



## FREQUENTLY ASKED QUESTIONS

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## What is the CBA?

The Collective Bargaining Agreement (CBA) is a ten-year agreement between the National Hockey League (NHL) and National Hockey League Players' Association (NHLPA), and is active between September 16, 2012 and September 15, 2022. The document in its entirety can be seen [here](#).

## What is an SPC?

The Standard Player's Contract (SPC) is the standard NHL player contract that acts as the only form of contract for player signings that comply with the agreement of the CBA.

## What is a Salary Cap Hit

The **Salary Cap Hit** is the total amount of salary cap room that is taken by a players contract. This number is calculated by the average dollar figure of the contract.

## What is the difference between the Salary Cap Upper Limit and Lower Limit?

The **Upper Limit** is the maximum amount of money that a team can spend on player salaries in accordance with the CBA. This number varies annually, and is commonly dependent upon the revenue accumulated by the NHL in previous seasons. No player may earn more than 20% of the Upper Limit. The Upper Limit for the 2015-16 season is \$71,400,000.

The **Lower Limit** is the minimum amount of money that a team must spend on player salaries in accordance with the CBA, the Lower Limit for the 2015-16 season is \$52,800,000. This Lower Limit prevents teams from depleting or trading away the core of their rosters with the intent of sacrificing their position in the league standings for a higher ranked position in the entry draft. This also acts to ensure that all players are compensated fairly. The Lower Limit is commonly set around \$16-18 million below the Upper Limit.

## What is the players' share of the league's revenue?

The player's share for the current CBA is 50% of actual hockey related revenues (HRR) for the league year ended June 30. **(CBA 50.4 (b))**

In the previous 2005 CBA, the player's share was as follows:

When League Revenue is below \$2.2 billion = 54%  
 When League Revenue is between \$2.2 billion and \$2.4 billion = 55%  
 When League Revenue is between \$2.4 billion and \$2.7 billion = 56%  
 When League Revenue is exceeds \$2.7 billion = 57%

## What is a Performance Bonus?

A Performance Bonus can be given to a player in addition to their salary. Performance bonuses are only paid to the player if they meet the requirements as defined by the bonus. Performance bonuses count against the salary cap; however, a team can exceed the salary cap due to performance bonuses by the maximum performance bonus cushion amount of 7.5 percent of the upper limit. Not all players are eligible for Performance Bonuses, and to receive a bonus within their contract, a player must meet one of the following criteria:

1. The player is on an entry-level contract.
2. The player has signed a one-year contract and is over 35 years old.
3. The player has signed a one-year contract after returning from a long-term injury (has played 400 or more games, and spent 100 or more days on the Injured Reserve in the last year of their most recent contract).

What is the difference between a Signing Bonus and a Performance Bonus?

Signing Bonuses are rewarded upon the signing of a player's contract and are paid to the player regardless of buyouts, or performance.

Performance Bonuses are paid to a player if the requirements of the bonus are met, and are given over the course of the season as they are met.

What happens if a player is injured long-term (LTIR)?

If a player is considered to have a long-term injury (causing them to miss a minimum of 10 games and 24 days), they can be placed on the Long-Term Injury Reserve (LTIR), which can be used to receive cap relief.

While placing a player on the LTIR does not remove the player's Salary Cap Hit from the overall team cap, it does provide the team relief if the team's total average Salary Cap exceeds the upper Salary Cap Ceiling. More details are available at the [LTIR FAQ](#).

Once an injured player returns to the team from the LTIR, the team must reduce its average salary cap to below the Salary Cap Upper Limit before they may remove the player from the LTIR.

What is the season opening injured reserve (SOIR)?

If a player who is on a two-way contract becomes disabled during training-camp or who reports to training-camp disabled as the result of a hockey related injury incurred during the off-season, they can be placed on season-opening injured reserve, to possibly obtain cap relief. It is notable that the SOIR equations are **not** the same as the daily rate equations in **CBA 15.6**, which is instead used to calculate the players daily salary (as opposed to cap hit).

Full Cap Hit

Players who are on a one-way contract, or players on a two-way contract who accrued 50 or more NHL games in the previous season count fully against the cap hit. Teams can opt to place these players on LTIR to obtain cap-relief ([LTIR FAQ](#)).

Discounted Cap Hit

Players on a two-way contract, who accrued 1-49 NHL games in the previous season, count against the teams cap hit; however, the reduced cap hit is calculated as follows: Multiply the players NHL cap hit by the total accrued NHL **days** in the previous season, and divide by the total number of days in the previous season (Ex: 186 for 2014-15)

When a player is reactivated to the active roster, their cap hit reverts back to the full rate

Full cap relief

Players who are on a two-way contract, who did not accrue any NHL games in the previous season, can be placed on SOIR and do not count against their teams cap hit.

What is a retained salary transaction/trade

When a team trades a player, they have the option to retain a part of their salary (and cap hit). The team who retains the salary then pays the retained percentage of the salary, and also retains the percentage of the cap hit until the contract expires. The following requirements must be met to retain salary:

1. The percentage retained cannot exceed 50 percent of the player's salary (including all bonuses) and Salary Cap Hit.
2. The same percentage must be retained for both the player's salary and Salary Cap Hit, and cannot be modified.
3. All teams are limited to a maximum of 3 retained salary contracts per season.
4. Teams cannot retain an aggregate amount of more than 15 percent of the Salary Cap Upper Limit.
5. Players' contracts are limited to 2 retained salary transactions per contract.

Once a retained salary transaction has occurred, there are various limitations, such as:

- A team cannot reacquire a player whom they have retained salary from for a minimum of one year after the date of the transaction, or unless the player's contract expires or is terminated prior to the one-year date.
- All teams involved in a retained salary transaction will have cap implications if the contract is bought out or terminated.
- Teams who retain salary on a players contract, will have the full value of the cap hit act against the teams salary cap total, regardless of whether the player is reassigned to the minors by their current team.

What is a No-Move Clause (NMC)?

A No-Move Clause (NMC) can be added to a player's contract in the years after they are eligible for Group 3 Unrestricted Free Agency (7 Accrued seasons or 27 years of age), and has the following properties:

- Player cannot be traded without his consent (however, the clause can specify a modified no-trade clause that limits the NTC to a certain number of teams)
- Player cannot be placed on waivers without his consent
- Player cannot be assigned to the minors without his consent
- Player is **not** exempt from a buyout or contract termination
- Once the clause has gone into effect, it can travel with the player even if he consents to being traded or is claimed on waivers
  - This requires that the acquiring team sign an addendum to the contract ensuring that the clause does in fact travel with the player (written by the player's agent)
  - If the acquiring team refuses to sign the addendum, and the player waives his clause anyway, at that point the clause may be nullified
- In prior CBA's (2005, 2013) if the player was traded before the clause took effect, the acquiring team could opt to void the clause. However, as of July 2020, and under the new Memorandum of Understanding (MOU), all No-Move and No-Trade clauses included in the players active contract shall continue to remain active and travel with the player even in the event that the SPC is moved (either by trade, waivers claim, or loan to another league) regardless of whether or not the clause has taken effect.

What is a No-Trade Clause (NTC)?

A No-Trade Clause (NTC) can be added to a player's contract in the years after they are eligible for Group 3 Unrestricted Free Agency (7 Accrued seasons or 27 years of age), and has the following properties:

- Player cannot be traded without his consent
- Consent is **not** required to be placed on waivers
- Consent is **not** required for assignment to the minors
- Player is **not** exempt from a buyout or contract termination
- Once the clause has gone into effect, it can travel with the player even if he consents to being traded or is claimed on waivers
  - This requires that the acquiring team sign an addendum to the contract ensuring that the clause does in fact travel with the player (written by the player's agent)
  - If the acquiring team refuses to sign the addendum, and the player waives his clause anyway, at that point the clause may be nullified
- In prior CBA's (2005, 2013) if the player was traded before the clause took effect, the acquiring team could opt to void the clause. However, as of July 2020, and under the new Memorandum of Understanding (MOU), all No-Move and No-Trade clauses included in the players active contract shall continue to remain active and travel with the player even in the event that the SPC is moved (either by trade, waivers claim, or loan to another league) regardless of whether or not the clause has taken effect.

What is a Limited, or Modified No-Trade Clause (M-NTC)?

A limited, or modified no-trade clause (M-NTC) is less restrictive than a full no-trade clause (NTC), and can be added to a player's contract in the years after they are eligible for Group 3 Unrestricted Free Agency (7 Accrued seasons or 27 years of age), and has the following properties:

- The player's contract includes specific terms in respect to being traded without their consent where the player must:
  - In a specified timeframe or window:
    - Specify a pre-determined number of teams the player would be willing to be traded to, or:
    - Specify a pre-determined number of teams the player would not be willing to be traded to
- Consent is **not** required to be placed on waivers
- Consent is **not** required for assignment to the minors
- Player is **not** exempt from a buyout or contract termination
- Once the clause has gone into effect, it can travel with the player even if he consents to being traded or is claimed on waivers
  - This requires that the acquiring team sign an addendum to the contract ensuring that the clause does in fact travel with the player (written by the player's agent)
  - If the acquiring team refuses to sign the addendum, and the player waives his clause anyway, at that point the clause may be nullified
- In prior CBA's (2005, 2013) if the player was traded before the clause took effect, the acquiring team could opt to void the clause. However, as of July 2020, and under the new Memorandum of Understanding (MOU), all No-Move and No-Trade clauses included in the players active contract shall continue to remain active and travel with the player even in the event that the SPC is moved (either by trade, waivers claim, or loan to another league) regardless of whether or not the clause has taken effect.

**Example:** Modified No-Trade Clause: Within 48 hours of request, the player must submit a list of 18 teams they are willing to be traded to without consent. If the list is not received within 48 hours, the player can be traded to any team without consent.

Is there a maximum number of contracts permitted?

The maximum number of contracts per team permitted is as follows:

1. Up until the day of the trade deadline, the NHL roster size limit is 23 (Non-roster, IR, LTIR, SOIR, etc. do not count to this limit). On and after the trade deadline, there is no roster size limit.
2. Total NHL contracts per team = 50 (including two-way contracts and NHL contracts in the minors), players who meet the following three conditions do not count to this limit: 1. The player is 18 or 19 years of age. 2. Is in a junior or European league, and 3. who have not played 11 NHL games the current season.
3. Total NHL players belonging to a team, including reserve lists = 90 (including roster, minor, prospects or drafted)

How do buyouts work?

Please see our [Buyout FAQ](#)

What is a Buried Contract?

Teams do not receive full cap relief when a player on a one-way NHL contract is reassigned to the American Hockey League, or is loaned to a team in another professional league.

The player's salary cap hit, minus the sum of the minimum NHL salary for the respective season and \$375,000, still counts towards the team's salary cap total.

The cap hit relief is therefore equal to the minimum salary of the respective season + \$375,000:

- 2014-15: \$550,000 + \$375,000 = \$925,000
- 2015-16: \$575,000 + \$375,000 = \$950,000
- 2016-17: \$575,000 + \$375,000 = \$950,000
- 2017-18: \$650,000 + \$375,000 = \$1,025,000
- 2018-19: \$650,000 + \$375,000 = \$1,025,000
- 2019-20: \$700,000 + \$375,000 = \$1,075,000
- 2020-21: \$700,000 + \$375,000 = \$1,075,000
- 2021-22: \$750,000 + \$375,000 = \$1,125,000
- 2022-23: \$750,000 + \$375,000 = \$1,125,000
- 2023-24: \$775,000 + \$375,000 = \$1,150,000
- 2024-25: \$775,000 + \$375,000 = \$1,150,000
- 2025-26: \$775,000 + \$375,000 = \$1,150,000

How do Entry-Level Contracts Work?

Players younger than 25 (28 if they are considered a European player) years of age, as of September 15 during the year of their first NHL contract must sign an entry-level contract (ELC).

Entry-level contracts have set limitations:

- All ELCs are two-way contracts
- The maximum allowable salary is determined by the respective player's draft year. Please see the [Maximum Entry-Level Compensation](#) summary for further details on maximum compensation.

The length of the entry-level contract is also dependent on the player's age:

- 18-21 years of age: 3 years
- 22-23 years of age: 2 years
- 24 years of age (and up to 27 years of age for European players): 1 year

Optional compensation is permitted for a player who is playing at the Major Junior level, with a salary of \$10,500 per year.

## Bonuses

Entry-level contracts can include signing, games played, and performance bonuses:

- Signing bonuses may not exceed 10 percent of the contract's **total salary** compensation, and is fully guaranteed regardless of where the player is playing (NHL, AHL, etc.).
- Games played bonuses are earned if a player meets a required games played threshold:
  - Games played bonuses count against the maximum **total salary** compensation. (Eg. If the player's maximum salary compensation is \$950,000, and the contract has \$900,000 in signing bonuses and salary, the maximum sum of games played bonuses is \$50,000)
  - There are two tiers of permitted bonuses:
    - Five (5) games, which are limited to a maximum of \$25,000 (\$50,000 for goaltenders)
    - Ten (10) or more games, with no value limit. The maximum games played requirement permitted is the number of games in a regular season (usually 82)
  - For goaltenders with a 5 games played bonus, there is a 30 minute on-ice requirement for the game to count (there is no time limit for bonuses that require 10 or more games).
- The club is permitted to offer performance bonuses incentives:
  - Any earned performance bonuses count against the club's salary cap.
  - At the end of the season, if the team does not have enough cap space to cover the earned bonus, the difference will be applied as a carryover performance bonus overage penalty the next season.
  - Performance Bonuses are broken into 2 categories: Schedule A and Schedule B
    - Schedule A Bonuses may not exceed \$250,000 (\$212,500 prior to 2022) per individual bonus, and \$1,000,000 in total (\$850,000 prior to 2022).
    - There are two types of Schedule B Bonuses:
      - League-wide award/trophy bonuses that are paid by the league (these do not count against the salary cap if earned)
      - Player and club agreed upon bonuses, of which the maximum is \$2,500,000 per season (\$2,000,000 prior to 2022), which do count against the salary cap if earned.

What is an Entry Level Slide?

If a player who is signed to an entry-level contract and is 18 or 19 years of age (as of September 15 of the signing year), does not play in a minimum of 10 NHL games (including both regular season and playoffs; AHL games do not count), their contract is considered to 'slide', or extend, by one year. For example, if a player signed an ELC for three seasons from 2015-16 to 2017-2018, and their contract slides, their contract is now effective from 2016-17 to 2018-19. An exception to this rule is that if the player is 19 on September 15 of the first year of their contract, and turns 20 between September 16 and December 31, their contract does not slide.

Players who sign at 18 years old are eligible to have their contracted extended for 2 seasons. This extension does not apply if the player turns 20 between September 16 and December 31 in his signing year. Signing bonuses do not slide, and are paid to the player regardless of a slide, this causes the annual average of the player's contract to change, and therefore the cap hit decreases for this player.

What is a 35-plus contract?

A contract is designated a 35+ contract if the player's age on the first year of the contract is 35 or older (as of June 30 prior to the year of the effective contract).

35+ contracts that are two years in length or longer and:

1. Have a signing bonus in the 2nd or later year, OR
2. Are front-loaded

Will not benefit from a reduced cap hit regardless of the player's location of play, termination, retired status, or a buyout. This rule was introduced by the NHL to prevent teams from backloading contracts past when the player was expected to retire. An exception to this rule is that a team will receive a \$100,000 cap hit reduction if the player is on the 2nd or later year of the contract and assigned to the minors

Is there a deadline to sign players each year?

Restricted Free Agents who do not sign contracts by December 1 of a given year will be ineligible to play within the league for the remainder of that season.

Unrestricted free agents signed after the trade deadline are eligible to play during the regular season, but ineligible to play during the playoffs.

What is an unrestricted free agent (UFA)?  
A player becomes a free agent when their contract expires on July 1 after the last League Year of their contract. Any player who meets the following requirements becomes an unrestricted free agent (UFA):

1. Is 27 years of age on June 30 of the contract expiry year
2. Has seven (7) Accrued Seasons where an Accrued Season is earned when the player was on the clubs active roster for 40 Regular Season games (30 if the player is a goaltender). Games missed due to a hockey related injury will count towards an accrued season in the season of the injury, plus one additional season after the injury.
3. Meets the requirements for [Group 6 UFA Status](#) (See below)

An unrestricted free agent is eligible to sign a contract with any club as of noon ET on July 1 after the last League Year of their contract

What is a Group 6 UFA?

A player whose contract is expiring and meets all of the following conditions will become an unrestricted free agent (UFA):

1. The player is 25 years or older (as of June 30th of the calendar year the contract is expiring).
2. The player has completed 3 or more professional seasons - qualified by 11 or more professional games (for an 18/19 year old player), or 1 or more professional games (for a player aged 20 or older). This can include NHL, minor league, and European professional league seasons played while under an SPC.
3. The player has played less than 80 NHL games, or 28 NHL games of 30 minutes or greater for a goaltender.

What is a restricted free agent (RFA)?

A player becomes a free agent when their contract expires on July 1 after the last League Year of their contract. If the player does not meet the UFA requirements (see above), they become a restricted free agent (RFA) if their club issues them a [qualifying offer](#) and they have met the following requirements:

Group 2 Restricted Free Agent Requirements

First SPC Signing Age	Professional experience required
18-21	3
22-23	2
24+	1

If the player does not meet the required years of professional experience, they will instead become a [10.2\(c\) player](#) (see below).

If the player does not receive a qualifying offer by June 25th at 5:00pm ET (July 26th for the 2021 off-season), they immediately become a UFA.

An RFA is eligible to negotiate and sign a contract with any club. If the player signs a contract with any club other than the club that holds their rights, the contract is known as an Offer Sheet, and the signing club must possess the required compensatory draft picks. For more information on Offer Sheets, please see our [Offer Sheet Calculator](#) and [Offer Sheet FAQ](#) pages.

Depending on the RFAs entry-level signing age and years of professional experience, the player may be eligible for arbitration. For more information on arbitration, please see our [Arbitration Calculator](#) and [Arbitration Filings](#) pages.

What is a 10.2(c) player?

A player becomes a free agent when their contract expires on July 1 after the last League Year of their contract. A player who does not meet the UFA requirements or the Group 2 RFA requirements displayed in the table above, and has been issued a qualifying offer, is designated a 10.2(c) player. The player is only eligible to negotiate and sign a contract with the club that holds their signing rights. They are ineligible to negotiate a contract (offer sheet) with any other club. They are also ineligible for arbitration. If the player does not receive a qualifying offer by June 25th at 5:00pm ET, they immediately become a UFA.

If an RFA signs after the season starts, how is their cap hit calculated?

When a restricted free agent signs a contract after the NHL season has already begun, their cap hit for the first year is greater than the contracts annual average, and similarly the cap hit of the remaining years is less than that of the annual average.

A notable aspect of the following calculation is that the sum of the cap hit values is greater than if the contract was signed before season start (and used the normal AAV calculation; monetary value of the contract divided by the total years)

The cap hit of the years after the first year of the contract is calculated first:

*Cap hit after the first year = (First year salary × season days remaining / total season days + contract value remaining) / contract years*

The first years cap hit is then calculated:

*First years cap hit = cap hit after the first year × total season days / season days remaining*

Example:

Hampus Lindholm of the Anaheim Ducks signed a \$31,500,000 contract on Oct 27, 2016 in the 2016-17 season. There were 164 days remaining in the season on this date. The contract break down was as follows:

2016-17:	\$3,000,000
2017-18:	\$6,000,000
2018-19:	\$6,750,000
2019-20:	\$5,250,000
2020-21:	\$3,750,000
2021-22:	\$6,750,000
<b>Total:</b>	<b>\$31,500,000</b>
<b>Annual Average:</b>	<b>\$5,250,000</b>

The cap hit values are calculated as follows:

*Cap hit (2017-18 to 2021-2022) = (\$3,000,000 × 164 / 180 + \$28,500,000) / 6 = \$5,205,556*

*Cap hit (2016-17) = \$5,205,556 × 180 / 164 = \$5,713,415*

The cap hit breakdown is therefore as follows:

2016-17:	\$5,713,415
2017-18:	\$5,205,556
2018-19:	\$5,205,556
2019-20:	\$5,205,556
2020-21:	\$5,205,556
2021-22:	\$5,205,556
<b>Total:</b>	<b>\$31,741,294</b>
<b>Average:</b>	<b>\$5,290,216</b>

How is the cap hit calculated for one year contracts signed after the start of the season?

If a player is signed to a one year contract after the start of the NHL season, that contract is subject to a unique cap hit calculation.

A notable aspect of the calculation is that the cap hit value is increased.

The cap hit is calculated as follows:

*Cap hit = Signing bonus × total season days / season days remaining + base salary*

Example:

Brogan Rafferty of the Vancouver Canucks signed a one year ELC on April 2, 2019. The contract has a base salary of \$832,500, a signing bonus of \$92,500, and there were 4 days remaining in the 186 day season:

Cap hit =  $\$92,500 \times 186 / 4 + \$832,500$   
Cap hit: **\$5,133,750**