

# Traded Player Exception (TPE)



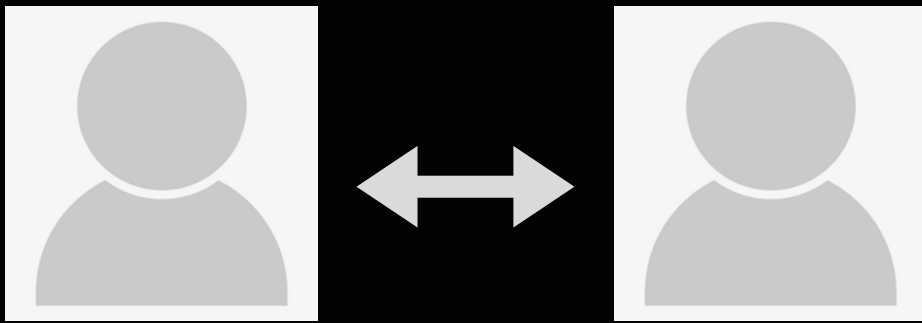
ASU NTDC

NBA TRADE DEADLINE COMPETITION

# What is A TPE?

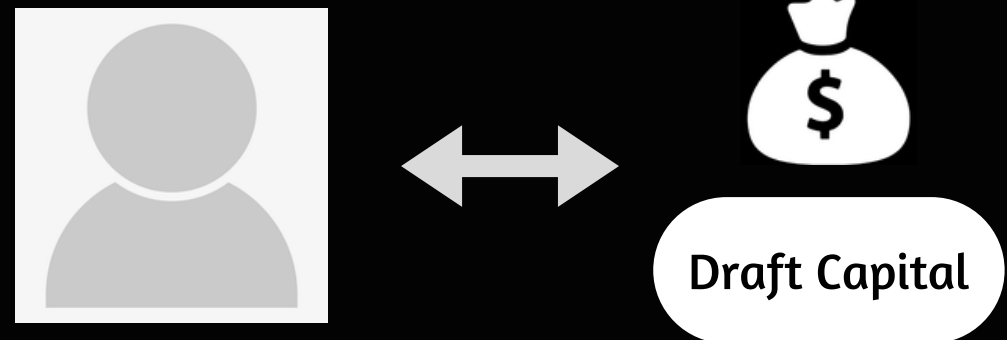
**DEFINITION:** A TPE IS A FINANCIAL TOOL THAT ALLOWS A TEAM THAT IS OVER THE SALARY CAP TO REPLACE AN OUTGOING TRADED PLAYER. THERE ARE TWO TYPES OF TPE'S: SIMULTANEOUS AND NON-SIMULTANEOUS.

## Simultaneous:



OCCURS WHEN EACH TEAM IS TRADING ONE (OR MORE) PLAYER SALARIES IN EXCHANGE FOR ONE OR MORE PLAYER SALARIES TO MATCH OUTGOING SALARY.

## Non-Simultaneous:



OCCURS WHEN A TEAM TRADES PLAYER SALARY TO ANOTHER TEAM THAT ABSORBS THE SALARY WITH CAP SPACE OR AN AVAILABLE EXCEPTION (RATHER THAN SENDING PLAYER SALARY TO MATCH).



# 2023 vs 2017

## Simultaneous TPE Thresholds

### For Non-taxpaying Teams

- The threshold of salary a team can acquire in a trade depends on the salary the team is sending out.
- Teams with payrolls below the 1st apron are considered non-taxpaying teams.
- The new 2023 thresholds loosen the TPE rules for non-taxpaying teams.
- Simultaneous TPE's expire immediately after the trade is completed.

## 2023

### TPE THRESHOLDS FOR NON-TAXPAYERS:

0-7.5M: UP TO 200% + 250K

7.5-29M: UP TO 7.5M FLAT

OVER 29M: UP TO 125% + 250K

## 2017

### TPE THRESHOLDS FOR NON-TAXPAYERS:

0-6.53M: UP TO 175% + 100K

6.53-19.6M: UP TO 5M FLAT

OVER 19.6M: UP TO 125% + 100K



# 2023 Taxpayer Restrictions

NOTE: 1ST APRON RESTRICTIONS ALSO APPLY TO 2ND APRON TEAMS, AND 2023-24 RESTRICTIONS CARRY OVER TO THE 2024-25 SEASON AS THE LEAGUE EASES IN HARSHER TAXPAYER RESTRICTIONS.

## 1st Apron (\$172.3M)

### 2023-24 SEASON:

- **TPE's:** ARE LIMITED TO 110% + 250K OF OUTGOING SALARY (PREVIOUSLY 125% + 100K)
- **WAIVED PLAYER:** LOSE THE RIGHT TO SIGN A WAIVED PLAYER DURING THE REGULAR SEASON IF THE WAIVED SALARY WAS HIGHER THAN THE NTPMLE (12.405M).

## 2nd Apron (\$182.8M)

### 2023-24 SEASON:

- **TPMLE:** LOSE THE RIGHT TO USE TAXPAYER MIDDLE LEVEL EXCEPTION
- **SEE ABOVE:** ALL 1ST APRON RESTRICTIONS LISTED.

### STARTING 2024 OFFSEASON:

- **S&T:** LOSE THE RIGHT TO ACQUIRE A PLAYER WITH A TPE IN A SIGN & TRADE THAT KEEPS THE TEAM ABOVE THE 1ST APRON.
- **AGGREGATION:** LOSE THE RIGHT TO AGGREGATE SALARY IN TRADE (AKA COMBINE THE SALARIES OF OUTGOING PLAYERS TO MATCH INCOMING SALARY).
- **CASH:** LOSE THE RIGHT TO USE CASH IN TRADE (INCLUDING BUYING PICKS).
- **FROZEN PICK:** TEAM'S 1ST ROUND PICK 7 YEARS DOWN THE LINE GETS FROZEN (UNTRADABLE), AND THE PICK GETS MOVED TO THE END OF THE 1ST ROUND IF THE TEAM IS OVER THE 2ND APRON A TOTAL OF 3/5 SEASONS.



## Under the Cap

# Under \$136.0M



## Over the Cap and Under the Tax

# \$136.0M - \$165.3M

NOTE: TEAMS ARE SORTED LEFT TO RIGHT ACCORDING TO ACTIVE PAYROLL AS OF 7/26/23.



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## Over the Tax and Under the 1st Apron

# \$165.3M - \$172.3M



## In-between the 1st and 2nd Apron

# \$172.3M - \$182.8M



## Over the 2nd Apron

# Over \$182.8M

