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PERFORMANCE BASED PAY FOR NFL PLAYERS UP NEARLY 40%

Total compensation in the fourth year of the NFL's "Performance Based Pay" system increased by 39 percent to more than \$79 million, the NFL announced today.

When the NFL and the NFL Players Association extended the Collective Bargaining Agreement in 2002, they created a supplemental form of player compensation based on a comparison of playing time to salary.

This year, the fund totaled more than \$79 million (\$2.481 million per team) and will grow to approximately \$96 million in 2006. The fund will be \$100 million in 2007.

The \$79 million distributed in 2005 was 39 percent higher than the Performance Based Pay of 2004, which was \$57 million, or \$1.784 million per team.

The total will continue to increase in each year of the CBA.

The biggest earner in Performance Based Pay last season was Dallas Cowboys rookie tackle **ROB PETITTI**, who earned \$271,287 in additional pay. He was followed by Houston Texans rookie safety **C.C. BROWN**, who earned \$251,593. Those totals were more than the base pay of each player.

Clubs have been notified to distribute payments to players.

Players become eligible to receive Performance Based Pay in any season during which they play at least one down of the regular season.

The fund that is distributed to players under the Performance Based Pay system was created by slowing the growth in 1) yearly minimum salaries for all players and 2) the annual entering player pool for rookies.

The pool of money distributed under the Performance Based Pay system comes from reduced growth of the rookie pool and minimum salaries.

Under the system, Performance Based Pay is computed by using a "Player Index." To produce the index, a player's regular season playtime (total plays on offense, defense and special teams) is divided by his adjusted regular season compensation (full season salary, prorated portion of signing bonus, earned incentives). Each player's index is then compared to those of the other players on his team to determine the amount of his pay.

"The Performance Based Pay system is especially beneficial to lower-salaried players," says NFL Executive Vice President of Labor Relations **HAROLD HENDERSON**. "Under this system, if a player is making the minimum but plays in a high percentage of his team's plays, he stands to get a larger payout than a teammate with equal playtime but a higher salary."

One hypothetical example is "Player A" in 2005 earning a salary of \$600,000, playing in 50 percent of his team's plays. His bonus would total approximately \$60,000. "Player B" has a salary of \$6 million and took part in a similar percentage of plays. His bonus would be approximately \$6,000.

Added NFLPA Executive Director **GENE UPSHAW**, "We shift money from the projected increases in minimum salary to annual payments based on playing time, a fairer distribution of the money. 'Pay for Performance' rewards players who may be on the bottom of the team pay scale, but play a majority of the games."

Following is a comparison of the top 25 players in Performance Based Pay between 2005 and 2004, and the percentage of increase in each spot:

TOP 25 PERFORMANCE BASED PAY DISTRIBUTIONS FOR 2005 & 2004

2005 Season Distributions

2004 Season Distributions

% Increase in PBP Distribution Based on Rank (Top 25) in 2005 and 2004

Club	<u>Player</u>	Pos.	<u>Allocation</u>	Club	<u>Player</u>	Pos.	<u>Allocation</u>		
1. DAL	Petitti, Rob	T	\$ 271,287	1. NYJ	Coleman, Erik	SS	\$ 227,625	1.	19.2%
2. HST	Brown, C.C.	SS	\$ 251,593	2. SD	Olivea, Shane	T	\$ 171,824	2.	46.4%
3. DET	Butler, Kelly	T	\$ 242,908	3. ARZ	Wells, Reggie	G	\$ 151,374	3.	60.5%
4. MIA	Hadnot, Rex	G	\$ 235,847	4. ARZ	Stepanovich, Alex	С	\$ 149,621	4.	57.6%
5. CAR	Carstens, Jordan	DT	\$ 232,798	5. DEN	Herndon, Kelly	СВ	\$ 147,665	5.	57.7%
6. SD	Olivea, Shane	T	\$ 223,966	6. NE	Gay, Randall	СВ	\$ 145,555	6.	53.9%
7. KC	Allen, Jared	DE	\$ 221,447	7. BLT	Demps, Will	FS	\$ 143,552	7.	54.3%
8. NYG	Deloatch, Curtis	СВ	\$ 221,005	8. KC	Pile, Willie	FS	\$ 136,853	8.	61.5%
9. IND	Lilja, Ryan	G	\$ 215,642	9. TEN	Bell, Jacob	G	\$ 136,622	9.	57.8%
10. BUF	Peters, Jason	T	\$ 215,008	10. NE	Koppen, Dan	С	\$ 135,541	10.	58.6%
11. CAR	Wharton, Travelle	T	\$ 214,048	11. BUF	McGee, Terrence	СВ	\$ 133,743	11.	60.0%
12. GB	Whitticker, William	G	\$ 212,307	12. NYG	Diehl, David	T	\$ 133,240	12.	59.3%
13. MIA	Daniels, Travis	СВ	\$ 212,069	13. KC	Fujita, Scott	OLB	\$ 132,289	13.	60.3%
14. TB	Davis, Anthony	T	\$ 211,350	14. MIN	Russell, Brian	FS	\$ 131,356	14.	60.9%
15. TB	Buenning, Dan	G	\$ 210,204	15. HST	Wand, Seth	T	\$ 131,056	15.	60.4%
16. NO	Bockwoldt, Colby	OLB	\$ 209,943	16. ATL	Shaffer, Kevin	T	\$ 129,436	16.	62.2%
17. CHI	Harris, Chris	FS	\$ 209,362	17. PHI	Hood, Roderick	СВ	\$ 126,460	17.	65.6%
18. NYG	Wilson, Gibril	SS	\$ 207,549	18. CAR	Branch, Colin	FS	\$ 124,951	18.	66.1%
19. PIT	Taylor, Ivan	СВ	\$ 206,513	19. PIT	Harrison, James	OLB	\$ 123,497	19.	67.2%
20. NYJ	Rhodes, Kerry	FS	\$ 200,268	20. CAR	Manning, Ricky	СВ	\$ 122,063	20.	64.1%
21. OAK	Morrison, Kirk	MLB	\$ 199,692	21. BUF	Baker, Rashad	FS	\$ 121,999	21.	63.7%
22. MIN	Goldberg, Adam	G	\$ 199,656	22. DET	Walker, Bracy	SS	\$ 121,530	22.	64.3%
23. NYJ	Coleman, Erik	SS	\$ 196,813	23. DAL	Tucker, Torrin	T	\$ 120,730	23.	63.0%
24. PIT	Starks, Max	T	\$ 194,798	24. KC	Allen, Jared	DE	\$ 120,377	24.	61.8%
25. DEN	Foxworth, Domonique	СВ	\$ 194,303	25. JAX	McCray, Bobby	DE	\$ 120,134	25.	61.7%

Performance Based Pay System

Each player on the same team competes for his own share of his club's Performance Based Pay pool. The table below illustrates how the Index works, using a simplified four-player team as an example. Each player receives his share of the pool depending on how his index compares to those of his teammates.

	Playtime	Compensation	Index	Bonus Payout
Player A	50%	\$ 500,000	10.0	50% of the Club's pool (10 out of 20)
Player B	50%	\$ 1,000,000	5.0	25% of the Club's pool (5 out of 20)
Player C	20%	\$ 500,000	4.0	20% of the Club's pool (4 out of 20)
Player D	10%	\$ 1,000,000	1.0	5% of the Club's pool (1 out of 20)
	To	eam Total:	20.0 Poi	nts