



NFL PLAYERS
ASSOCIATION

MEMORANDUM

TO: NFL Players and NFLPA Contract Advisors
FROM: NFLPA
DATE: July 26, 2020
RE: COVID Amendments to 2020 CBA

The NFLPA and NFL have reached agreement on certain amendments to the 2020 Collective Bargaining Agreement (“the COVID Amendments”) in order to address issues arising from the current COVID-19 pandemic.

The NFLPA and NFL are currently finalizing the language that will reflect the CBA Amendments in a side letter, but we wanted to provide this important summary information as soon as possible given the short time before players begin to report to Training Camp. A summary of major aspects of the COVID Amendments appears below, but these provisions remain subject to final agreement between the parties. Once the side letter is finalized, we will provide a more detailed overview of the terms, but this summary is meant to help advise you in the meantime given the urgency.

As will be discussed below, **players should report on time for Training Camp unless the player has determined he wishes to opt out AND has provided his Club with written notice that he elects to opt out.** If a player wishes to opt out, he should provide written notification to the Club (email is fine) and copy Mark Levin or his Player Director with the NFLPA.

1. 2020 Salary Cap Shortfall

The original 2020 Salary Cap obviously did not anticipate the COVID pandemic, and actual revenues will reflect a substantial shortfall. The COVID Amendments establish the following in order to address this shortfall:

- a. No 2020 player salaries or bonuses will be reduced if there is a complete NFL season.
- b. \$17M in Player Benefits are cancelled for 2020 including:
 - i. Second Career Savings Plan
 - ii. Annuity
 - iii. Severance Pay
 - iv. Performance Based Pay
 - v. Tuition Assistance
 - vi. Playoff Bye Week Pay

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vii. Pro Bowl Pay (unless Pro Bowl is played)

- c. Pursuant to a resolution passed by the NFLPA Board of Representatives, the benefits amounts lost in 2020 will be repaid to players through a new benefit after 2023.

2. 2021 Salary Cap

- a. 2021 Salary Cap will be *no lower* than \$175M per club.

3. Tolling, Credited, and Accrued Seasons in 2020

- a. In the event of a cancelled season, contracts of players on the Club's Week 1 roster and Practice Squad will not toll as long as one week of NFL games are played.
- b. For any tolled contract, paid signing and roster bonuses would not toll, such that no player receives the same bonus twice.
- c. Players identified in 3a above will receive one (1) Credited Season for pension and benefits purposes for being on full pay status for one (1) regular season game.
- d. Players identified in 3a above will receive one (1) Credited Season for Minimum Salary purposes for being on full pay status for three (3) regular season games.
- e. Players identified in 3a above will receive one (1) Accrued Season for being on full pay status for one (1) regular season game.
- f. Credited/Accrued Season rules for players who sign with an NFL Club after the first game of the season shall not change from the 2020 NFL CBA.

4. Voluntary Opt-Out: Any player can choose to opt out of playing in the 2020 NFL season. If a player wishes to opt out, he must provide his club with written notification (see below). If he has not done so, the player should report to Training Camp on time.

- a. Voluntary Opt-Out deadline: Player must inform Club in writing within **seven (7) days** of the date that the NFL and NFLPA finalize the side letter agreement that includes the terms of such opt-outs. **NFLPA will notify all agents and players as soon as that side letter is finalized.**
- Player must be under contract or subject to a tender.
 - Voluntary Opt-Out contracts will be tolled and all provisions of that Contract for the tolled year shall be applicable the following season, except that no player shall be paid the same signing bonus or roster bonus twice.

- Player drafted in 2020 or who earned a Credited Season in 2019, will be eligible for a stipend of \$150,000 to be treated as a salary advance against the tolled player contract.
- b. Voluntary Opt Out decision is generally irrevocable. There will be a limited basis to identify certain circumstances that permit a player to opt out later in the year based on familial circumstances.
 - c. No Accrued or Credited season
 - d. No forfeiture, breach/void of contract, or basis for any other discipline unless player fails to timely report at the start of the 2021 training camp or is otherwise in breach of his NFL Player Contract.

5. Higher Risk Player Opt Out

- a. Certain players may opt-out as a result of being Medically Higher Risk of complications from COVID-19. Such players must likewise provide written notification to the club. If a player has not provided such written notification, the player should report to Training Camp on time.
- b. Higher Risk players need to have a diagnosis from the list below reflected in their medical records prior to the date of the parties' agreement for at least **one** of the following factors, which are based upon a modified list of the Centers for Disease Control (CDC) risk factors list. It is not mandatory that players who qualify as Higher Risk opt out; it is their choice:
 1. Cancer
 2. Chronic kidney disease
 3. COPD (chronic obstructive pulmonary disease)
 4. Immunocompromised state (weakened immune system) from solid organ transplant
 5. Serious heart conditions, such as heart failure, coronary artery disease, or cardiomyopathies
 6. Sickle cell disease
 7. Type 2 diabetes mellitus
 8. Asthma
 9. Cerebrovascular disease (affects blood vessels and blood supply to the brain)
 10. Cystic fibrosis
 11. Hypertension or high blood pressure
 12. Immunocompromised state (weakened immune system) from blood or bone marrow transplant, immune deficiencies, HIV, use of corticosteroids, or use of other immune weakening medicines
 13. Neurologic conditions, such as dementia
 14. Liver disease
 15. Pulmonary fibrosis (having damaged or scarred lung tissues)

- c. A Higher Risk player must inform the Club in writing that he qualifies for Higher Risk and elects to opt out **within seven (7)** days from date when NFL and NFLPA finalize the side letter agreement that includes the terms of opt-outs: **NFLPA will notify all agents and players as soon as the side letter is finalized.**
- d. A Higher Risk Player receives an Accrued Season towards free agency and all benefits and minimum salary credit for a Credited Season.
- e. A Higher Risk Player is eligible for stipend of \$350,000, which is not offset by prior salary and will not constitute a salary advance but will count against Total Player Cost.
- f. Higher Risk Player's contract shall toll and all provisions of that Contract for the tolled year shall apply the following season except that no player shall be paid the same signing bonus or roster bonus twice.
- g. A Higher Risk player's decision whether to opt out is generally irrevocable. There will be limited circumstances that will permit a player to opt out as a Higher Risk Player after the initial deadline based upon a new diagnosis.
- h. No forfeiture, breach/void of contract, or basis for any other discipline unless player fails to timely report at the start of the 2021 training camp or is otherwise in breach of his NFL Player Contract.

6. High Risk Cohabitant

- a. "High Risk" designation for a cohabitant (person who normally resides with the player) is based upon the cohabitant having diagnosis for at least one of any of the CDC's high risk factors (except for smoking).
- b. Club must offer separate housing to the player if the player requests it, and cohabitant qualifies as a high-risk cohabitant.
- c. The deadline for this request has not been agreed upon by the parties.

7. Canceled Season Payment Obligations/Stipends

- a. Should the 2020 season be cancelled or suspended, players who are under contract for the 2020 season including Practice Squad players, will retain any signing, reporting, roster bonus or offseason workout bonus that were earned prior to cancellation of the season. All players will also retain any Paragraph 4 or 5 Salary earned prior to cancellation of the season. If the season is cancelled or suspended, Players, including those on IR, will not be entitled to compensation other than stipend amounts listed below that is meant to cover NFL games that are not played.

- b. Stipend for Cancellation Prior to Roster Cutdown

- i. For players on 90-man roster at time of cancellation and who earned a 2019 Credited Season or 2020 Draft picks:
 - 1. \$250,000 stipend
 - 2. NFL player health insurance
 - ii. For players without 2019 Credited Season and 2020 undrafted:
 - 1. \$50,000 stipend
 - iii. All contracts toll.
 - c. Stipend for Cancellation After Roster Cutdown
 - i. All players on the Roster at the time of cancellation:
 - 1. \$300,000; offset by any P5 or P4 salary earned during season
 - 2. NFL player health insurance
 - ii. Practice Squad:
 - 1. \$100,000; offset by any P4 or P5 salary earned during season
 - 2. NFL player health insurance

8. Contract Guarantee Protection in Suspended or Canceled Season in 2020

- a. A player's total 2020 Guaranteed Salary will be calculated based on his Player Contract at the beginning of the 2020 season, but it is subject to change based on subsequent negotiations.
- b. If any games are canceled during the 2020 season once the regular season has begun, Clubs will not be obligated to pay the salary protected by applicable 2020 Guaranteed Salary during the 2020 season that would have covered salary for any cancelled games.
 - i. This does not apply to any salary guarantee, signing bonus, roster bonus, or reporting bonus due but not paid. For avoidance of doubt, any amount treated as salary guarantee, signing bonus, reporting bonus, or roster bonus that has been earned and remains due shall be paid as scheduled (even if over the course of the season), regardless of whether the 2020 NFL Season has been cancelled.
- c. If, however, a Club terminates a player, either before the date of this agreement or at any point after, including during the 2020 season, the Club is obligated to pay the player the entirety of any applicable guaranteed salary regardless of any cancelation of the 2020 season and without any rollover to a future year.
- d. For any player whose 2020 Player Contract contains 2020 Guaranteed Salary and who played during the 2020 season (i.e., did not opt out), the parties agree to roll the protections attached to any unpaid, guaranteed salary forward to that player's unprotected salary in an amount equal to the remaining 2020 Guarantees that were not paid during the 2020 season.

- i. Salary will be considered “unprotected” if that salary does not have the same type of guarantee (and is a lesser form of guarantee) as the foregone 2020 Guaranteed Salary.
 - ii. For example, if the player’s 2020 Guarantee Salary was only guaranteed for injury, then the remainder would roll forward to that player’s next amount of salary that does not have an injury guarantee. If the player’s 2020 Guaranteed Salary was fully guaranteed, then it would roll forward to that player’s next amount of salary that is not fully guaranteed.
- e. If the 2020 season is cancelled at any point, the player’s unpaid 2020 Guaranteed Salary will immediately convert into “Guarantee Rollover Protection.”
- f. For any player who remains under the same Player Contract for 2021 (or beyond), his Guarantee Rollover Protection will transfer the remaining, un-exhausted portion of his 2020 Guaranteed Salary to the first eligible unprotected salary in his existing player contract. Examples below:

Example 1: Player A has \$15M in fully guaranteed P5 in 2020. He has \$15M in P5 in 2021, but it is only partially guaranteed for \$5M (injury, skill, and cap). If, as a result of the COVID season cancellation, Player A only received \$10M in 2020, then Player A has \$5M in Guarantee Rollover Protection. As a result, Player A’s 2021 salary, which remains \$15M, would have partial guarantee of \$10M (injury, skill, and cap).

Example 2: Player B has \$10M in salary in 2021, \$5M of which is fully guaranteed. If Player B earns \$5M in salary before the 2020 season is cancelled, he shall have no Guarantee Rollover Protection.

Example 3: Player C has \$10M in salary in 2021, \$10M of which is guaranteed for injury only. Player C’s 2021 salary is \$12M, all of which is guaranteed for injury only. Player C’s 2022 salary is \$10M, with no guarantees. If, as a result of COVID, the 2020 season is cancelled at a point when Player C has only earned \$5M, then his remaining \$5M becomes Guarantee Rollover Protection. As a result, \$5M of Player C’s 2022 salary would become guaranteed for injury only.

- g. For players who do not have future contract or do not have unprotected salary to exhaust his Guarantee Rollover Protection, the NFLPA will create benefit from future Player Costs. Per a vote by its Board of Representative, the NFLPA will make payment to players with Guarantee Rollover Protection but no eligible contract for 2021 as described below.

- i. The NFLPA will create such a benefit in the first League Year or any subsequent League Years after any shortfalls for the 2020 and 2021 League Years have been allocated.
- ii. At such time, the NFLPA will treat such players as though any contract such player signed after 2020 had been in place during the 2020 season.
- iii. The NFLPA Guarantee Rollover Protection Benefit would pay any player who had eligible Guarantee Rollover Protection but whose subsequent contracts in 2021, 2022, and 2023 did not exhaust that player's Guarantee Rollover Protection.

Example 4: Player D has a one year, \$15M fully guaranteed contract for 2020. He only receives \$10M of his salary before the 2020 season is cancelled as a result of COVID-19. Player D subsequently signs a 3-year contract for 2021-2024. Player D's 2021 salary is \$20M, fully guaranteed. Player D's 2022 salary is \$10M, fully guaranteed. Player D's 2023 salary is \$20M, but none of the salary is guaranteed. As a result of the Guarantee Rollover Protection Benefit, \$5M of Player D's 2023 salary is guaranteed (injury, skill, and cap). If the Club terminates Player D before the 2023 season (and he has no further salary to offset), then he will be eligible for a \$5M Guarantee Rollover Protection Benefit payment. If, however, Player D earns \$5M of his 2023 salary, his Guarantee Rollover Protection Benefit is eliminated.

Example 5: Player E is in the final year of a 4-year contract. His 2020 salary is \$3M, with \$1M guaranteed. He earns \$1.5M before the 2020 season is cancelled due to COVID 19. Player E has no eligibility for Guarantee Rollover Protection Benefit.

Example 6: Player F is on a one-year contract. His 2020 salary is \$3M, fully guaranteed. Player F only earns \$2M of his 2020 salary before the 2020 season is cancelled due to COVID 19. Player F subsequently earns no further salary in his career. Player F would be eligible for \$1M in Guarantee Rollover Protection Benefit.

Example 7: Player H is on a one-year contract. His 2020 salary is \$15M, fully guaranteed. Player H only receives \$10M as a result of COVID cancellation of the season. He subsequently signs a one-year contract for 2021. His 2021 salary is \$5M, none of which is guaranteed. Player H's Guarantee Rollover Protection would make his \$5M 2021 salary fully guaranteed. Should he be terminated in 2021 after having earned only \$2M, his Guarantee Rollover Protection Benefit would be \$3M

(assuming no further unprotected salary earned in 2021 or subsequent years).

- iv. Player may forfeit his Guarantee Rollover Protection Benefit in the event he retires with years remaining under contract and unexhausted Guarantee Rollover Protection.
- h. As discussed above, guaranteed and non-guaranteed salary will not be paid for games that are not played in 2020.

9. Performance Bonus Adjustments for Canceled Games

- a. Any player who earns the entirety of a performance incentive bonus will be paid his entire bonus even in a shortened season.
- b. Playing time bonuses and any bonus that has not been earned will be reduced pro-rata (both in terms of amount of the dollars to be earned and the performance incentive metric) based on the number of games in the season. If the player has met the pro-rata reduced performance target, then he will receive a pro-rata reduced bonus.

10. Termination Pay

- a. Any player who qualifies for Termination Pay (as defined in Article 30) will receive Termination Pay for the amount that represents the number of weeks of the NFL season that are ultimately played.

11. Football Related Injury

- a. Players who are diagnosed with COVID-19 after two negative entry tests will have such condition treated as a football related injury for all purposes under the Collective Bargaining Agreement and NFL Player Contract.
- b. Clubs are not permitted to comment on player's medical status other than referring to roster status as COVID IR.
- c. **Clubs/NFL can challenge designation as a football related injury if it can prove that the player contracted COVID-19 through engaging in high risk conduct below.** (This issue remains open.)

High risk conduct is defined as:

- i. Attending indoor night club (with more than 15 people)
- ii. Attending indoor bar (other than to pick up food) (with more than 15 people)
- iii. Attending indoor house party (with more than 15 people)
- iv. Attending an indoor music concert/entertainment event (with more than 15 people)
- v. Attending professional sporting event (other than applicable NFL games or events) (with more than 15 people)
- vi. Attending an indoor religious service attended by more than 25% of the venue's capacity

12. Discipline for COVID High Risk Conduct

- a. Clubs may discipline players for conduct detrimental for engaging in High-Risk COVID Conduct above.

As discussed above, this is NOT a complete list of the terms of agreement between the parties. This list does not address various Salary Cap-related terms, nor does it purport to provide final language that players or agents should rely upon to define their rights under the CBA. The NFLPA will distribute a more detailed summary once the parties have finalized the CBA amendment agreements.