added to the document. Rule changes sugges-

#### 1 About

tions may be submitted to the NPL Directors, also serving as the Rules Committee (RC) by email at <a href="mailto:npldirectors@googlegroups.com">npldirectors@googlegroups.com</a>. For Winter Meeting rule considerations, please submit your proposal at this link.

All rule changes must go through the Rules Committee with the exception of programming or technological developments, which will be announced to the league as rapidly as NPL ambassadors learn of changes.

#### 1.2.2 Committee

The Rules Committee comprises all league directors.

## 1.2.3 Rules Changes

### 1.2.3.1 Standard Rule Changes

All rules must meet the approval of the RC before the league can vote on the rules. For those that do not meet approval from the RC, a vote on the rule will not be considered.

The majority of all rule changes will be voted on and applied in the early offseason, primarily at the Winter Meetings. Most rule changes will fall under this category.

For league votes on rule changes, a quorum (51%) of teams in the league must weigh in, and votes are by simple majority.

### 1.2.3.2 Emergency Rule Changes

The Rules Committee may propose an Emergency Rule Change at any point to address immediate and pressing situations outside of the Winter Meetings that has significant impact if the rule is instituted. Emergency Rule Change proposals will be voted on in a timely fashion by the league and require 75% approval from voting participants (those who abstain are not counted in the vote) to pass, and a quorum must be reached. Emergency Rule Changes that pass will be expedited and go into immediate effect upon completion of the vote.

### 1.2.3.3 Executive Rule Changes

The Rules Committee has the power to institute Executive Rule Changes at any point in the season in situations where the committee deems it appropriate. Oftentimes, these rule changes are either transactional in nature, must be altered to meet new MLB CBA rule changes, and/or are "common sense" changes. Executive Rule Changes requires 90% of the league to vote to reverse it, with a quorum met.

## 1.3 League Fees

League fees of \$200 every year for the right to own and operate a team for the following season.

\$79 of the league fees go to Scoresheet for game-engine operations, while \$20 is designated for the operations fund. The operations fund helps maintain upkeep of the website, plus additional enhancements that benefit the league. \$101 of the fees go to a prize pool.

The money comes out of either previous year winnings, any positive balance remaining from previous payments, or a payment made directly to NPL. Instructions on how to pay are communicated each year. Presently, payments are accepted only via PayPal (no fees from PayPal allowed, or send enough to cover fees), Venmo, and Square.

## **1.3.1 Timing**

League fees can be paid at any point, but due by the end of October. This date ensures that we have active owners for each team leading into offseason that directly impacts the following regular season.

Should an owner not pay the league fee by the end of October and has not informed the league of their departure, the rosters of the unpaid teams will be frozen. What this means is that no action can be taken by the owner until he/she has paid: no trades, no transactions, nothing of the like—even if it means they miss the deadline to perform a transaction.

Additionally, unpaid teams are considered vacant and will be replaced without communication (and payment) from the owner. If a new owner is found, payment

#### 1 About

must be received first before they are announced to the league and can partake in any transactions.

## 1.3.2 Winnings

The prize pool is broken down as such:

- Wild Card Losers(2): \$50.00
- Wild Card Winners (2): \$100.00
- Division Winners (6) \$200.00
- Pennant Losers (2): \$40.50
- Pennant Winners (2): \$121.50
- World Series Winner (1): \$600.00

This means the maximum an organization can win each year is \$921.50: Division Winner, Pennant Winner, World Series Winner.

## 1.3.3 Paying Out

Winnings are paid out to league fees first before being distributed via the medium of the league's choosing. Meaning, each team will have their prior year's winnings removed from their league fee balance first before pay out.

Any outstanding balance remaining on league fees after this is applied must be paid by the owner. Any overage (so anyone who made the Championship Series in each year) will be paid out to owners once all league fees have been paid in.

Owners have the ability to leave any winnings with the league and have it apply to future year payouts.

# 2 League Structure

## 2.1 Deadlines

### 2.1.1 NPL Transactions

Transactions for the week's cycle are due every Monday to the NPL League Office by 1pm ET. These transactions must tie out exactly with your Scoresheet transactions. If they do not, your transactions will be voided. For each transaction that does not correlate with Scoresheet, your team will be fined \$100,000.

- For moves you make on Scoresheet that do not correlate with NPL, the NPL rosters will be updated to reflect the correct transactions.
- For moves you make in NPL that you do not do so on Scoresheet, the NPL rosters will be updated to reflect the correct transactions, but the Scoresheet rosters will not—and you must still make the moves in Scoresheet.



You decide to option Mookie Betts and recall David Freese. You make the moves on Scoresheet but do not do so in NPL. The moves will be executed on the NPL rosters and you will be fined \$200,000 (Betts option; Freese recall).

### 2.1.2 Scoresheet Transactions

Edits to your Scoresheet roster may be made up until five minutes before the first game that Monday (which on occasional Mondays will be prior to the 1pm ET transaction deadline).

While you do not need to make Scoresheet moves by the 1pm ET NPL deadline, they will be voided out if no moves have been made on Scoresheet. If your transactions are submitted to Scoresheet but miss the weekly Scoresheet deadline, you

### 2 League Structure

will have to play the games of the week with your previous week's roster—but your NPL transactions will have still taken effect and cannot be reversed.

### 2.1.3 Transactioners

There are several owners in NPL who also double as transactioners. Transactioners are responsible for reporting transactions to the league and ensuring Scoresheet correlations by Wednesday evening. To communicate with transactioners on questions, email npltransactions@gmail.com.

## 2.2 Regular Season

Each of the 24 NPL clubs plays a 162-game interleague regular season league-weighted schedule. AL teams will play AL teams more often, but teams will play games against every team in the league; they just will play a few more games against teams in their own AL or NL league.

The 24 clubs are divided into two leagues of 12 clubs each, with both leagues using a designated hitter (DH). The 12 clubs in each league form three divisions of four clubs, the structure of which can be found here.

The NPL regular season begins the same week as the MLB season and concludes one day the same week as the MLB season.

A player's playing time and statistics generated any given week will impact the team's performance that given week in Scoresheet.

NPL divisions will be realigned every two offseasons, beginning before the 2022 season.

## 2.3 Postseason

Three division winners plus two Wild Card teams from each league qualify for the postseason.

The two Wild Card teams are the non-division winners with the best records in each league. They play a seven-game playoff series to determine the winner of the wild card.

The winner of each wild card game advances to play in the best-of-seven Division Series round and will play the best overall division winner. Clubs that advance in the Division Series round compete in a best-of-seven League Championship series. Finally, the two league champions collide in the best-of-seven World Series.

## 2.3.1 Postseason Eligibility

Given the mechanics of how Scoresheet manages playoffs, NPL is unable to accurately mimic MLB rules for the postseason. As a result, please refer to the Scoresheet playoff explanation to understand who is eligible for the playoffs.

Additionally, a player who received a Performance Enhancing Drug Suspension prior to the start of Spring Training, during Spring Training, during the regular season, or during a post-season series (Wild Card, LDS, LCS, or World Series), is ineligible to play in any NPL or minor league post-season game(s) or series in that season, even if the player has completed serving the suspension.

#### 2.3.2 Postseason Rosters

Due to differing mechanics from Scoresheet and NPL in how postseason rosters are governed, you must follow the outlined steps below in order to effectively reflect a postseason roster that is how you want it. Any lack of following these steps will result in your regular season lineup, the same week postseason rosters are due being used instead of your playoff-specific lineup.

- There is no change in managing your lineup for the regular season. Manage it as you have been managing them all season through the normal add/drop process, etc.
- If you wish your playoff roster lineup to be the same as the regular season lineup, there is no further action you need to take.
- If you wish to submit a different playoff roster lineup than the regular season lineup, you must do the following:
  - Click the link at the top of your regular season lineup that states "If you want to create or edit a separate lineup card that will ONLY be used for the playoffs, then click here."

### 2 League Structure

- You will be presented with your rosters as it currently stands for the regular season. To make changes you will not be using the regular add/drop process! The add/drop process for the playoff roster is below, and you will need to know where the add field is in the playoff roster lineup:
- Below the farm section for hitters/pitchers respectively is a note that states: "If you own a position player not listed above (for instance from a private draft that hasn't been entered yet) and you want to use him on your lineup, then type his player number or name here."
- Here is the playoff add/drop process:
  - ADD: Use the box below the farm sections to add your playoff-specific players that are not currently on your playoff roster.
  - DROP: You will not be actually dropping anyone from Scoresheet. Anyone that does not make your playoff roster should be sent to the farm, not dropped. Be sure that you still maintain an active roster of 30.
- Submit the playoff-specific roster to Scoresheet, then send an email to npltransactions@gmail.com detailing:
  - Each player you have placed on your farm. The NPL office will bundle all these details from all teams and send to Scoresheet, who will then formally manage dropping these players from your playoff roster. These players will not be formally dropped on your NPL team at the end of the season, as the process governing active playoff line-ups differs from the regular season—anyone who does not make your playoff roster that stays on your regular season roster will not be optioned/placed on the IL/etc.; so they still count to the 40-man, even if they are impending free agents!)
  - Each player you added to your playoff roster that is not on your regular season roster, along with the transaction that you want executed for these players after the final week of the regular season. At the end of the regular season, the transactions will then be formally executed for anyone who still is not in the major leagues. (If you add someone that fits in this category to your regular season lineup in the intervening weeks, then the transaction for that player at the end of the season will be ignored.)

## Example

- Barry Bonds is currently on the Injured List and Pedro Martinez is currently in Double-A on an off-40 contract, so they are not on the regular season roster, but Team 1 wants them on the playoff roster.
- Team 1 submits a special playoff-only lineup through Scoresheet where they add Bonds and Martinez to the lineup card through the box under the farm teams. They place Bobby Abreu and Paul Byrd on the farm.
- Team 1 submits their regular season lineup to Scoresheet that has Bonds and Martinez not on the roster, and Abreu and Byrd on it.
- Team 1 emails NPL stating that Bonds (activated from IL) and Martinez (contract purchased) are on the playoff roster, and Abreu and Byrd are not on the playoff roster.
  - The team is at a full 40-man, so they email in a corresponding transaction to be executed at the time Martinez is purchased: release Jose Canseco.
- Team 1 plays the regular season week (and future weeks) with Abreu and Byrd as active players. NPL office shares the postseason drops with Scoresheet, who then drop Abreu and Byrd from the playoff roster lineup only, not the regular season lineup.
- In the middle of September, Team 1 activates Bonds from the IL and places him in the regular season lineup.
- At the end of September, NPL directors review the team status. Bonds' pending activation from the IL is negated; it already happened. Directors process adding Martinez to the 30- and 40-man and release Canseco. No action is taken with Abreu and Byrd's status on the active roster.

**NOTE:** If Team 1 did not have a full 40-man roster at the time of setting the playoff lineup and thus did not submit a corresponding move for Martinez, but during September ended up with a full 40-man roster, they must follow-up with the league with a corresponding 40-man move for Martinez, otherwise the team will be subject to penalties for going over on the 40-man.

## 2.4 Gameplay

NPL uses the Scoresheet platform as its game engine and is subject to all Scoresheet rules as relate to actual gameplay (but not roster construction). All Scoresheet information and rules can be found on its website.

During the regular season, all NPL transactions are due by 1pm Eastern on Monday. For lineup settings on Scoresheet, you have until just before the first MLB game of the day Monday. Please note that there are a couple times where games are earlier than 1pm, and sometimes there will not be games until nighttime. The NPL transaction deadline of 1pm never changes.

### 2.5 NPL Website

### 2.5.1 Website Details

## **2.5.1.1 Logging In**

To log in, go to http://nationalpastime.org/wp-login.php. Your username is your full team name, all lowercase. For your password:

- the first-listed GM of each new team will have received an email from the website with login details. Spam should be checked if no email was received.
- pre-existing clubs should use the same login information as last year.

#### **2.5.1.2** Making a bid

Once you are logged in, you can go to the free agency page and find your player to bid on. Click the player's name, put your point value in the appropriate window and we're off to the races.

Keep in mind that you have the ability in this platform to rebid. If you bid 20 points and change your mind later and want to bid 22, you are able to do that.

## 2.5.2 Anonymous Bidding

You will not be able to see who has bid what in the past—only the current high bid. All bids are tied to the correct team in the backend for the league to know who has won the player.

Given the nature of anonymous bidding, if you do not remember what your last bid was and/or if it is the high bid, you should be careful to make sure you are not bidding against yourself. That is where the FASP dashboard comes in handy for your bid history.

### 2.5.3 Countdown Timer

Each player has an automatic countdown timer, which is shown on each player's auction page and on the main bidding page.

### 2.5.3.1 Categories

Each player is categorized as either Free Agent or International Free Agenct to make it easier once IFA begins.

#### 2.5.3.2 Bid Status Tracker

There are tabs just above the nominated players where you can flip around and see players who are about to expire, those who just expired, and more.

#### 2.5.4 FASP Dashboard/Watchlist

Any player you are bidding on and want to keep track of can be added to your personal watchlist by clicking his name as if you were going to bid on him, then selecting "Add to Watchlist." You can find your watchlist in the FASP Dashboard.

The FASP Dashboard allows you to see the following: all of your active bids, bids that you successfully won (or lost), and the watchlist. What the watchlist does is essentially allow you the ability to look at a glance what the high bid is on a player.

## 2 League Structure

## 2.5.5 Notifications

You will receive email notifications confirming your activity in the auction. Please check spam first before reporting issues receiving them.

For more information on: the free agency bidding process, see (Section 2.5); free agency rules, see (Section 7.2); or tender sheet information, see (Section 7.2.5).

# 3 Organization Structure

The overall roster limit per team is 85 players. Each roster is divided into a major league roster (see Section 3.1) and a farm system (see Section 3.2).

## 3.1 Major League Roster

An NPL major league roster has two limitations: the Active Roster and 40-man roster.

#### 3.1.1 40-Man Roster

At no point during the regular season or offseason, except for a brief period following the regular season, can a a club have more than 40 players on the 40-man roster. Players on the 40-man roster are either Active or on Option during the regular season.

#### 3.1.2 Active Roster

Between Opening Day and August 31st, the Active Roster comprises 30 (no more, no less) players who are all available for NPL major league games. (In MLB, this is the 26-man roster.)

Between September 1st and the end of the regular season, Active Rosters are expanded to 40 players, but clubs do not need to staff all 40– no less than 30, no more than 40.

After the last game of the regular season, there is no difference between the Active and 40-man roster until Opening Day of the following season.

## 3.2 Farm System

NPL clubs have three levels of minor leagues: Triple-A, Double-A, and Single-A.

A team can only have 85 total players on the 40-Man Roster, 60-Day disabled list, Restricted List, Triple-A, Double-A, and Single-A. Players on the End of Season Disabled List, Retired, and Foreign do not count to the 85-man limit.

## 3.2.1 Triple-A

Triple-A comprises players optioned to the minors, players assigned outright, and non-roster players. Triple-A players may not be demoted to the lower levels.

## 3.2.2 Double-A & Single-A

Players may only be acquired for Double-A or Single-A through the First Year Player Draft, the International Free Agency Signing period, and trade.

There is no limit to the number of players who may be placed in a club's Double-A and/or Single-A levels, though clubs may never exceed the organizational limit of 85 players. A player's presence in Double-A is defined by the year next to their name: years of the next two upcoming seasons plus all previous years reside in Double-A. Everyone else is in Single-A.



### Example

- In the 2019-2020 offseason, Double-A players holds players with the years prior to 2019 (2019, 2018, etc.), 2020, and 2021.
- In the 2019-2020 offseason, Single-A players holds players with the years of 2022, 2023, and 2024.

## 4 Financials

## 4.1 Major League Payroll

Major League Payroll, often simply referred to as "cap space" in NPL, is the amount of total salaries you have committed to your players and liabilities for any given season.

The payroll maximum changes each year based on the average MLB Opening Day payroll from the prior season plus a yearly inflation percentage of 8%, the approximate average MLB inflation from 2011-2017. The cap can never decrease; should the average MLB payroll plus inflation rate result in a lower number than the current NPL cap, the current NPL cap number will remain in effect.

If teams go past the maximum payroll, they are subject to a luxury tax.



### Example

If the 2018 average MLB payroll is \$140,000,000, the 2019 NPL payroll would

140,000,000 \* 1.08 = 151,200,000

The following factors may contribute to the payroll, either as income or expenditures, thereby impacting the funds available for major league salaries.

#### 4.1.1 Salaries

Salaries are the main liability that count against your salary cap. For more information, see:

- Guaranteed salary (Section 5.2)
- Non-guaranteed arbitration salary (Section 5.1.1.2 and Section 5.1.1.1)
- Non-guaranteed pre-arbitration salary (Section 5.3)

#### 4 Financials

## 4.1.2 Carried Salary

NPL clubs can be liable for salaries of players no longer on their team, either via trading the player and assuming some contract coverage, releasing the player, or trading for another team's carried salary.

#### 4.1.3 Liabilities

Should a club exhaust and show a deficit in its Cash Reserves (Section 4.2), the club will "borrow" funds from the major league payroll to cover the liabilities. More information in the link.

This expense will be reflected in the Other MLB Payroll Income & Expenditures section under the term "Liabilities" and will be equal to the Cash Reserves deficit in the given year.

## 4.1.4 Retirement, Foreign, Deaths

Retired players and players that play in a foreign league do not have their contracts forgiven. However, these players will not count towards any roster total.

Deaths result in the team paying 25% of the annual salary each year of the original contract.

## 4.2 Cash Reserves

### 4.2.1 What are Cash Reserves?

Separate from payroll, NPL clubs have a Cash Reserves fund. Cash Reserves may be carried over from year to year and there is no maximum limit to cash you own. The biggest thing that cash reserves do is impact your FYPD and IFA budget.

#### 4.2.2 Cash Deficits

Click here to read about what happens if cash reserves go into the negative.

## 4.2.3 How Cash Reserves are Spent

- Buyouts of contract options (Section 5.2.1)
- Signing bonuses in free agency (Section 7.2.2 and Section 7.2.5)
- First Year Player Draft signing bonus overages (Section 6.1.6)
- International Free Agency signing bonuses (Section 6.2.4)
- Trades (Section 8.7.1)
- Penalties (Section 4.4)
- Payment of luxury tax or cash deficits (Section 4.3)

## 4.2.4 How Cash Reserves are Acquired

- Annual infusion from the league to match IFA allotments: \$5.75 million for bottom eight finishers, \$5.25 million for middle eight finishers, and \$4.75 million for top eight finishers (Section 6.2.4)
- First Year Player Draft signing bonus underages (Section 6.1.6)
- Trades (Section 8.7.1)

## 4.3 Luxury Tax and Cash Deficits

## 4.3.1 What is a Luxury Tax?

The luxury tax is a surcharge put on the total payroll of a team inn the instance of it exceeding the salary cap amount for the season. The tax is assessed at a 1:1 ratio and drawn from cash reserves.

If you are able to reduce your salary cap in season, you will not be assessed additional luxury tax penalties unless you go beyond the tax you have already paid for.



### Example

The 2015 salary cap was \$125 million. If a team has exactly that amount and acquires a player they must pay \$1 million to, they are taxed \$1 million cash.

## 4.3.2 Luxury Tax Limit

A club can only go past the salary cap the amount they possess in cash reserves.



### Example

A club has \$5 million in cash reserves during a year where the salary cap is \$130 million. If they do not acquire additional cash, a team may never have a payroll greater than \$135 million.

Any transaction that violates this stipulation will not be allowed to process. If penalties cause this to be violated, a triple salary-cap hold will be placed on next season's salary for the amount of the violation.

## 4.3.3 Tax Timing

#### 4.3.3.1 Offseason

From the conclusion of the NPL regular season until Opening Day, no luxury tax is assessed and payroll is not tracked. Remember that your payroll reflects the full balance of all your current players and expenditures. Some players are guaranteed, and some may be released with partial pay in the offseason. Always keep a good note of your team's accounting.

#### See:

- Guaranteed salary (Section 5.2)
- Non-guaranteed arbitration salary (Section 5.1.1.2 and Section 5.1.1.1)
- Non-guaranteed pre-arbitration salary (Section 5.3)

#### 4.3.3.2 Regular Season

Starting on Opening Day, any luxury taxes will be assessed immediately, and then for each in-season transaction that increases the cap.

Example: If your opening day payroll is \$4,000,000 above the cap you will pay a \$4,000,000 tax from cash reserves that week. If you add a player making \$1 million in June on top of that, you will pay a \$1 million cash tax.

### 4.3.4 Cash Deficits

You may not make any type of transaction that causes your Cash Reserves (Section 4.2) to operate at a deficit in-season without incurring a penalty. In the offseason, you have until Opening Day to solve any cash deficits before incurring penalties – however, a deficit cannot be created due to draft pick bonuses after the bonus pool rounds. (So you can only create a deficit in the off-season with option buyouts, trades, International Free Agency, and penalties, essentially.)

Should a club exhaust all of its Cash Reserves, it will be forced to borrow funds equal to the deficit from its MLB Payroll for that season, as well as paying out of the following year's cash reserves.

### 4.4 Penalties

There are three types of penalties: transactional penalties and inactivity, injured list, and anti-tanking penalties.

#### 4.4.1 Transactional Penalties

There are two types of transactional penalties: missing deadlines or recording incorrect transactions.

#### 4.4.1.1 Deadline Penalties

Should you miss a key deadline to perform some type of transaction (decline a club option, etc.) and you wish to do execute the transaction after the fact, it will be the discretion of League Directors whether to allow the club to put a transaction through.

There are some deadlines in which the league will not be able to grant exemptions, but the league will be fair in its assessment. If it is possible to allow the club to submit a transaction to fix the issue without an adverse impact on the rest of the league, another team, or in upkeep of the league, it will be allowed.

Every single transaction that is allowed to occur after a deadline will result in \$200,000 being taken out of cash considerations. Should a fine result in a negative cash balance, the owner will select whether to continue with the cash fine, or

#### 4 Financials

to have the fine taken out of the current year's cap space plus next year's cash balance.

#### 4.4.1.2 Incorrect Transactions

Should an owner submit an incorrect transaction to the league (including trades) that result in some type of illegal move (more than 85 players, 40 players, etc.) the league will fine the team \$100,000 for each individual transaction.

It is at the discretion of the League Directors whether to assess this fine.

As a general rule, offseason indiscretions are more forgiving. In-season transactions adversely impacting the Active Roster not always being at 30 will never not result in a fine.

## 4.4.2 Injured List Penalties

Once a player is activated in MLB, NPL owners have an entire Scoresheet cycle to activate the player. It is incumbent on the owners to activate the player on its own; NPL ambassadors will not inform teams of eligibility.

- The penalty for past-due activations is \$200,000 in cash considerations per Scoresheet cycle for 14-day IL overstays.
- The penalty for 56-day IL overstays is \$300,000 in cash considerations per Scoresheet cycle.
- Players that were placed on the End of Season IL that end up returning to action:
  - MLB action: Automatic placement on 14-day IL for the rest of the season. You cannot activate the player. If you go over on the 85- or 40-man roster as a consequence, you must release someone.
  - Minors action (including rehabilitation assignments): Automatic placement on 56-day IL for the rest of the season. You cannot use the player.
    If you go over on the 85-man roster as a consequence, you must release someone.

## 4.4.3 Inactivity & Anti-Tanking Penalties

In order to encourage activity, promote realism and prevent tanking, there are penalties for not keeping a team honest in healthy, MLB players. This is tracked through Scoresheet's usage of AAA players. AAA players are used by Scoresheet only when there is not enough at-bats or innings pitched to cover a team's needed statistics for the week.

### 4.4.3.1 Pitching

Penalties begin accruing when teams exceed 250 AAA IP. A \$200,000 penalty is assessed at 250.1 AAA IP, and additional \$200,000 penalties are assessed for each 100 additional AAA IP.

#### 4.4.3.2 Hitting

Penalties begin accruing when teams exceed 550 AAA AB. A \$200,000 penalty is assessed at 551 AAA AB, and additional \$200,000 penalties are assessed for each 150 additional AAA AB.

#### 4.4.3.2.1 Penalty Amounts

Teams forfeit their first-round Rule 4 draft pick when their combined AAA pitching and hitting penalties exceed \$1,000,000. In such cases, \$1,000,000 will be deducted from the penalty amount.

## Examples

249 AAA IP or 549 AAA AB: no penalty

250.1 AAA IP or 551 AAA AB: \$200,000 penalty

650.1 AAA IP or 1151 AAA AB: \$1,000,000 penalty

750.1 AAA IP or 1301 AAA AB: Loss of first-round pick & \$200,000 penalty

250.1 AAA IP and 551 AAA AB: \$400,000 penalty

450.1 AAA IP and 851 AAA AB: Loss of first-round pick & \$200,000 penalty

### 4.4.3.3 Caps to Penalties

Penalties come out of cash reserves until \$1 million is hit. Once the \$1 million mark is surpassed by any amount whatsoever, the following process occurs in addition to losing \$1 million:

- 1. The earliest draft pick of the team is removed (always 1st round to start)
- 2. If the pick has already been traded, the team will lose their 2nd and 3rd round pick, unless they do not have any of these picks in possession. If they hold multiple picks in a round, it is always the last pick. If they have one of the picks but not both, the pick in possession is forfeited in addition to the following year's pick in the needed round.
- 3. If a club is unable to meet the above two conditions, they will lose their first-round pick from the prior season. If that first-round pick is no longer in the organization or was used by another team, their first-round pick in the following season will be removed. Teams will also be banned from signing any Qualifying Offer free agent if they lose a draft pick that could be lost through a QO.

If the owner committing the penalties does not return for the following season, only the cash penalty is assessed, not draft pick penalties. However, the cap will not be \$1 million in cash reserves in this instance, it will be \$2 million.

The Directors reserve the right to waive or modify penalties in extreme circumstances, e.g. clear attempts to avoid draft pick penalties that were met with bad luck or hardship.

## 5 Contracts

## 5.1 Arbitration

A player becomes eligible for arbitration when they qualify for super-two or earn at least three years of service time and no less than six years of service time.

These players are eligible to be non-tendered, absolving the team of any salary, or released within appropriate termination day windows following the non-tender deadline.

Any extensions signed by the player results in guaranteed salary.

#### 5.1.1 Service Time

Any player who is named to the MLB All-Star Game teams, finishes in the top three for AL or NL MVP, the top three for AL or NL Cy Young, or the top two in AL or NL Rookie of the Year voting will receive a full year of NPL service time, regardless of how much time they spent on the NPL roster. Any player in the NPL minors who qualifies under this provision will automatically be purchased to the 40-man roster and receive this year of service time during league rollover.

Players can repeat years of service time if they do not receive enough days in the season to advance to the next year's class.

#### 5.1.1.1 Super Two Service Time

Of players with between 2 and 3 years service time, the top 22% in service time shall gain "super 2" status and become arbitration eligible. All players tied at the 22% cutoff will become super 2.

## **i** Note

Involved in the Super-2 calculation is any player who is on the offseason 40-man roster, plus those who were outrighted during the season. Anyone who was released or is on non-roster does not count. Super 2 is inclusive of those with 2.000 service, but exclusive of those with 3.000.

#### 5.1.1.2 3-5.171 Service Time

All players with 3 to 5.171 years of service time qualify for arbitration. A model developed by the NPL Directors governs the arbitration salary each year. This salary is final and cannot be negotiated.

#### 5.1.2 Arbitration Salaries

Salaries are calculated using a comps-based formula—factoring in the player's performance, service-time class, and playing time/injuries.

As a general rule, players with:

- 3-3.171 years service time receive 40% of their anticipated free-agent market value per the model
- 4-4.171 years service time receive 60% of their anticipated free-agent market value per the model
- 5-5.171 years service time receive 80% of their anticipated free-agent market value per the model

Arbitration salaries can never decrease year-to-year: the least amount a player can receive in an arbitration salary is their prior year arbitration salary.

## 5.1.3 More Reading

Read about trading arbitration players and carried salary in (TK).

## 5.2 Guaranteed (Major-League) Contracts

Guaranteed contracts are defined as those belonging to players who:

- Signed as a free-agent, whether in-season or off-season
- Earned an arbitration salary and the regular season has started
- Received a league-minimum salary and the regular season has started
- Accepted a qualifying offer
- Signed a contract extension

Guaranteed deals are just that—guaranteed. The contracts must be paid in full to the player. Multiple teams can be responsible for a player's salary through carried salary, releases, waiver claims, and more.

As part of guaranteed deals, a player has several types of contract options as well as a possible opt-out trigger.

As part of a signed contract, you can pay out to the player a signing bonus, spread out up to two payments over a max of two years. All signing bonuses come out of your cash reserves. A \$1 million signing bonus, can theoretically be one installment of \$750,000 in 2013 and another of \$250,000 in 2014. Those bonuses are subtracted from the salaries. So, if you had a \$3,000,000 salary in 2013 you would be paying out \$2,250,000 in payroll and the other \$750,000 in cash reserves.

## 5.2.1 Contract Options

Exercising an option results in guaranteeing the player the listed salary. Buying the player out is paid out of cash considerations, not salary cap space.

You cannot trade a player whose option status has not been clarified for the upcoming regular season—these options must be guaranteed first. For example, if David Ortiz has a club option for the 2019 season, he cannot be traded after the 2018 season until that 2019 option is picked up.

Should a player be released, all buyouts are paid immediately in the year the buyout would have been paid in. Unless specified in the notes section in a player's line, the buyout listed in the appropriate column is a flat one-time buyout, regardless of number of options in the contract.

NPL requests that you please submit an exercise or decline of an option no matter what to the transactions form. However, be aware that the default assumption is

#### 5 Contracts

a decline. If you do not submit any action on an option to NPL by the requisite deadline, the option will be declined. Reversals of this declined option are subject to penalities.

### 5.2.1.1 Club Options

Club options gives the choice entirely to the team whether or not to retain the player at the guaranteed salary listed.

Options tendered are always: 125% the amount of the player's average free-agent annual salary.

Buyouts are always: 15% of the option salary would have been had the option been exercised

### 5.2.1.2 Vesting Options

Vesting Options force the club to exercise the option should the player meet criteria outlined on the roster sheet, based off of NPL statistics. Should the player not reach these levels, the option becomes a Club Option.

Some vesting options instead become Player Options through a grandfathered clause from Big Show that was discontinued in NPL.

Options tendered are always: 120% the amount of the player's average free-agent annual salary.

Buyouts are always: 20% of the option salary would have been had the option been exercised

### 5.2.1.3 Player Options

Player Options allow the player to either exercise or decline the option after a special bidding period in free agency. This process is also the same for a player holding an opt-out clause. The qualifying offers page includes a section (Section 5.7.2) that describes the special bidding process that determines whether a player agrees or declines a qualifying offer. In addition to the linked information, the minimum bidding point value for the player option will reflect the player's salary minus the buyout.

A player declining a player option who then qualifies as a league-minimum prearbitration player or arbitration player remains at the status his service time dictates.

Options tendered are always: 115% the amount of the player's average free-agent annual salary.

Buyouts are always 25% of the option salary would have been had the option been exercised.

## 5.2.2 Further Reading

Check out the rules surrounding carried salary and options (Section 8.7.5.2.3).

## 5.3 Pre-Arbitration Non-Guaranteed Contracts

Players that do not qualify for arbitration or free agency that are on a 40-man roster or Assigned Outright at the conclusion of a regular season receive major-league contract with an escalator based on the year of their service time.

There are three ways a player receives a pre-arbitration non-guaranteed contract:

- Promoted from the minor leagues (A, AA) that season. These players always begin at the league-minimum salary for that season
- Promoted from non-roster—said players may not necessarily be at a leagueminimum salary depending on how they were signed and for how long for
- Under contract the prior season through one of the above two methods that is retained under team control—said players will not be at league minimum as they will receive an escalator

Players with MLS (major league service) of:

- first time placed on Active Roster: receive a 0% raise
- 0.000 0.171 (less than 1 year MLS) receive a 5% raise
- 1.000 1.171 receive a 10% raise
- 2.000 2.171\* receive a 15% raise

#### 5 Contracts

All service time for players are based on the service they receive in NPL and not what they accrue in real-life. If a player in MLB gets one full year of MLS but only 150 days in the NPL, he only has his NPL MLS factored in.

These players are eligible to be non-tendered, absolving the team of any salary, or released within appropriate termination day windows following the non-tender deadline.

Any extensions signed by the player results in guaranteed salary.

All pre-arbitration non-guaranteed contracts can be non-tendered.

## 5.3.1 League-Minimum Salaries

NPL always follows the MLB CBA in defining league-minimum salary terms. Table 5.1 gives those amounts for upcoming seasons.

Table 5.1: League Minimum Salaries by Season

year	salary
2023:	\$700,000
2024:	\$720,000
2025:	\$740,000
2026:	\$760,000
2027:	\$780,000
2028+:	decided in next MLB CBA

## 5.4 Minor League Contracts

## 5.4.1 Terminology

#### 5.4.1.1 Non-Roster

Non-roster players consist of players signed to minor-league contracts during offseason free agency (with some having opt-out clauses), returned Rule 5 players (see Section 8.6), or players who converted from Assigned Outright during the season to Non-Roster in the offseason (see Section 8.8.2.2.1 and Section 8.8.2.2.2).

#### 5.4.1.2 Rookie, A, Double-A Levels

All prospects in these levels are under contract to the parent club and are not assigned a salary. When promoted to the major leagues by a team, they automatically receive a league-minimum salary (see Table 5.1).

### **5.4.2 Timing**

#### 5.4.2.1 In-Season

Minor-league contracts can be signed in-season for players with prior MLB service time. Players signed to real-life contracts in foreign leagues (NPB, KBO, etc.) are only eligible to sign major-league contracts in NPL during in-season free agency.

Any player who is in the minor leagues or on non-roster during season has a minimum salary applied when they are promoted to the major leagues. Minor league players receive the league minimum (see Table 5.1); non-roster players receive the salary defined next to their name which they signed in the offseason or had renewed.

#### 5.4.2.2 Offseason

At the end of the regular season, all non-roster players have their contracts renewed at the same amount for the following season unless it needs to be raised up to meet the new league-minimum salary.

In free agency, minor league contracts can be signed that put a player on a team's non-roster section in Triple-A. If they have more than 3 years of service time, they also become eligible for opt-outs (Section 5.6.3). All minor-league contracts are signed for one season only.

Players are not eligible to sign minor league contracts until a defined period in free agency which is several weeks after free agency opens. Please refer to the NPL Free Agent Tender Sheet for all contract restrictions. In essence, a player may not sign a minor-league contract greater than 9.9 points.

Players signed to minor league contracts are eligible to be traded at the conclusion of the Free-Agent Auction.

### 5.5 Extensions

### 5.5.1 Contract Length

Players with service time between 2.000 and 4.171 are currently eligible to sign a contract extension that buys out two free agent years.

#### 5.5.2 Contract Terms

Extensions are determined based on current year arbitration salary and a formulabased approach to a tender sheet similar to the free-agent tender sheet. Owners plug in the requested amount of years and other salient information into the tender sheet. Every single column highlighted for entry must be populated correctly or the tender will not be considered. The numbers that come out form the basis, but is not necessarily the final determination, of the extension parameters.

Club, vesting, and player options can be requested and span multiple years, but multiple years of options will be difficult to obtain and come at a premium unless the player's real-life deal has multiple options, in which case NPL will entertain similar parameters.

Terms can only be requested by a team that holds the rights to the player in question, and has the ability to extend the player. Teams that do not hold the rights to the player cannot request terms.

### 5.5.3 Free Agent Tender Value

The tender sheet asks owners to take the projected salary for the player's free-agent years (as defined on the extensions tender sheet) and plug those terms into the free-agent tender sheet as a standalone free-agent contract. (The extension sheet will tell you which year begins the projected free-agent year of the player.) Owners may then plug the resulting point value generated by the free-agent tender back into the extension tender sheet.

Owners may then modify the salaries for the free-agent years of the extension as they see fit, so long as the structure maintains the same number of points and/or the same Average Annual Value and otherwise adheres to the rules for free-agent contracts (e.g., no yearly salary decreases greater than 10%, etc.). So that the directors can verify the offer, owners should input the free-agency years portion of the extension on the free-agent tender sheet before submitting it.

At no point will you edit the free agent year values of the extension sheet.

### 5.5.4 Finalizing Contract Parameters

The tender sheet must be provided to the NPL extensions representative, who will verify the tender sheet's accuracy. Owners must indicate whether they changed the free-agent contract parameters from the automatic values provided by the extension tender sheet.

The Directors will then make a determination if the player would sign the length of the contract proposed, a different term length, or whether he will sign at all.

After this information is exchanged, the owner can propose to the extensions representative to sign either the tender sheet structure or different monetary terms along with reasoning why the tender sheet should not be followed such as injury history, performance fluctuations, pertinent real-life extension signed by the player, etc. There will also be occasions where the extensions representatives will ask for higher compensation than the tender sheet suggests.

Once negotiations are complete or otherwise at a stage the Directors should be brought in to decide, the Directors will render a final approval or rejection before the extension is formally signed by the player.

### 5.6 Opt-Outs

#### 5.6.1 Guaranteed Contracts

A player on a guaranteed contract holding an opt-out clause will be placed in offseason free agency during the offseason their option/opt-out is triggered. Please

<sup>&</sup>lt;sup>1</sup>All players to be named later must be satisfied prior to the start of the NPL quiet period each October. This means the longest someone can be a PTBNL is from November of one year to October of the next (approximately 11 calendar months). Additionally, PTBNLs can only be players not on the 40-man roster at both the time of the trade. To ensure compliance, you must submit the PTBNL or a list of potential PTBNL to the NPL transaction email at the time of the trade.

#### 5 Contracts

head to Section 5.7.2, which defines how a player agrees or declines it to read more about this special bidding process. In addition to the linked information, the minimum bidding point value for the opt-out will reflect:

- The player's option salary minus the buyout for any player option
- The player's buyout value for any vesting option
- The player's buyout value for any club option

Should a player opt-out of his contract, there is no buyout.

### 5.6.2 Non-Qualifying Free Agents

A player opting out who then qualifies as a league-minimum pre-arbitration player or arbitration player heads to free agency and does not get his contract renewed/an arbitration salary.

See Options Terminology for the rule around a non-qualifying free agent declining a player option.

### 5.6.3 Minor-League Contracts

Any player who signs a minor-league contract in the offseason and has at least 3.000 years of MLB service is eligible to opt-out at three periods during the season. If a player does not have 3.000 MLS and a minor-league contract, they are ineligible to opt-out.

Any player who is on a non-guaranteed minor-league contract for more than double the minimum salary must be added to 40-man roster (which guarantees their salary) by the legal 85-man/40-man roster date or they will opt out of their contract.

The three opt-out periods start on the below dates and run through the day before the next-mentioned date. This means that a player can opt out at any time after June 1 following the below parameters.

- June 1: Player will sign a major-league deal worth at least 75% of the minor-league salary value<sup>2, 3</sup>
- July 15: Player will sign a major-league deal worth at least 50% of the minor-league salary value  $^{2,\ 3}$
- August 15: Player will sign a major-league deal worth the league minimum

The original club may place a bid if they wish, which would effectively allow them to promote the player to the 40-man at a cheaper salary.

Players eligible to opt-out are available on the Free Agents, Waivers, Opt-Outs tab.

To tender a bid, follow the in-season free agency process (Section 7.1).

## 5.7 Qualifying Offers

### 5.7.1 Qualifying Offer Eligibility

Players who qualify for free agency at the conclusion of the regular season are eligible for qualifying offers (QO).

### 5.7.1.1 Qualification Parameters

Players can qualify for free agency in the following ways that make them eligible for a qualifying offer:

- Contract expiration and service time at or greater than six years
- Club option declined

<sup>&</sup>lt;sup>2</sup>Injured players are not allowed to go to the minor leagues and lose service time. If a team wants to place an injured player on OR to see if another player will claim on waivers, that is allowed. However, he will receive service time credit for the period of time he is on OR, and the waiving team still must retain him on the 40-man roster should he clear waivers.

<sup>&</sup>lt;sup>3</sup>A vesting or player option keeps the waiving club on hook for both the buyout and option salary (minus the new club's payment to the salary) until those options are resolved. If a vesting converts to a club option, the new club is responsible for the entirety of the club option salary should it get picked up.

#### 5 Contracts

- Player option declined<sup>4</sup>
- Player opt-out triggered<sup>4</sup>

Note: Nontendered players, along with those who declare free agency after being outrighted (see Section 8.8.2.2.1 and Section 8.8.2.2.2) are ineligible for qualifying offers.

### 5.7.1.2 Restrictions of Qualification

QOs may only be tendered to:

- Players who have been with the same club the entire season, defined as Opening Day through the conclusion of the regular season.
- Players who have never received a QO before (marked with a QO in their 'STA' column).

In order to garner compensation, the club holding the right to QO must offer the player a guaranteed one-year contract with a salary that will be communicated by the league office at the conclusion of the regular season. QO values are the average of the top 120 highest-paid players from the prior season. (MLB is top 125 of a total of 750 rostered players—a 25-man active roster for 30 teams. NPL is top 120 of a total of 720 rostered players—30-man active roster for 24 teams.) Clubs will then have a window of time to determine whether to tender the QO.

# 5.7.2 How a Player Decides to Agree to/Decline a Qualifying Offer

In order for the player to decide whether to accept or decline their qualifying offer (which is the same process for deciding on player options and opt-out clauses), the league bids on the player for the first week of free agency.

Players are posted with a minimum point bid required equal to the value of their remaining contract with the original club (in this case, the one-year QO value). Other clubs have the ability to outbid the minimum bid. If this occurs, the player formally becomes an unrestricted free agent subject to bidding.

<sup>&</sup>lt;sup>4</sup>A player's decision on their contract will not be known before the Qualifying Offer deadline. A team must submit a QO without knowing the player's decision. If the player ends up electing free agency, the QO will apply. If he relects to retain his current contract, the QO will become irrelevant.

Should the minimum bid not be reached during this seven-day bidding window, the player will return to the team holding their rights, binding them with their original team for the duration of the defined contract.

### 5.7.2.1 Accepting the Qualifying Offer

Upon acceptance of the QO by the player, the QO value is assigned to the player on a one-year guaranteed contract (see Section 5.2). The player also cannot be traded until the same date as a non-QO free agent who signs a contract.

### 5.7.2.2 Declining a Qualifying Offer

If the player does receive a better offer from another club within the eligible bidding window in free agency, the player becomes an unrestricted free agent without any contractual binds to his previous club.

The club will receive a selection in the First Year Player Draft between the end of the first and second round if the player signs a contract for more than \$50 million guaranteed, or between the end of the second round and the beginning of the third round (a "sandwich" pick) if less. If the player re-signs with the QO-tendering club, nothing changes with respect to draft picks.

### 5.7.3 Draft Picks and Qualifying Offers

If multiple clubs have earned compensation picks off of declined QOs, they will select based on reverse order of winning percentage from the prior regular season. A club cannot pick more than once until all clubs owed compensation have been slotted into the draft order.

A club that eventually signs a player who is subject to compensation will forfeit its second round selection in the First Year Player Draft, unless the club qualified for a protected pick due to having one of the eight worst records in the league. The top third (top 8 overall) of the second round is protected, in which case protecting teams will forfeit its third round pick, and so on—but the club receiving compensation still picks in between the second and third round.

A club signing multiple qualifying offers will lose all eligible second-round and compensatory round picks before moving on to the third round and later.

### 5.7.3.1 Trading Picks Attached to Qualifying Offers

If teams have traded certain picks that should by rights be lost to signing players with qualifying offers, teams will lose as compensation, acquired draft picks no later than the current round their original draft pick loss would have occurred. If no existing draft pick in the appropriate round would have been given up, the team's available and earlier draft picks, in reverse order, will be lost.

If the team does not have any available draft picks until beyond their original draft pick compensatory loss, they may not sign a free agent that will cost a draft pick.

Teams that find themselves in a position of not having an available draft pick they can give up will be subject to a \$2,000,000 cash penalty by the league, as well as making whole the traded pick that is now lost, to the team that originally acquired the pick.

#### 5.7.3.2 When Pick Loss is Assessed

Draft pick compensation is assessed immediately upon signing a Qualifying Offereligible player.

However, pick loss does not "lock" until the roster freeze period for the draft. Should a club acquire/trade a pick that impacts the original assessed qualifying offer pick loss in the interim between pick loss and the roster freeze period, that pick will supersede the assessed draft pick at the time of the signing, subject to the other rules governing pick loss/order.

Additionally, should a club that by rights should not be allowed to sign a QO-player (as discussed above) does so, they must acquire a draft pick to fulfill the pick loss. It is incumbent on clubs to track this eligibility; they cannot void the signing of the player. They must, one way or another, acquire the pick elsewhere or will lose their first-round picks for the next two years, plus be banned from signing another off-season free agent.



### Example

- A club does not have its second-round pick available upon signing a Qualifying Offer. Their first-round pick is lost.
- A club signs two players with Qualifying Offers and immediately loses their second and third-round picks. One of their own players with a

Qualifying Offer signs with another team. The pick loss is changed from second and third to second and compensatory pick.

### 5.8 Service Time

#### 5.8.1 Service Time

Players receive NPL service time for each day spent on the 30-man roster or the injured list. Service time is used to determine when players are eligible for arbitration as well as free agency.

Each regular season consists of 187 days, and each day spent on the active roster or injured list earns a player one day of service time.

A player is deemed to have reached "one year" of Major League service upon accruing 172 days in a given year. (A player may not accrue more than 172 days in a single season.) Upon reaching six years of Major League service, a player becomes eligible for free agency at the end of that season (unless he has already signed a contract extension that covers one or more of his free-agent seasons).

All players with at least three (but less than six) years of NPL service time become eligible for salary arbitration, through which they can earn substantial raises relative to the NPL minimum salary. Additionally, NPL each year identifies the group of players that ended the prior season with between two and three years of Major League service and designates the top 22 percent—in terms of service time—as arbitration eligible. Those in the top 22 percent—"Super Two" players—are also eligible for salary arbitration despite having less than three years of Major League service (see Section 5.1.1.1).

More nuance on service time can be found in Transactions section of the NPL rulebook, when service time is tied to a transaction.

### 5.8.2 Automatic Additions to Service Time

In addition to more traditional ways of accruing service time, NPL players will receive a full year of service time in a season when, in that given season, they:

Make the MLB All-Star team

#### 5 Contracts

- Receive any MLB MVP vote
- Receive any MLB Cy Young vote
- Finish top two in MLB Rookie of the Year voting

Players will receive this full year regardless of their roster status in NPL (eg. not yet purchased to the 40-man roster, was optioned all year, etc.) Moreover, those that receive a full year of service and are not yet on a 40-man roster in NPL will have their contract automatically purchased regardless of the team's 40-man roster count or player's first year of Rule 5 eligibility.

### 5.9 Veteran Players

Players who have accumulated at least five years of service time are considered "Veteran" players and no longer have options. They also gain certain rights if they are placed on outright waivers.

Veteran players have a '99' in the options field on the Rosters sheet to denote their status.

# 6 Amateur Acquisition

### 6.1 Rule 4 Draft (First-Year Player Draft)

Each year, NPL clubs drafts amateur and minor-league players into its organization through the First Year Player Draft, paying signing bonuses out of a team's available cash.

### 6.1.1 Draft Order

For rounds 2-closeout, NPL clubs draft in reverse order of the previous season's regular season records: the team that had the lowest winning percentage receives the first selection in each round and the team with the highest winning percentage receiving the last selection.

If two or more clubs have the same winning percentage, the selection order shall be determined by the prior season's records previous to the most recent season concluded. If a tiebreaker continues, it will be broken by which team has the worse run differential in the most recent concluded season.

Beginning in 2024, the Directors will conduct a draft lottery to award the first six picks in the first round, with the fourteen teams who missed the playoffs eligible. Each team will receive the following number of balls in the lottery, constructed in the same fashion as the 2022 MLB CBA, as shown in Table 6.1.

Table 6.1: Lottery Tickets by Prior Season Record

Season Finish	Lottery Tickets
24th place:	165
23rd place:	165
22nd place:	165
21st place:	132
20th place:	100

#### 6 Amateur Acquisition

Season Finish	Lottery Tickets
19th place:	75
18th place:	55
17th place:	39
16th place:	27
15th place:	18
14th place:	14
13th place:	11
12th place:	9
11th place:	8

Picks 7-14 will go to the non-playoff teams who did not win a lottery pick, and picks 15-24 will go to the playoff teams, both in the same draft order as later rounds.

### 6.1.2 Number of Selections

Teams may make as many selections as they like until the organization reaches a maximum of 85 players in its organization. A deadline prior to the Rule 4 Draft will be provided to allow teams to release as many players as it wishes to clear space for draft picks. Teams may cease making selections after any round by passing. Once a club passes, it may not make another selection in that year's draft. If teams pass before Round 5, teams are not entitled to the slot money of picks not made.

### 6.1.3 Roster Placement

Newly signed players join the Single-A roster of the NPL club. Rookie league is at the discretion of the owner.

### 6.1.4 Eligible Players

The following categories of players are eligible for the Rule 4 draft:

- Any draftee from the most recent year's MLB Draft
- Any unowned minor league player who does not have any MLB Major League Service time

• Players who were not signed during the International Free Agency phase (or were previously signed in IFA and subsequently released)

### Important

This merits emphasis: if a player has appeared in MLB even for one day and earned MLS, they are ineligible for the FYPD, unless they were drafted in the most recent MLB Draft and debuted in the same year.

### 6.1.5 Team-Acquired Cash

Every offseason, NPL clubs receives an allotment of cash. You may use these monies for IFA, other cash-related expenditures, or for FYPD bonuses.

You cannot select any player in the draft after the 5th round if you have negative cash reserves at that exact moment. If you enter the draft with negative cash reserves and wish to make picks after round 5, you must ensure you gain enough cash through slots to end up with enough cash. Should you attempt to draft a player that sends your cash in the negative, your pick will be invalidated and you must repick or pass. This is the only time at any point in the offseason that a team cannot go into negative cash reserves.

#### 6.1.5.1 Slot Values, Rounds 1-5

NPL clubs also receive cash considerations in the form of draft slot bonuses for the first five rounds, which will be determined and added to each team's stable of available cash after rosters freeze for the FYPD. Slot bonuses will mirror MLB slot values for each pick exactly.

If clubs pick below slot for their picks, the team can keep the remainder of the cash. If they go overslot, the club must pay out of their cash reserves for the difference.

Over and below slot is defined as the differential between the designated NPL slot for that pick and player's actual NPL bonus.

#### 6 Amateur Acquisition

#### 6.1.5.2 Slot Values, Rounds 6+

From the sixth round on, bonuses in their entirety come out of a team's available cash reserves—the designated NPL slot for these picks take on an entirely new function with no relationship to slots in Rounds 1-5.

Slot values in Rounds 6 and on are averaged with the player's actual MLB bonus to come up with the NPL bonus that teams will pay out of cash. From the eighth round on, the slot value is always \$100,000.

### 6.1.6 Signing Bonuses

Teams pay out of cash reserves to draft players using the player's actual MLB bonus as a factor. The Commissioner's Office, as well as all teams who wish to have this information, will attempt to obtain accurate bonus information for each player drafted. In the event of an unknown bonus, the player's MLB bonus will be \$0.

### 6.1.6.1 Redraft Bonuses

If a player is eligible to be redrafted (that is, they were in an NPL minors system previously and were released without gaining MLB service time), the player's MLB signing bonus becomes a flat \$100,000 or their actual bonus, whichever is lower.

This will be up to each club to identify who these players are and they will have to notify the league on the FYPD call. Redrafts can also be identified up to a few days post-draft.

#### 6.1.7 Loss or Gain of Draft Picks

#### 6.1.7.1 Qualifying Offers

Teams who sign Qualifying Offer players (see Section 5.7) are at risk for losing their second-round draft picks (and subsequent), while teams that lose a QO player gain a pick in a compensation round that follows the first (contract signed greater than \$50 million) or second round.

Teams are ordered by reverse standings in the compensation rounds unless there are multiple picks for one team. The second pick of a team will go at the end of the first compensation pick by any and all teams, and so forth.

#### 6.1.7.2 PPI Picks

Prospects who have are not foreign professionals that entered NPL via the major league free agency process, have not exceeded rookie eligibility in real life, and have less than 0.060 NPL service time are eligible for Prospect Promotion Incentive draft picks beginning with the rookie class of 2025.

To be awarded a PPI selection for a prospect's performance, the prospect must accrue a full season of NPL service time in their MLB rookie season from being on the NPL active roster or IL for 172 or more days of service. Years of service accrued by anti-service time manipulation rules (i.e. All-Star or awards voting) do not count towards PPI eligibility.

A team will gain a PPI pick for a prospect meeting this criteria who finishes 1st in Rookie of the Year balloting or in the top 3 of MVP or Cy Young balloting. The prospect must remain on their roster for a full year of service during years beginning with 0, 1, or 2 years of service time to award the pick, except for players who are super 2 eligible. Any trade of a player during or after the year in which they gain PPI eligibility disqualifies the player from PPI status. No eligible prospect may yield more than one PPI selection during his career.

The PPI selections will be award in between the end of the first round and the compensation A round in the following year's Rule 4 draft. If multiple clubs receive a PPI selection in the same draft, the PPI selections will be ordered by the regular standard non-lottery draft order.

### 6.1.7.3 Trading Draft Picks/Players

Draft picks for the upcoming draft may be traded at any time after the present year's FYPD up until the Roster Freeze period prior to the upcoming FYPD in order to have the acquiring team reflected on the draft sheet. You may not trade future year draft picks—only the upcoming ones can be dealt.

You may continue to trade draft picks after the roster freeze and during the draft. However, these trades will not be processed until after the draft—therefore, the

#### 6 Amateur Acquisition

the team originally holding the pick at the start of the draft must, if they trade a particular selection:

- have enough roster space to draft the player for you
- have enough cash to draft the player for you (it is the trading partners' discretion who pays for the cash ultimately by sending cash along, but the original team will have to pay for the pick out of its own reserves initially)
- not have passed in the draft already (passing constitutes waiver of the team's reamining draft picks)
- notify the league on the call, with the consent of the acquiring team confirmed
  - if there is no notification, the team holding the draft pick must be present to make the selection—emailing in the draft pick trade does not suffice
  - if there is notification, the team holding the draft pick can choose to depart the draft with the acquiring team announcing the selection

Draft slot values are automatically included in any trade of draft picks. You cannot withhold the draft slot of the pick and trade the pick itself.

Players that were drafted in the most recent FYPD can be traded immediately following the draft once the player is placed on the drafting club's roster.

### **6.2 International Free Agency**

### 6.2.1 Eligibility

International Free Agency is a special signing period for international amateurs not eligible for the MLB First Year Player Draft. In NPL, eligible players for IFA must:

- Be under the age of 25 by January 1 of the given year that IFA begins (which is always after New Year's of the upcoming regular season)
- Be unowned by an NPL team, whether currently or previously (previously owned IFA players are eligible for the NPL First Year Player Draft)
- Not have three or more seasons of experience in NPB or KBO.
- Signed by MLB organizations internationally (whether as part of the most recent MLB IFA period or prior) by the date the NPL IFA period begins

 Not have played in an affiliated stateside minor league (excluding the Dominican Summer League) in more than one calendar year, regardless if a partial or full season

### Examples

If a player appeared in just 1 game in a U.S.-based minor league in 2018 and 1 game in 2019, he is NOT eligible for IFA and will instead be available in the upcoming FYPD, because he played stateside in two calendar years

One exception to eligibility for IFA is for players who received major-league contracts when they were signed internationally; these players are instead available to be signed in the offseason free agency period.

### 6.2.2 Signing IFA players

Players are posted to the website auction with bidding in dollars, not point values. There are built-in minimum increments you must meet. There is a predetermined conclusion to the IFA period, at which point all outstanding open bids will be handled through a silent auction. When signed, a player's bonus is removed from a team's cash considerations and counted against the IFA bonus pool cap space (see below).

The highest bid claims the player. Through the auction platform, there are no tying bids allowed. If you would like to win a player, you must always bid the highest value, limited in your constraints regarding cash on hand and IFA cap space.

The one exception is if more than one team decides to max out their entire IFA cap space on one particular player. Should two or more teams make this determination, and their total IFA cap space is exactly the same, and it would be the winning bid, the team that does not secure the high bid through the website must contact the NPL IFA director and state their desire to match the high bid. All ties are broken with prior season record.

<sup>&</sup>lt;sup>1</sup>All players to be named later must be satisfied prior to the start of the NPL quiet period each October. This means the longest someone can be a PTBNL is from November of one year to October of the next (approximately 11 calendar months). Additionally, PTBNLs can only be players not on the 40-man roster at both the time of the trade. To ensure compliance, you must submit the PTBNL or a list of potential PTBNL to the NPL transaction email at the time of the trade.

### **6.2.3 Nominating IFA Players**

Player nominations will be done by Google Form at bit.ly/nplifanoms. When you submit, you will need to include the player's name, MLB org, position, and - if available - a link to his Baseball-Reference page, to avoid any confusion. The timeline for bidding follows the same as offseason free agency and is communicated each year leading up to the free agency period.

Similar to offseason free agency, teams are responsible for signing IFA players to the bid minimum that they nominate should no bids be received for the player in the three-day bid minimum window.

#### 6.2.4 Bonus Pool

Every NPL club receives a bonus pool cap space allotment in which to sign payers that is not known until the end of the regular season, after standings lock. Unlike the First Year Player Draft, there is no relationship between an IFA bonus pool and cash considerations.

- You sign a player with the cash available on hand in your organization
  - If you do not have cash on hand to sign the player, you may go into the negative and either acquire cash or take a penalty once offseason rosters convert to in-season.
- The player's bonus is then debited from your overall IFA bonus pool cap space
  - You may never go past your IFA cap space—if you go over before the IFA period concludes, you must acquire the necessary space before the conclusion of the period to avoid penalties.

The allotment is broken down as shown in Table 6.2, by where teams finished in the standings.

Table 6.2: Initial IFA allotment by previous season record

Season Finish	Initial IFA cap
Bottom 8:	\$5.75 million
Middle 8:	\$5.25 million
Top 8:	\$4.75 million

During the regular season, all teams are assumed to have \$4.75 million of IFA cap space to allow for bonus pool trades. After the season, everyone's cap space is updated accordingly.

Teams may acquire up to 75% of their current IFA cap space from another team. At no time can a team's IFA cap space exceed its initial allotment of 175%. (This means you can reacquire cap space you have traded since the 175% rule is based on initial allotment.)

### 6.2.4.1 Exceptions to Bonus Pool

A signing bonus paid to a first-year international player age 25 (defined above) or older who has spent all or part of at least six seasons playing in an MLB-recognized foreign professional or "major" league does not count against the club's IFA cap space.

As of the 2020 IFA period, all player signings count against the club's IFA cap space.

### 6 Amateur Acquisition

# 7 Free Agency

### 7.1 In-Season Free Agency

During the NPL regular season, NPL clubs may sign any free-agent players that have existing MLB service time to one-year contracts.

There are only two exceptions in which a player may not sign as an in-season free agent:

- Drafted in the current year's MLB First Year Player Draft (even if they debut in the majors the same season, they cannot be signed)
- Makes MLB debut in September (will join offseason free agency)

The League Directors maintain an in-season spreadsheet that provides the following information:

- Current in-season free agents broken down by
  - Debuted in MLB that season
  - Released in NPL that season
  - General catch-all
  - Retired/Foreign/"out of the picture" players
- Players placed on waivers that week
- Players with minor league opt-out contracts (see Section 5.6.3)

Owners will have until Wednesday at 1PM to request free agents be added to the website auction for bidding through a form. (Requesting a player be posted on the blog does not mean you are required to bid on that player.) These players will go live on the website on Wednesday. Owners will have at least 24 hours to bid until Friday at 1 PM.

Bidding will work by proxy bidding (eBay style) and each team is only allowed to submit one bid. Submission of more than one bid will incur penalties including the loss of draft picks. Teams will submit their highest bid they are

#### 7 Free Agency

willing to spend on the player, and then the engine will post the lowest winning bid possible and raise your bid in increments until it hits your max high bid. If you post the same highest bid as another team, whoever posts the bid first will have rights to the player.

Free agents will officially sign and process after Friday at 1pm ET, along with waiver placements/clears. Owners will receive an email from the website that they won the player, and can move forward assigning the player to their team and sending in any required additional transactions without waiting for the transaction report to come out. Players who do not receive a bid will expire and need to be renominated.

### 7.1.1 Foreign Player Movement to MLB

In-season deals for foreign players who sign major-league contracts will be available for bidding immediately. Depending on the situation, the above process will be followed or there may be a special bidding process.

### 7.2 Off-Season Free Agency

Each year, between November and March, clubs may sign free agents through the NPL Free Agency Signing Period (FASP). Free agents are defined as:

- Players who have MLB service time (MLS) who are not on a NPL roster as of the conclusion of the regular season,
- Players on NPL rosters who earn six or more years of MLS and are not under contract for the following season,
- Any international free agent who signed a major-league contract,
- Any major- or minor-league player with MLS who was granted free agency in the offseason through non-tenders (see Section 8.4.2), player opt-outs (see Section 5.6), declined contract options (see Section 5.2.1), declaring free agency after being placed on outright waivers (see Section 8.8.2.2.1 and Section 8.8.2.2.2), and any other form of removal from a NPL roster,
- Any pre-existing free agent with MLS, and
- Anyone who is not bound to any team but played in the MLB in the prior season at any time.

The only exception to this rule is a player drafted in the most recent MLB Draft or part of the most recent International Free Agent Signing Period—even if they debuted during the season with service time, they must participate in the NPL Amateur Draft.

A player with no MLS cannot be nominated as an off-season free agent. They are available in the Rule 4 Draft (see Section 6.1).

### 7.2.1 Free Agency Bidding and Contracts

Players signed through off-season free agency receive guaranteed contracts for at least one year at the league minimum, or nonguaranteed minor league contracts. Guaranteed contracts always beat nonguaranteed contracts.

If signed by a team, players receive their existing service time and option status. For a player that has never been on an NPL Active Roster and/or debuted in MLB in the season that just concluded will receive zero years service time and three options. Exceptions are in place for players who come over from foreign leagues, and their situation and signed contract will dictate their situation in NPL on a case-by-case basis mirroring their real-life situation. Players posted from a foreign league who sign in NPL MLB free agency will become free agents at the end of their contract regardless of service time. Players with major-league contracts cannot be traded until June 1st of that year.

If the high bid is not beaten during those windows, the club with the high bid submits the contract specifics for the winning point value, and the player will be added to the club's roster. Offseason free agency works off a special points-based system. A tender spreadsheet is circulated by the League Office at the appropriate stage in the offseason that converts a year and dollar value contract into a points value. The point system is used in an auction bidding process on the NPL website to determine where free agents sign.

All offers submitted to the website are irrevocable. The current bidding process consists of a three-day bidding window that is extended 24 hours with each subsequent bid if it is within 6 hours of expiration.<sup>1</sup> This bidding process is subject

<sup>&</sup>lt;sup>1</sup>All players to be named later must be satisfied prior to the start of the NPL quiet period each October. This means the longest someone can be a PTBNL is from November of one year to October of the next (approximately 11 calendar months). Additionally, PTBNLs can only be players not on the 40-man roster at both the time of the trade. To ensure compliance, you must submit the PTBNL or a list of potential PTBNL to the NPL transaction email at the time of the trade.

#### 7 Free Agency

to change and any details in this particular paragraph will be overridden by any communications from the League when free agency opens.

You must submit a free agent tender sheet within 72 hours of the auction closing. The Directors may assess a 1 point per day penalty for contracts more than 72 hours delinquent.

Teams are only permitted to sign three free agents to minor-league contracts per offseason.

For more information on: the free agency bidding process, see (Section 7.2.4); website auction details, see Section 2.5; and tender sheet information, see Section 7.2.5.

### 7.2.2 Free Agent Contract Limitations

The following rules govern free agency contracts:

- There are minimum bids at various stages of free agency designed to have the top-tier free agents sign first. Follow the link to learn implications of minimum bids.
- Salaries may not increase from one year to the next by more than 60%
- Salaries may not decrease from one year to the next by more than -10%
- No salary in a given year may be less than 50% of the average annual salary.
- Signing bonuses cannot be for more than 25% of the AAV, and these bonuses must be paid within the first two years of the contract, with distribution up to the team owner.
- No contract, including option years, may exceed eight years.
  - Contracts greater than five years may only be signed after a specific point-value threshold has been crossed. This may vary by year to year and will be governed by the release of each year's free-agent tender sheet.
- Any contract greater than five years will include an automatic player opt-out clauses after the fifth year. These opt-outs will function as Player Options.
- The final 2 years of any contract greater than five years cannot exceed by more than 25% the value of the first 2 years of the contract.

### 7.2.3 Contract Options

See Section 5.6.1 for information on contract terminology.

Only one option can be offered to a free agent. All buyouts are paid for with cash reserves.

Should you sign a player with a vesting offer, the qualifier needed for the player's contract to vest will be negotiable based on the history of the player.

### 7.2.4 Offseason Free Agency Process

### 7.2.4.1 Submitting Nominations

Teams submit nominations of free agents to bid on to the Free Agent Nomination form. There is no limit to nominations you can send, but be mindful that you are committed to signing the player you personally nominate (first-come, first-serve on who nominated the player) during the bid minimum window.

Each day, no more three players will be available in the auction starting at noon. These players may be players that were nominated the day before, or even earlier. If there are many nominations, it will take time to sift through, but what will not change is the maximum amount of players that are newly available for free agency in a given day: three. There can be less depending on nomination activity.

No new free agents will be posted on Saturdays and Sundays.

#### 7.2.4.2 Bidding Timeline

A player's initial **posting** (not bid) opens a four-day window for bidding.

- Those who nominate a player during the minimum bid window win the player if there are zero bids in the four-day window. The minimum bid will not be posted as a bid on the site. They, and all other teams, are welcome to bid the minimum as the first bid.
- Once there are 24 hours from the prior bid left at/after the end of the four-day window, any new bid will trigger an automatic extension of 24 hours.
- The 24 hours is appended to however much time was left on the player's timer, whether 23 hours left or 10 minutes left.

#### 7 Free Agency

At the conclusion of bidding, GMs must submit a legal tender sheet to NPL within a week of signing the player.

#### 7.2.4.3 Bid Minimums

There are bid minimums to the amount of points you are allowed to offer at certain points of the calendar year. This ensures that the top-ranked free agents will have more of an opportunity to sign before lower-ranked free agents. This allows teams to pivot more easily to Plan Bs. The offseason calendar will have information on bid minimums.

Teams are responsible for signing players to the bid minimum that they nominate (first-come, first-serve on nominations) should no bids be received for the player in the bid minimum window. Teams will not be informed whether they hold the bid minimum rights.

No minor league contracts are allowed until a later date in free agency and are capped at 9.9 points. (Major league contracts start at 11 points.)

### Important

Bidding windows now open on when the player is posted on the site, **not** the timestamp of first bid.

### 7.2.5 Tender Sheet

All bidding and contract finalization is done through the tender sheet.

The tender sheet has restrictions around its use, governed by the free agency rules. If a bid is illegal in certain ways, a red flag (literally) will pop up and let you know.

### 7.2.6 Bidding Amounts

### 7.2.6.1 Major League Bidding Process

The league minimum bid is 11 points, which correlates to the league minimum salary for the current year. You may only bid in whole numbers with no deci-

mals.



### Examples

**Correct**: 11, 48, 173

**Incorrect**: 11.5, 48.3, 173.1

### 7.2.6.2 Minor League Contract (MLC) Bidding Process

MLCs are in decimal format, with 0.1 points bid equal to one year at the league minimum. The Tender Sheet has a section for you to calculate point values. The maximum MLC bid you can offer is 9.9 points, and you cannot go deeper tenths of a point for a bid.



### **?** Examples

**Correct**: 0.1, 3, 7.7

**Incorrect**: 0.1001, 3.13, 7.777

7 Free Agency

# 8 Transaction Types

## 8.1 Departures from MLB

#### 8.1.1 Death

In the event of a death of a player still under a guaranteed major-league contract to a NPL team, the player will be removed from the team's roster and the team will carry 25% of the player's salary as a life-insurance policy fee.

If a player has a non-guaranteed or minor-league salary, they are released with financial rules therein remaining unchanged.

### 8.1.2 Foreign Leagues

If a player leaves MLB in real life to pursue a career in another professional league and is under contract in NPL, the owning team must continue to pay the player the contract owed. The current contract status (guaranteed, non-guaranteed, minor league, etc.) will remain in force as if he was still in MLB. It is owner's discretion how to handle the contractual status of said player, whether via releasing or placing on the Foreign list.

Should the player have a major-league contract of some type, the player can be placed, upon request, in the "FOREIGN/RETIREMENT" section of the team roster and will not count against the 30-, 40- or 85-man roster restrictions and is eligible to be traded. A player with a minor-league contract that is already off the 40-man roster remains as part of the 85-man unless/until released.

Should the player return to MLB prior to his NPL contract being up, he will immediately be restored to active status, which may dictate a corresponding move by the club to clear space.

#### 8.1.3 Retirement

If a player retires in real life and is under contract in NPL, the owning team must continue to pay the player the contract owed. He will be placed in the "retired" section of the team, and will not count against either the 30-, 40- or 85-man roster restrictions. He is eligible to be traded at any point. Should the player return to MLB prior to his NPL contract being up, he will immediately be restored to active status, which may dictate a corresponding move by the club to clear roster space.

### 8.2 Injured List

Only major-league players on an MLB injured list may be placed on a NPL injured list (see Exceptions below). There is no IL in the offseason—placement begins at a determined date in March and lasts through the regular season.

Any injured list stint in MLB automatically disqualifies the player from being sent to the minor leagues in NPL.

If a player is transferred from a prior IL list to one with a greater minimum stay limit, the time spent on the prior IL counts towards the minimum period.

IL stints cannot be retroactive/backdated in NPL, unlike in MLB.

### Important

It is absolutely incumbent on the NPL club to track a player's IL status in MLB/NPL. No attempt will be made by the League Office to inform the team when a player is active, or if penalties are incurred.

### 8.2.1 Types of IL

- 7-Day IL: Player must stay on the IL for at least 7 days with no maximum date limit. Must be on the 10- or 60-day IL in MLB. Does not count against Active roster, counts against 40- and 85-man.
- **56-Day IL**: Player must stay on the IL for at least 56 days with no maximum date limit. Must be on the 10- or 60-day IL in MLB. Does not count against Active roster or 40-man, counts against 85-man. A player may not be placed

- on or transferred to the 56-day list unless the club's 40-man roster contains 40 players.
- End of Season IL: There is an NPL-specific End of Season Injured List (EOS IL). Each team can place players that are expected to miss the rest of the season on the EoS IL that will not count against his team's 85-man roster limit. There must be incontrovertible, concrete proof of a player's injury keeping him out the entire season. Should the player return in MLB that is on the NPL EOS IL, there is a penalty incurred. Once a player is placed on the EoS IL he cannot be activated for the rest of the season. Once the season is over he must be removed from the EoS IL and he will again count toward the 85 man limit.

### 8.2.2 Activating a Player

Once a player reaches the date eligible to be reinstated from the NPL IL, a team may activate the player even if he remains on the IL in MLB.

If a player is activated off the IL in MLB, the NPL team will have until the next Scoresheet cycle to activate the player before being at risk for penalties.

### 8.2.3 Special Rules for IL Placement

Important

Note that these exceptions supersede all conflicting rules.

During spring training, if a player is injured in MLB with clear evidence and has not been placed on the injured list yet, the NPL team may send in a 7-day injured list request (cannot send in a 56-day request) for the player, with evidence proving the injury.

If a player is either a free agent in MLB, signs a minor-league contract (thereby not being placed on the MLB IL), or was placed on the 40-man roster prior to the Rule 5 deadline, is clearly injured (with supporting evidence), an NPL team who has the player on a major-league contract will be allowed to either place the player on the IL or option/waive the player. This privilege expires upon the first recall in which the player is or has already returned from the injury and played in an MLB game.

### 8.2.4 MLB IL Placement

Players who are optioned by the MLB team and subsequently optioned by the NPL club must be returned to the major leagues and placed on the IL should the MLB team void the option and place the player on the IL. This tends to happen several times a year in MLB.

There is no time limit on the voiding of the option and placed on IL; should the move occur at any point in time in MLB, or not be caught in NPL by league officials for an indeterminate period of time, it will be rectified in NPL to ensure accurate processing.

Should the NPL team option the player prior to the MLB option, this rule does not apply, except at the start of the regular season. All players optioned in NPL will be reviewed to start the regular season—placement on a MLB IL will result in placement on the NPL IL.

Should the NPL team option the player at any point during the regular season within the window for the coming week's transactions and the player hits the IL by the time the player's MLB team plays its next game after the weekly Monday deadline at 1pm\*, the option will be voided and the player put on the NPL IL. If the player is optioned and the player's MLB team plays a game prior to the IL stint, the option remains in effect.

### Examples

- John Doe injures himself during Sunday Night Baseball. It is a pretty clear injury, but there is no IL assignment, or news, by the time the Monday deadline rolls around. The NPL team can either:
  - carry the player hoping that he is healthy or will only sit out a few games,
  - carry the player and go without that week if the player does not play or hits the IL,
  - option the player to the minors, with the full understanding that he will be pulled back to the IL if he hits the IL for his team before Monday night's game for that team.
- Jason Smith is optioned by a NPL team on Wednesday for the following week's games, and he injures himself on Saturday and is placed on the IL. The option is voided and Smith is placed on the IL.

- "...by the time the player's MLB team plays its next game after the weekly Monday deadline at 1pm..."
- Jim Doe-Smith injures himself during a game on Saturday and sits out Sunday's game. The NPL team options Doe-Smith, who sits out Monday's game as well. On Tuesday, he is placed on the MLB IL (and is/isn't backdated to Saturday). The NPL option stays in effect.

## 8.3 Optioning, Recalling, and Purchasing Players

### 8.3.1 Optioning a Player

To remove a player from the Active roster without removing him from the 40-man roster, the club must option the player. Only certain players may be optioned, and clubs may only option players during certain times of year. The following guidelines apply to optioning players to the minor leagues.

### 8.3.1.1 Transactions Terminology

**Purchase Contract**: Add a player to the 40-man roster, whether from the minor leagues (off-40), Assigned Outright, or Non-Roster.

**Option Player**: Send a player down from the Active Roster to Triple-A on option (does not remove from 40-man roster).

**Recall Player**: Bring a player up from Triple-A who had been previously optioned.

**Waivers**: The only other way you can remove a team from your Active Roster is through waivers, which also potentially removes them from the 40-man as well. For more about waivers, see Section 8.8.

### 8.3.2 Option Years

The first time a player is ever called up to an NPL club's Active Roster, the club receives three option years on the player until all options are used up or the player becomes a veteran (see Section 8.3.3)—whichever comes first.

### 8 Transaction Types

An option is for the year, not the transaction, so a player may be promoted or demoted multiple times in a given year, all counting as one option.

#### 8.3.2.1 Option Timing Limitations

During the season, any player optioned to the minor leagues may not be recalled to the active roster for at least 14 days (two Scoresheet cycles). However, optioned players may be recalled before the 14 days have expired if they are replacing players who were placed on the injured list or traded.

Any optioned player who is sent to the minor leagues and does not accumulate at least 20 days in the minor leagues during the entirety of the season will be considered to have a full year of service time in the major leagues and will not have an option year removed.

Players may not be optioned from the close of the final weekly transaction deadline dated in August until near the beginning of the next regular season, a date set forth in the "Important Dates" column of the Roster workbook. (So basically, you cannot option a player during September and the offseason.)

### 8.3.3 Option Terminology

In the option cell on rosters, the numbers correspond to certain actions you are able to take.

- '99' Player is of veteran status and cannot be optioned to the minor leagues. The only assignment to the minor leagues is via Outright Waivers.
- '0' Player has no remaining options. If he is in the MLB minor leagues (or otherwise out of the major leagues), you may option the player to the minors with no penalty (essentially a free option). If he is in the major leagues, the only assignment to the minor leagues is via Outright Waivers.
- '1-3' A number in this column indicates the number of option years remaining. The player may be optioned freely unless the Date next to his name has passed. Dates of service also impact a player's rights when put on outright waivers.

### 8.4 Releasing or Non-Tendering a Player

#### 8.4.1 Releases

### 8.4.1.1 Major League Contracts

A club can release a player direct from the 40-man without going through the waiver process. The releasing team is responsible for any salary in full for guaranteed contracts and termination pay for nonguaranteed contracts.

The following governs a player's option status if released prior to the option year:

- Club and vesting: buyout paid.
- Player option or opt-out: future salaries remain on the books of the releasing team, and accordingly decreased by the amount of the player's salary in that given year if he signs with a team.

If the player is signed in the future by another team, the salary that the new team signs the player for will be credited to the original releasing team if the original contract remains in effect up to the value of the respective years in the original contract.

#### 8.4.1.2 Minor League Contracts

If a player is on a minor-league contract—defined as anyone on NonRoster or Rookie, Single-, or Double-A—they can be jettisoned without any consequence at any time outside of any defined roster freeze period for the First-Year Player Draft.

#### 8.4.2 Nontenders

In the offseason only, players on arbitration contracts (see Section 5.1) or prearbitration contracts (see Section 5.3) can be nontendered anytime before deadline—provided that they do not have a guaranteed contract.

Nontenders mean you choose not to tender a contract through arbitration or the pre-arbitration level, releasing the player from his contract to free agency. There is no salary cap or cash cost to execute a nontender. You must nontender a player

#### 8 Transaction Types

before the nontender deadline, which comes after you know the arbitration value but before any arbitration hearings you may elect to take a player to.

After the nontender deadline, you can still release the players that could have been non-tendered and pay termination pay prior to bearing the full freight of salary in the regular season. Guaranteed contracts are not subject to termination pay.

### Note

Should you take no action, the default is that a team chose to tender the player. If you wish to nontender the player and remove your obligation to the player, you must submit a transaction.

### 8.4.2.1 Termination Pay

In the offseason, deadlines are provided that will allow for either 30- or 45-days termination pay leading up to Opening Day for players on nonguaranteed contracts (see Section 5.1 and Section 5.3).

The releasing club will pay the prorated 30 or 45-day termination pay via cap space to the player as a cost of releasing the club of its obligation of the full salary. During the 30-day termination pay window, the team will owe 30/187 \* Salary; during the 45-day termination pay window, the team will owe 45/187 \* Salary.

If a eligible player is injured during the termination window and released, his full salary is paid out instead of termination pay. If an eligible player is injured before the termination window and released during the termination window, he may be eligible for termination pay subject to discussion with the Directors.

### 8.5 Restricted List

NPL teams can only place a player on the restricted list in which the corresponding MLB team has executed the transaction.

Under Major League Rule 15, a team may petition MLB to place a player on the restricted list if he is unable to render his services to his club through some action of his own.

Typical circumstances include (but are not limited to):

- failure to report
- visa problems
- domestic abuse situations
- treatment for drug or alcohol abuse.

A player on the restricted list follows the conditions laid out on the Restricted List tab in the NPL Transactions workbook. A team may keep a player on the list indefinitely until he is reinstated under Major League Rule 16. These conditions may include a credit of carried salary and/or debit of player service time.

Once a player comes off the RL in MLB, the MLB club has 30 days in which to place them back on the 40-man. NPL clubs will have until the next Monday at 1pm ET following the transaction in MLB, unless the transaction takes place inside 24 hours (Sunday at 1pm ET).

You may choose to release a player on the RL, but will still be liable for any salary that is not lost through the RL conditions.

# 8.6 Rule 5 Draft

#### 8.6.1 Draft Order

Like the Rule 4 First Year Player Draft, NPL clubs shall select in reverse standings order of the preceding season, determined by the percentage of games won in the season. If two or more clubs of a league have the same standing, the selection numbers shall be determined by the percentage of games won in the prior season, then by the worse run differential.

# 8.6.2 Player Eligibility for MLB Rule 5

In the MLS column on the roster sheet, every minor league player has a year notated for Rule 5 eligibility. Any minor-league player with the year of the regular season most recently concluded or before is eligible for Rule 5.



## Example

It is currently December 2017. Any player with the date 2017 or earlier is eligible for Rule 5.

In addition, all players who are on a Non-Roster or Assigned Outright section of a team is eligible for selection. Contracts and related financials of players transfer in their entirety.

# 8.6.3 How Rule 5 Eligibility Years Are Determined

During the First-Year Player draft, these years are determined by age. Age is defined as the age at the MLB domestic signing deadline in the regular season just concluded.

- 19+: Four seasons (three years) added onto the draft year
- 18.364 and younger: Five seasons (four years) added onto the draft year

#### 8.6.4 Roster Limits

Teams that have a full 85- or 40-man at the Roster Freeze Day in preparation for the Rule 5 Draft cannot make a selection in the Rule 5 Draft or trade their pick. These teams will pass automatically. All signings and trades after the Roster Freeze Day do not affect pick eligibility.

Teams that have a full 85-man cannot make a selection but can trade their Rule 5 Draft picks.

During the draft, once a team reaches 40 or 85 players respectively, it will pass on its remaining selections.

# 8.6.5 Selecting Players

Clubs may select any qualifying player, regardless of present or perceived minors/MLB status for the upcoming season. A player's minors/MLB status does not affect the player's Rule 5 status in NPL. Teams have the option of carrying a selected player on their Active Roster who is not on an MLB Active Roster—however, the team must be prepared to pay penalties (see Penalties section in Finances)

Clubs that select players in the Majors Rule 5 Draft shall pay the player's former club cash considerations in the amount of \$100,000 at the time of the selection.

You may make a selection off your own team's roster.

Each NPL club may select as many players as it so chooses until it reaches the respective 80- and/or 40-man roster limit.

## Note

Players selected in the Rule 5 draft will receive any salary presently assigned to them on the Assigned Outright or Non-Roster section of the prior team's roster.

Teams may cease making selections after any round by passing. Once a team passes, all of its ensuing selections are also passed on.

Players selected in the Rule 5 draft must remain on the NPL club's active roster (or minors for the minor-league portion) for the entire season unless the player is placed on the MLB injured list, in which case he may be placed on the NPL IL.

# 8.6.6 Trading

### 8.6.6.1 Trading Rule 5 Draft Picks

All teams that meet appropriate roster limit guidelines can trade or acquire Rule 5 draft picks up to and during the draft. The draft order is never updated with trades—players will be selected by the team originally holding the pick and then traded.

Please note that this means the selecting team will be charged the selection amount in cash reserves, NOT the acquiring team. To put this another way, teams that don't want to be paying for a player they are not keeping should request the cash reserve price to make a pick in trade from the team to which the player is being traded.

#### 8.6.6.2 Trading Rule 5 Draft Selections

The drafting team may negotiate with the player's original team to obtain the rights to the player in either direction.

If Rule 5 rights are acquired by the original or selecting club, the player immediately goes to the trade-acquiring club's nonroster with no cash considerations paid in either direction.

If a Rule 5 player is traded to a team that was not the original club, Rule 5 restrictions remain in effect on the player.

# 8.6.7 Removing Major League Rule 5 Player from Roster

Clubs that selected a Rule 5 player must keep the player on the roster until a specified deadline in spring training. At that point and continuing through September, a club can return a Rule 5 player at any time.

The player must clear Rule 5 waivers, in which he is offered to all of NPL with Rule 5 restrictions. Should a club claim the player, there is no cost to do beyond adhering to Rule 5 restrictions of the player.

If the player clears waivers, he is offered back to the original club. If the original club accepts the player back, it shall pay the sum of \$50,000 to the selecting club. If the club declines the player's return, the player immediately goes to the selecting club's nonroster with no cash considerations paid in either direction.

Please see the Trading section for guidelines on removing a Rule 5 player from a roster via trade.

A club that claims a player off Rule 5 waivers may not collect the return fee should the club later return the player to his original team unless four full weeks (four Scoresheet cycles) have passed in the regular season between waiver claim and return.

# 8.7 Trades

#### 8.7.1 What Can Be Traded

Teams may trade only players currently under contract, players to be named later (PTBNL),<sup>1</sup> cash considerations, carried salary, released player salary obligations,

<sup>&</sup>lt;sup>1</sup>All players to be named later must be satisfied prior to the start of the NPL quiet period each October. This means the longest someone can be a PTBNL is from November of one year to October of the next (approximately 11 calendar months). Additionally, PTBNLs can only be players not on the 40-man roster at both the time of the trade. To ensure compliance, you must submit the PTBNL or a list of potential PTBNL to the NPL transaction email at the time of the trade.

draft picks, and IFA cap space. If you wish to trade something not on this list, it may or may not be allowed—check with the Directors.

As of 2020, a trade can be consummated for nothing, designated as "future considerations."

Players must be currently bound to a team on a nonguaranteed or guaranteed contract—options do not count as a binding contract. A player and club must resolve its club, vesting, or player option, or opt-out before they can be traded.

# Important

What cannot be traded includes, but may not be limited to:

- Cash considerations greater than one year ahead
- Draft picks for future drafts (only picks for the next upcoming draft may be dealt)
- Future IFA cap space
- Future players outside the PTBNL window
- Promises to bid or not bid in free agency

#### 8.7.2 Trade Deadlines

- October (after NPL World Series)—July 31: Trade deadline (free exchange of players, financials, picks, etc.)
- July 31-conclusion of World Series: No trading of major league contracts

#### 8.7.2.1 Post-Trade Deadline

Much like in MLB, trades are technically allowed after the standard trade deadline, but there are some exceptions:

- No players currently on a major-league guaranteed contract can be traded, even if the player is no longer on the 40-man roster. (The only eligible players to be dealt are those in Single- or Double-A, plus the Non-Roster portion of Triple-A.)
- Players to be Named Later in this special trade period can only be those who are eligible to be traded now. (So you cannot PTBNL a player that would otherwise violate the above bullet.)

- Carried Salary not tied to a player (see below) cannot be traded. All other forms of non-player collateral can be traded.
- Traded players are eligible for the NPL playoffs, as long as their contract is purchased by the playoff roster deadline.

# 8.7.3 Draft Pick Trades

Draft-pick trading is allowed. See Section 6.1.7.3.

# 8.7.4 IFA Cap Space Trading

Each team is assigned at least \$4.75M in IFA cap space money for the following seasonal cycle after the conclusion of the just-completed NPL IFA period.

Up to 75 percent of total IFA cap space can be *acquired* by a team. Clubs may trade away the entirety of their IFA cap space.

Once standings are finalized, the worst 8 teams by record see their IFA cap space increased to \$5.25M. The middle 8 teams receive \$5M. See Table 6.2.

IFA cap space is acquired for one season only.

#### 8.7.5 Financials

#### 8.7.5.1 Cash Considerations

You may trade any amount of cash you have on hand, provided you actually possess the cash at the time. "The time" refers to the completion of transactions for the given time period. If additional moves in said time period reduce the amount of cash you have, the trade cannot be completed.

#### 8.7.5.2 Carried Salary

## 8.7.5.2.1 Trading Players and Carrying Salary

As part of any trade, clubs may agree to pay a portion of the salary of the player(s) involved, to be considered as Carried Salary. Those salaries remain on the liable teams' financial ledger until completed in full.

A team may include carried salary on options/opt-outs. Should those options or opt-outs remove any future salary obligation to the player, the carried salary is also wiped out in total.

#### 8.7.5.2.2 Carried Salary with Arbitration Salaries

Trades that involve carrying arbitration salary are allowed; however:

- You cannot trade arbitration salary that is unknown. In other words, they only time you can cover arbitration salary is in the offseason when the next year's arbitration salary is known.
- If the acquiring team ends up nontendering the player, any carried salary is also wiped out.
- If the acquiring team ends up releasing the player during the termination pay window, the termination pay is paid by the original team provided the termination pay does not exceed the amount of carried salary.

#### 8.7.5.2.3 Carried Salary on Options and Non-Guaranteed Contracts

Carried salary for options are allowed to be traded—should the option be declined, the original carried salary sum is removed from the books entirely.

Carried salary for arbitration-eligible players are allowed to be traded—if the player is later non-tendered, the original carried salary sum is removed from the books entirely. Should the player later be released with termination pay, the termination pay is deducted from any carried salary first before the carried salary is removed from the books entirely.

## 8.7.5.2.4 Carried Salary Not Tied to a Player

Carried salary can also be traded independent of the player. The carried salary must already be on the books as a liability. All eligible liabilities are listed in the "Payroll Income and Expenditures" section of the roster sheet.

Carried salary due to releases (see Section 8.4.1), death insurance policies (see Section 8.1.1), or posting fees for international players may not be traded. However, salary from a MLB player who elected Article XIX-A free agency (which applies only to MLB players with veteran status who were outrighted during the season, remained on the 40-man, and then elected FA after the season, see Section 8.8.2.2.1) may be traded.



### Example

If Mike Trout was traded from the Angels to the Red Sox, and the Angels carried \$3,000,000 of his salary in 2018, the Yankees could acquire this \$3M salary responsibility in a trade before the end of the 2018 season.

# 8.8 Waivers

Any player under contract may be placed on waivers ("waived") at any time outside of any Roster Freeze periods. Waivers are used to either remove a player from the 40-man roster or to trade after the July 31 trade deadline.

During the NPL regular season, waivers are processed on Mondays with all other transactions. These waivers expire on Fridays at 1pm ET, allowing the original or acquiring team time to address the player's status by the following Monday for games of that week. In the offseason, waivers are a full week (Monday-Monday) unless otherwise defined in the Deadlines section.

If a waiver claim is made and it would send the claiming team over the salary cap, the claim is still granted, and the Club will be assessed a luxury tax.

A player claimed on waivers in September (or otherwise acquired) is ineligible to be on the postseason roster which is filed on Labor Day. (But they can still help you win a playoff spot!)

# 8.8.1 Waiver Priority

See the waiver types section below to understand who has rights to players on claim. The info that follows in this sentence serves as nuances on top of those rights.

If two or more clubs with the same record make a claim, the records in the prior season (and so on) will serve as tiebreaker.

During April of every regular season, waiver priority is determined by the previous year's standings. From May on, current standings are used.

# 8.8.2 Waiver Types

### 8.8.2.1 Outright Waivers (OR)

A club asks for an outright assignment when it wishes to remove a player from its 40-man roster and assign the player to the minor leagues.<sup>2</sup> Waivers priority is assigned to the team with the worst record, regardless of league.

While on OR waivers, the player is removed from the team's active and 40-man roster—but not 85-man—and cannot be traded until cleared. The only instance in which a player is not immediately removed from the team's 40-man roster is when a team designates that distinction when waiving a 5+ MLS player (more details below will explain this). These waivers are irrevocable.

Any club claiming the player assumes responsibility for all related outstanding financials pertaining to the player and must either:

- Place him on its 40-man
  - and active roster if the player is out of options
  - and active roster or option to minors if he has options
  - and put the player on the 7- or 14-Day Injured or Restricted List if eligible
- Place him on Outright Waivers again immediately
- Place him on the 60-Day Injured List if eligible<sup>2</sup>

<sup>&</sup>lt;sup>2</sup>Injured players are not allowed to go to the minor leagues and lose service time. If a team wants to place an injured player on OR to see if another player will claim on waivers, that is allowed. However, he will receive service time credit for the period of time he is on OR, and the waiving team still must retain him on the 40-man roster should he clear waivers.

### Example

A bench player on an active roster, John Doe has a \$5M salary for the current year and is placed on OR. If he clears waivers, Doe remains with his current team off the 40-man, still earning his salary and available to be purchased back onto the 40, and subsequently the active roster. If he is claimed, Doe heads to his new team's 40-man roster and Active Roster unless/until the new team options, releases, trades, or waives him. The new club pays Doe's \$5 million while the waiving club now has an extra \$5M in salary cap space.

### 8.8.2.2 OR Distinctions by Service Time

The following rules and protocols will apply to players who clear outright waivers, according to their NPL service time and status (see Section 5.8).

## 8.8.2.2.1 Players with Veteran Status (5.000+ service time)-MLB Article XIX-A

The player will decline his outright assignment and will not elect free agency, the common practice in MLB. In this case, the waiving team can either add the player back to its 40-man roster and place him "On Option/Reserve" in Triple-A or grant the player his unconditional release to free agency. The waiving team will make this decision when they are placing the player on Outright Waivers; if they elect to retain the player, the player will not be removed from 40-man rosters.

If the player is placed "On Option/Reserve," he will elect free agency at the conclusion of the regular season, regardless of any remaining contract or whether the team wants to place them back on the 40-man.

Whether by being granted his unconditional release or electing free agency after the season, the waiving team will be responsible for the player's entire contract until he is signed by another team, when it will still be responsible for his contract amount less the league minimum (or final bidding amount).<sup>3</sup>

<sup>&</sup>lt;sup>3</sup>A vesting or player option keeps the waiving club on hook for both the buyout and option salary (minus the new club's payment to the salary) until those options are resolved. If a vesting converts to a club option, the new club is responsible for the entirety of the club option salary should it get picked up.

# Example

Following from the Outright Waivers example, Doe clears Outright Waivers but as someone with 7.106 days of service time, he declines his OR assignment but does not elect free agency. The team either keeps him on the 40man roster in Triple-A, paying Doe his full salary until the end of the season when he will declare free agency. The team could also release Doe, freeing up a 40-man spot, kicking Doe to free agency. If another team signs Doe for the league minimum in free agency, the signing club pays only the league minimum while the waiving club pays the remainder of salary.<sup>3</sup>

#### 8.8.2.2.2 Players with 3.000+ Service Time—MLB Article XX-D

Upon clearing waivers, the player will accept his outright assignment and elect free agency at the end of the regular season unless he is added back to the 40man roster before the requisite deadline to do so at the conclusion of the regular season.

If the player elects free agency after the season, the waiving team will be responsible for the player's entire contract (if any remains) until he is signed by another team, when it will still be responsible for his contract amount less the league minimum (or final bidding amount). Should the contract have a club option at any point, the waiving team will pay the buyout in the year the buyout would be assessed.3



#### Example

Doe has 4.017 years of service. He clears Outright Waivers and stays with the team off-40 in Triple-A, being paid his salary. At the end of the season, the team can place him back on the 40-man roster (and go through arbitration) or grant him his unconditional release.

#### 8.8.2.2.3 Players with <3.000 Years Service Time

Upon clearing outright waivers, these players will automatically accept their outright assignment.

If their service time is below the NPL Super Two threshold for the following season, they will convert to Triple-A non-roster players after the end of the regular season,

unless they have a guaranteed contract. If so, these players will stay on Assigned Outright, but do not need to be added back to the 40-man after the season.

If their service time is at or above the NPL Super Two threshold for the following season, they will elect free agency under Article XX-D (previous section) unless added back to the 40-man roster upon the determination of the NPL Super Two threshold.

#### 8.8.3 Unconditional Release Waivers

In MLB, there are Release Waivers that a team must go through before they are released from a club. This was also the case in NPL through the 2016 season. It was discontinued in favor of a straight release to simplify the process. Please see Section 8.4.1 to learn about releases.