



MAJOR LEAGUE SOCCER 2018 ROSTER RULES AND REGULATIONS

An unofficial edited guide to the 2018 Rules and Regulations of Rosters in Major League Soccer

Kenneth Russo, Esq.

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Guide to the Rules and Regulations of Rosters In Major League Soccer (2018 edition)

(Version 1.3 - last edit 09-Oct-2018)

October 9, 2018

INTRODUCTORY COMMENTS

The rosters of Major League Soccer clubs are comprised of players who fit into one or more categories. Beginning with the basic premise that a club can have up to 30 players, each occupying what is known as a “roster slot,” these rules dictate the composition of rosters, with great emphasis on a player’s category and “Budget Charge.” The league uses salary budget charges for purposes of calculating a club’s allotted budget.

Using the 2018 edition of the rules and regulations published on the MLS website, I have compiled the following digest. To the extent possible this guide mirrors the MLS Rules. I have made editorial changes where I felt necessary to improve readability and understanding.

I have added section numbers and some section headings for ease of navigation. These do not represent actual official MLS section numbers.

Please feel free to comment via LinkedIn or Twitter. If you find this at all helpful, a “like” or even better a LinkedIn endorsements for “soccer”, “soccer management,” etc. is extremely appreciated.

Thank you,

Kenneth Russo

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Understanding the Rules and Regulations of Rosters in Major League Soccer (2018 edition) (last edit 05-Oct-2018)

The rosters of Major League Soccer clubs are comprised of players who fit into various categories, both for purposes of determining a team's allotted budget and for various types of player slots. Using the 2018 edition of these rules and regulations, I have compiled the following digest.

2018: Important Dates

- 01 March 2018 - Roster Compliance Date: on this date all 23 clubs must be roster and budget compliant heading into the start of the 2018 MLS season.
- 14 September 2018 - Roster Freeze Date: on this date clubs must submit their final 30-man roster. Rosters cannot be changed from that date through the day after MLS Cup.

The registration windows - the dates between which MLS may request the transfer certificate of a player under contract in another country - are as follows:

- Primary Transfer Window: 07 February 2018 to 01 May 2018
- Secondary Transfer Window: 10 July 2018 to 08 August 2018

I. MLS Roster Composition: 2018 season

Each club may have a roster comprised of up to 30 players. For each game during the regular season and playoffs, a club may designate up to 18 players to its game-day roster, which means of course 11 starters and 7 substitutes.

A. Budget: 2018 season

1. Salary Budget: Each MLS club has a salary budget of \$4,035,000 USD for the 2018 season.
2. In addition to the salary budget, each MLS Club spends additional funds on player compensation including money from a league-wide allocation pool ([General & Targeted Allocation Money](#)), the cost of [Designated Players](#) outside the Salary Budget, and money spent on the Supplemental and Reserve Rosters (roster spots 21-30).

1. On-Budget: Senior Roster [Roster Slots 1-20]

a) Senior Roster Defined

Each club designates up to 20 players, referred to collectively as the club's [Senior Roster](#), which players occupy Roster Spots 1 to 20. **These 20 players count against the 2018 Salary Budget of \$4,035,000 USD.**

- No Requirement To Fill Roster Slots 19 and 20: Roster spots 19 and 20 are not required to be filled, and teams may spread their salary budget across only 18 Salary Budget Players. A minimum salary budget charge will be imputed against a team's salary budget for each unfilled senior roster spot below 18.
- A club may have no more than twenty (20) players on its Senior Roster, subject to the [Season-Ending Injury Replacement](#), [Disabled List](#), and [Loan](#) exceptions.
- The maximum budget charge for a single player is US\$504,375. (See [Allocation Money section](#) below for details on buying down a player's budget charge.)

2. Off-Budget: Supplemental Roster [Roster Slots 21-24]

a) Supplemental Roster Defined

Players occupying roster slots 21-24 are referred to collectively as the club's [Supplemental Roster](#).

A club may have no more than four (4) players on its Supplemental Roster, subject to the [Season-Ending Injury Replacement](#), [Disabled List](#), and [Loan](#) exceptions.

The salaries of players occupying roster spots 21-24 do not count against the club's salary budget.

b) Slots 21-24 may be filled with:

- (i) Senior Minimum Salary Budget Charge Players (\$67,500 USD in 2018) which may include [Homegrown Players](#),
- (ii) [Generation Adidas Players](#),
- (iii) any specifically [Designated Players](#) eligible for the [MLS SuperDraft](#); or
- (iv) Homegrown Players earning more than the Senior Minimum Salary subject to the Homegrown Player Subsidy.

c) Additional Rules

- (v) All Generation Adidas players are Supplemental Roster players until they graduate from the program.
- (vi) All players on the Supplemental Roster must be paid a base salary that is at least the Senior Minimum Salary (\$67,500 USD).

3. Off-Budget: Reserve Roster [Roster Slots 25-30]

a) Reserve Roster Defined

Players occupying roster slots 25-28 are referred to collectively as a club's [Reserve Roster](#).

The salaries of players occupying roster spots 25-30 do not count against the club's salary budget.

b) Slots 25-28 may be filled with:

- (i) Players earning the Reserve Minimum Salary (US\$54,500 in 2018), or
- (ii) Homegrown Players earning more than the Reserve Minimum Salary subject to the Homegrown Player Subsidy.

c) Additional Rules

- i. Reserve Minimum Salary Players must be 24 years or younger during the League Year (age of player is determined by year - not date - of birth).
- ii. These slots may not be filled with Senior Minimum Salary Players or [Generation Adidas Players](#).
- iii. All players in slots 25-28 must be paid a base salary that is at least the Reserve Minimum Salary (US\$54,500).

d) Reserve Roster spots 29 and 30

- (i) Players occupying these spots **must be Homegrown Players** and will follow the same roster and budget rules as Homegrown Players occupying Reserve Roster spots 25-28.

Treatment of Homegrown Players on a Club's Roster

If a Homegrown Player is initially added to a club's Supplemental or Reserve Roster and subsequently moved to the Senior Roster, they may only be moved back to the Supplemental or Reserve Roster if they are earning either (i) the Senior Minimum Salary or (ii) Reserve Minimum Salary.

Homegrown Player Subsidy

- Homegrown Player(s) in roster slots 21-30 may earn in aggregate each year up to \$125,000 above the Reserve Minimum Salary (if occupying spots 25-30) or Senior Minimum Salary (if occupying spots 21-24)
- Clubs may use up to \$200,000 of their currently available Targeted Allocation Money (i.e., amounts awarded through 2018) to sign new Homegrown Players to their first MLS contract,

subject to League review and approval. [Targeted Allocation Money](#) cannot be used on a Homegrown Player previously signed to MLS.

II. MLS Roster Composition: Player Categories

A. Domestic Players

- **U.S.-based Clubs:** For U.S. Clubs, a domestic player is either a U.S. Citizen, a permanent resident ([Green Card holder](#)) or the holder of certain other special status (i.e., has been granted refugee or asylum status) or a player who qualifies under the Homegrown International Rule. There is no limit as to the number of U.S. Domestic Players on a U.S. club's roster.
- **Canada-based Clubs:** For Canadian clubs, a domestic player is either a Canadian citizen or the holder of certain other special status (i.e., has been granted refugee or asylum status), a player who qualifies under the Homegrown International Rule, or a U.S. Domestic Player. There is no limit as to the number of Canadian Domestic Players on a Canadian club's roster.

There is no limit as to the number of U.S. Domestic Players or Canadian Domestic Players on a Canadian club's roster; provided, however, that a Canadian club is always required to have a minimum of three (3) Canadian Domestic Players on its roster.

B. International Players

Total Number of International Roster Spots: The 23 clubs shall have a total allotment of 184 international spots.

Beginning in 2008, each MLS Club was given the right to have eight (8) international players on their roster and expansion Clubs were given the right to have eight (8) international spots for their inaugural season.

These spots are tradable, in full season increments, such that some clubs may have more than eight and some clubs may have fewer than eight. There is no limit on the number of international roster spots on each club's roster.

1. International Player Defined

- **U.S.-based clubs:** Any player who does not qualify as a U.S. Domestic Player in a U.S. club shall be considered an International Player and must occupy an international slot on a U.S. club's roster.
- **Canada-based Clubs:** Any Player who does not qualify as a U.S. Domestic Player or a Canadian Domestic Player shall be considered an International Player, and must occupy an international slot on a Canadian Club's Roster.

C. Homegrown Players

Players signed through the Homegrown Player mechanism (see below in [Player Acquisition Mechanisms](#)) will receive the designation of "Homegrown Player" on a club's roster.

Definition of a Homegrown Player: See Section VII.

1. There is no limit to the number of Homegrown Players a club may sign in a given year.
2. Homegrown Players may occupy a spot on the Senior, Supplemental, or Reserve Roster.
 - a. If a Homegrown Player is initially added to a club's Supplemental Roster or Reserve Roster and subsequently moved to the [Senior Roster](#), he cannot be moved back to the [Supplemental Roster](#) or [Reserve Roster](#) except if he is earning either (i) the Senior Minimum Salary or (ii) Reserve Minimum Salary.
3. Homegrown Players on either the Supplemental Roster or the Reserve Roster may earn (including achievable bonuses) in aggregate each year up to US\$125,000 above the Reserve Minimum Salary (US\$54,500 in 2018) or the Senior Minimum Salary (US\$67,500 in 2018).

D. Homegrown International Rule

Any player who meets the requirements to qualify as a Homegrown Player as a member of an MLS club academy, either in the U.S. or Canada, or has met similar requirements as a member of a Canadian Approved Youth Club⁺, will count as a domestic player (i.e., he will not occupy an international spot) on both U.S. and Canadian club rosters provided that:

- The player became a member of an MLS club academy, either in the U.S. or Canada, or a Canadian Approved Youth Club in the year prior to the year in which he turns 16;
- AND the player signs his first professional contract with MLS or an MLS club's USL affiliate.

⁺MLS will work in coordination with Canada Soccer to identify qualifying Canadian Approved Youth Clubs that meet specific standards in relation to competition, environment, and coaching. These Canadian Approved Youth Clubs may or may not be affiliated with an MLS club.

E. Generation Adidas & Generation Adidas Canada

1. **Definition of Generation Adidas and Generation Adidas Canada.** These are joint programs between MLS and Adidas that are dedicated to developing exceptional domestic talent in a professional environment.
2. **How The Program Works.** Each year, a handful of top domestic collegiate underclassmen and youth national team players are signed by the league.
3. **How A Generation Adidas Player Enters League:** The majority of such players enter the league through the SuperDraft (i.e. Prior to the start of the season) In the case that a player was to join the league during the regular season, he would be put through Waivers or enter through the Allocation Process (if on the Allocation Ranking List).
4. Until a player graduates from the program, Generation Adidas players are on a club's Supplemental Roster and are not charged against the team's salary budget.

F. Designated Player

Designated Player Rule: Under this rule, each MLS club can acquire up to three (3) players whose total compensation and acquisition costs exceed the Maximum Salary Budget Charge. A club is financially responsible for the amount of compensation above each player's Salary Budget Charge.

Designated Players may be new players signed to MLS via the [Allocation Ranking List](#), [Discovery Process](#) or can be re-signed existing players on a club's roster.

How to Calculate a Player's Salary Budget Charge:

A player's Salary Budget Charge, and therefore Designated Player status, is determined by averaging all amounts payable over the guaranteed contract term excluding option years.

Option year compensation is not included in the Salary Budget Charge calculation unless the option includes an automatic performance trigger whose terms would elevate a player's category from non-Designated Player to Designated Player status. In such a case, the option year will be considered part of the guaranteed contract term.

Option year compensation is not included in the Salary Budget Charge (in determining Designated Player status) if the automatic trigger is based upon a performance target of at least 65% MLS League Season starts.

A Designated Player who is at least 24 years old during the League Year will carry the Maximum Salary Budget Charge (US\$504,375) unless the player joins his club after the opening of the [Secondary Transfer Window](#), in which case his budget charge will be US\$252,188.

1. Young Designated Player

A Designated Player who is 23 years old (or younger than the age of 23) during the League Year (the age of the player is determined by year - not date - of birth) will carry the following Young Designated Player Salary Budget Charge:

- Ages 20 and younger: \$150,000
- Ages 21-23: \$200,000
- If such Designated Player joins the club after the opening of the Secondary Transfer Window, he will carry the Mid-Season Youth Designated Player Salary Budget Charge of \$150,000 regardless of age.

Clubs may "buy down" the Budget Charge of a Designated Player with [General Allocation money](#). The reduced charge may not be less than \$150,000.

Each MLS Club will be allotted two Designated Player roster slots. Clubs with two Designated Players may add a third Designated Player by paying US\$150,000 to the League, which shall be split among clubs with two or fewer occupied Designated Player slots for use as General Allocation Money the following MLS Season. Clubs must pay the US\$150,000 fee every year in which a third Designated Player slot is occupied on the club's roster.

If a club uses the third Designated Player slot to sign a Young Designated Player, then the club will not be obligated to pay the US\$150,000 charge.

Designated Player spots are not tradable.

G. Special Discovery Players

In general, the total amount of the acquisition cost of a player is charged against the Salary Budget in the year in which it is paid. For one player on a club's roster (a "Special Discovery Player"), a club can amortize the total amount of acquisition costs (up to US\$500,000) over the term of the player's contract.

- Special Discovery Players must be 27 years old (or younger than the age of 27) during the League Year under consideration (the age of the player is determined by year - not date - of birth).
- There may be no more than one Special Discovery Player per number of clubs in the League (i.e., 23 total Special Discovery Players across the League in 2018).
- A club may have more than one Special Discovery Player on its Senior Roster at any given time if the club received the additional player(s) via trade. However, the club trading the Special Discovery Player may not sign a new Special Discovery Player until the traded Special Discovery Player's original contract expires, the player's contract is terminated, or all the amortized acquisition costs are accounted for in the Salary Budget Charge.
- [Targeted Allocation Money](#) may be used on a Special Discovery Player if he qualifies.\

III. Player Acquisition Mechanisms

The 15 means of acquiring a player.

Clubs may acquire players and add them to their rosters via the following mechanisms:

A. Allocation Process

1. Allocation Ranking List

The Allocation Process is the mechanism used to determine which MLS Club has first priority to acquire a player listed on the [Allocation Ranking List](#). The list will consist of (i) select U.S. Men's National Team players, (ii) select youth U.S. National Team players, and/or (iii) former MLS players returning to MLS after joining a non-MLS club for a transfer fee greater than \$500,000. Generally, the Allocation Ranking List will be updated once a year on the day after the conclusion of the MLS regular season. The [Allocation Ranking List](#) will only be edited during the year if a player is transferred out of the League or if a top youth national team player is added to the list.

2. Allocation Ranking Order

The [Allocation Ranking Order](#) is set by taking the reverse order of the club's standings at the end of each MLS Season, taking playoff performance into account, with the new expansion clubs at the top of the order.

Once the club uses its allocation ranking to acquire a player, it drops to the bottom of the list. A ranking can be traded, provided that part of the compensation received in return is the other club's ranking. At all times, each club is assigned one ranking. The rankings reset at the end of each MLS season.

Any updates to the Allocation Ranking List or Allocation Ranking Order will be reflected at www.mlssoccer.com/allocation.

B. SuperDraft

The [2018 MLS SuperDraft](#) consisted of four rounds for a total of 81 player selections. The first two rounds took place on January 19, 2018 in Philadelphia, PA and the final two rounds took place on January 21, 2018 via conference call.

Most draft prospects are NCAA college seniors who have exhausted their college eligibility. [Generation Adidas players](#) and non-collegiate international players are also eligible for selection in the MLS SuperDraft. Clubs may nominate players for the League's [Draft-Eligible List](#), and only players from that list may be selected.

The [SuperDraft order](#) is set by taking the reverse order of the club standings at the end of each MLS season, taking postseason performance into account, with new expansion clubs at the top of the order.

C. College Protected List

Unless claimed on [waivers](#), a player who was drafted by a particular team through the SuperDraft and did not sign with the League, is placed on that team's "College Protected List" until December 31st of the year after the draft, after which the team loses the priority to sign the player.

D. Trades

1. Who and What Can Be Traded?

- a) Players
- b) MLS Super Draft picks;
- c.) General Allocation Money;
- d.) Targeted Allocation Money ("TAM")
- e.) Allocation Rankings;
- f.) International Roster Slots

2. Conditions To Approval of Trade

Trades must be approved by the League, must meet all of the necessary rules regarding roster and salary budget compliance, and must be completed during a valid trading period, known as a "Transfer Window."

3. Transfer Windows: Primary and Secondary

During the season trades that involve players must occur during either the [Primary Transfer Window](#) (2018: February 7 - May 1) or [Secondary Transfer Window](#) (2018: July 10 - August 8).



RELATED LINKS

MLS 2018 Transactions by Team:

<https://www.mlssoccer.com/transactions/2018>

MLS 2018 Trade Tracker:

<https://www.mlssoccer.com/transactions/2018/trade-tracker>

E. Discovery Process

1. Discovery List

Pursuant to the Discovery Process, clubs scout and sign players who are not yet under contract to MLS and who are not subject to another assignment mechanism (e.g., [Allocation Process](#), [MLS SuperDraft](#)).

To sign a player through the Discovery Process, the club must first place the player on its Discovery List. *A club may have up to seven (7) unsigned players on its Discovery List at any time and may remove or add players at any time. There is no limit to how many players a club can sign from its Discovery List.*

Clubs may not add the following players to their Discovery Lists:

- a) Players on the [Allocation Ranking List](#)
- b) Players that have played in MLS and were subsequently waived or terminated (such players are available on a first-come, first-served basis)
- c) Players for whom another club has [Right of First Refusal](#)
- d) Players that played at college or attended college during the college season immediately prior to the date of discovery. (If a player has completed or forgone his College eligibility in the season immediately prior to the date of his Discovery and was not on the [MLS SuperDraft](#) List, he shall be placed on [Waivers](#).)
- e) Minors; i.e., players under the age of 18
- f) Amateur members of the U.S. U-17 and U-20 National Teams. MLS shall have an exclusive 45-day window after such players reach their respective 18th birthdays or graduate high school (whichever is later) to determine if these players will be signed for the [MLS SuperDraft](#) or be placed on the [Allocation Ranking List](#).
- g) Players who the league (1) unsuccessfully attempted to pre-sign for the SuperDraft (2) did not attempt to sign for the [MLS SuperDraft](#), (3) are not on the [Allocation Ranking List](#), or (4) do not enter college will be non-discoverable for up to one year after forgoing college and will be placed on [Waivers](#).

2. Designated Player Requests

If a club wishes to add a player to its Discovery List whom the League determines will require a significant investment from the club, the League will, prior to placing that player on a club's discovery list, determine whether the club has the necessary intent, means and ability to sign such a player. The club must submit confirmation in writing to the League that if the League and player should reach an agreement, the club is prepared to make the necessary financial investment. If the club does not submit that information, then the club does not have priority on that player and the player will continue to be discoverable by all clubs. With written confirmation from the club, the League will contact the player's authorized representative. If the League determines that there is no realistic chance of signing the player at that time he will not be discoverable.

3. Procedure For Discovery Conflict Resolution

If one or more clubs try to add the same player to their respective Discovery Lists, the club that filed the claim first will have the priority right to sign the player. If one or more clubs submit a discovery request on the same day, then the club with the lowest points-per-game in the current MLS Regular Season (all clubs must have played a minimum of three regular season games) will have the priority right to sign the player.

If a club attempts to sign a player on its Discovery List and is unable to do so, the club retains the [Right of First Refusal](#) to acquire the player in the event he is later signed by the League for four full [Transfer Windows](#).

If a club wants to sign a player on the Discovery List of another team, it may offer that team US\$50,000 in [General Allocation Money](#) in exchange for the right to sign the player. The club with the player on its Discovery List will then have five days (or three days during the Secondary Transfer Window) to either (i) accept the General Allocation Money and give up the right to sign the player or (ii) make the player a genuine, objectively reasonable offer.

F. Related Party Transactions

A. Requirement of Full and Fair Disclosure: All terms of any arrangements among an MLS Club, a related party club, and a player to be signed to MLS shall be fully and fairly disclosed to the League.

1. The player's Salary Budget Charge will generally be calculated based upon the related party club's contractual terms with the player (including any acquisition costs).

2. The League will make a final determination, in its sole discretion, as to the Salary Budget Charge of such a player.

G. Homegrown Players Signings

1. Homegrown Player Definition

A player who has been a member of a club's youth academy for at least one (1) year and has met the necessary training and retention requirements.

2. Signing a Homegrown Player

A club may sign a player to a contract without subjecting him to the [MLS SuperDraft](#) if the player meets the criteria set out in part "1" of this section. Players joining MLS through this mechanism are known as Homegrown Players.

There is no limit to the number of Homegrown Players a club may sign in a given year.

H. USL Priority Players

In addition to Homegrown Players and [College Protected Players](#) – clubs may have priority for up to three (3) players from their respective United Soccer League (USL) affiliates. In order to retain priority on any additional USL affiliate players, such players must be added to an MLS club's [Discovery List](#).

I. Re-Entry Process

The Re-Entry Process will commence after [MLS Cup](#). The priority order for the [Re-Entry Draft](#) is reverse order of finish in 2018, taking into account playoff performance.

1. Stage One

Players who are available in Stage One of the Re-Entry Draft are:

- Players who are at least 23 years old and have a minimum of three MLS service years whose options were not exercised by their clubs (available at option salary for 2019).
- Players who are at least 25 years old with a minimum of four years of MLS experience who are out of contract and whose club does not wish to re-sign them at their previous salary (available for at least their 2018 salary).
- Free Agents that choose to participate

Clubs must exercise the option for, or extend a Bona Fide Offer to, all players selected in Stage One and may not select their own draft-eligible players. Should a player reject the offer, the drafting club will hold the [Right of First Refusal](#) for that player in MLS. Players with option years left on their contract will automatically be added to the drafting club's roster.

2. Stage Two

Players who are not selected in Stage One of the [Re-Entry Draft](#) will be made available in Stage Two. If a player is selected, the drafting club will be required to make a genuine offer to the player within seven days. If an agreement cannot be reached between the drafting club and the player, the drafting club will hold the [Right of First Refusal](#) for that player in MLS. Clubs may not select their own draft-eligible players in Stage Two until all other Clubs have declined on selecting such players.

Players who remain unselected after Stage Two will be available to any MLS club on a first-come, first-served basis.

A player may choose to opt out of the Re-Entry Process prior to Stage One and/or Stage Two of the [Re-Entry Draft](#). In such instances, the [Right of First Refusal](#) for the Player will remain with his previous club.

J. Free Agency

Free Agency will be conducted in accordance with the current MLS Collective Bargaining Agreement.

K. Waivers

1. Procedure

A club may place a player on Waivers at any time during the regular season at which point he is made available to all other clubs. The Waiver Claiming Period shall commence on the first business day after the League delivers notice to teams and expires at 5 p.m. ET on the second business day. If a player is not selected off of Waivers ("clears Waivers") then that player is available to all clubs on a first-come, first-served basis.

2. Waiver Order

1. Once all clubs have played at least three (3) MLS league games: The Waiver Order priority is based on points per game.

2. Prior to all clubs having played three (3) MLS League games: The Waiver Order priority is granted based upon the prior year's performance, taking playoff performance first, with clubs eliminated from playoff contention at the same stage separated according to their point totals through the end of the regular season.

3. New Expansion Clubs: New clubs shall be at the bottom of the Waiver Order until all clubs have played at least three games.

L. Claiming an Out of Contract Player

If a club claims a player who is not currently signed to an MLS contract, the club must issue the player a Genuine Offer within three days.

M. Claiming a Guaranteed Player

If a player with a guaranteed contract is waived, any interested MLS club will have 48 hours from the notice of waivers to claim the player by notifying the League of the intention to claim the player and the amount of the player's Salary Budget Charge they wish to assume. The player will be awarded based on a number of factors, including but not limited to, which club is willing to absorb the highest Salary Budget Charge. If the highest Salary Budget Charge is submitted by more than one club, the player will be awarded to the club with the lowest points-per-game average.

Players who are eligible to be placed on Waivers are as follows:

- Any player waived by a club during the current MLS season
- **Completed College Eligibility:** Any player who has completed his college eligibility in the MLS season immediately prior to the [MLS SuperDraft](#) and was not on the [SuperDraft](#) list.
- **Remaining College Eligibility:** A player who left or forgoes college with remaining eligibility (and was not on the [MLS SuperDraft](#) list). Such players will be discoverable one year after leaving or forgoing college with remaining eligibility.
- **Returning Players:** A player returning to MLS who the League was unable to re-sign and his last MLS club does not wish to exercise their [Right of First Refusal](#).
- **Unsigned Drafted Players:** The day after the drafting club's first MLS Regular Season game, college players selected in that year's [MLS SuperDraft](#) that have not signed an MLS contract have the right to be placed on waivers upon request. If an unsigned college player is placed on Waivers, and is not claimed by another MLS club, he will return to his drafting club's [College Protected List](#) until the end of the College Protected Period.
- Any player whose contract has expired or option has been declined, is not eligible for the [Re-Entry Process](#) or [Free Agency](#), and his former club does not wish to make him a genuine offer. Such a player will be typically made available in a year-end Waiver Draft or prior to the start of the next MLS League Season.

Once a club selects a player off Waivers, that club is automatically moved to the bottom of the priority list for subsequent waiver selections in a given season, regardless of its points-per-game total.

N. USL Short-Term Agreements

A club may sign players from their USL affiliate to Short Term Agreements (up to four-day contracts) for [CONCACAF Champions League](#), [Canadian Championship](#), [Lamar Hunt U.S. Open Cup](#), and exhibition matches. A club may sign a player to a maximum of four Short-Term Agreements each season (maximum of 16 days).

Players may also be signed to Short-Term Agreements for MLS League Season games but only in cases of Extreme Hardship.

O. Extreme Hardship Call-ups

1. Clubs may add players to their roster in cases of "Extreme Hardship."
2. Extreme Hardship exists when an MLS club has:
 - a) fewer than four available outfield substitutes (less than 14 outfield players available), or
 - b) has fewer than two goalkeepers available.

3. USL Player Short-Term Agreements in cases of Extreme Hardship

A club may sign players from its USL affiliate (on loan) to Short-Term Agreements (up to four-day contracts) for MLS League Season games only in cases of Extreme Hardship.

A club may sign a player to a maximum of four Short-Term Agreements each season (maximum of 16 days). During such time, the player may play in any CONCACAF Champions League, Canadian Championship, Lamar Hunt U.S. Open Cup, and exhibition matches.

IV. Injured and Disabled Lists

A. Season-Ending Injuries

1. Season-Ending Injury List

If a player suffers a season-ending injury, a club may place that injured player on the Season-Ending Injury List and receive roster relief (i.e., an open roster slot). Once placed on the Season-Ending Injury List, the injured player will not be eligible to play for the club in any remaining competition during that MLS season (including any exhibition games or tournaments, [CONCACAF Champions League](#), [Canadian Championship](#) and [Lamar Hunt U.S. Open Cup](#) game). If the player placed on the Season-Ending Injury List recovers prior to the end of the MLS season, that player may only play in games for the club's USL affiliate.

2. Season-Ending Injury Replacement Player

A club may replace an injured player that is on the Season-Ending Injury List with a new player (a "Season-Ending Injury Replacement Player") in accordance with parameters below.

The club will remain responsible for the injured player's full Salary Budget Charge. Clubs may execute a trade to create Salary Budget space in order to sign a Season-Ending Injury Replacement Player. This is the only circumstance in which a club may trade for Salary Budget space. Clubs are only able to receive Salary Budget relief (paid out of the club's own pocket) for a season-ending injury under the following parameters:

- The injured player must be earning at least US\$100,000 per annum.
- The injured player must have suffered the season-ending injury prior to the close of the Primary Transfer Window and the new player must be signed as of such date.
- The Season-Ending Injury Replacement Player may earn up to US\$250,000 but not more than the player who suffered the season-ending injury.
- The club is ultimately responsible for the payment of the replacement player's salary (which will not be charged to the club's budget).
- Clubs will only be allowed to sign one such Season-Ending Injury Replacement Player a year. If the injured player occupies an international roster slot, the Season-Ending Injury Replacement Player may also be an International Player and occupy such a slot.

3. Supplemental and Reserve Season-Ending Injury

If a player on a club's [Supplemental](#) or [Reserve Roster](#) suffers a season-ending injury, a club may replace that injured player with a player earning the Reserve Minimum Salary irrespective of the salary earned by the injured player (i.e., if a [Generation Adidas Player](#) earning more than the Reserve Minimum Salary is injured, he may be replaced by a player earning the Reserve Minimum Salary (subject to the Club Salary Budget). The Reserve Minimum Salary will be charged to the Club Salary Budget.

Accordingly, a club must have Salary Budget space to replace a player with a season-ending injury on the Supplemental Roster with a Season-Ending Injury Replacement Player.

An international player occupying an international roster slot who is added to the Season-Ending Injury List may be replaced with an international player.

B. Short-Term Injuries

1. Disabled List

If a player suffers an injury that will prohibit him from participating in six (6) or more MLS games, a club can place that injured player on the Disabled List. An injured player placed on the Disabled List will remain unavailable for a minimum of six (6) MLS games and may not participate in any exhibition games or tournaments, including [CONCACAF Champions League](#), [Canadian Championship](#) and [Lamar Hunt U.S. Open Cup](#) games.

2. Senior Roster Players on the Disabled List

If a player on a club's [Senior Roster](#) is put on the Disabled List, the club may receive roster relief (i.e., an open roster slot). The club will not receive budget relief for that player and will be responsible for the injured player's full Salary Budget Charge. Only clubs that have or can create extra Salary Budget space will be able to temporarily replace players on the Disabled List. A club must have priority over any replacement player it adds ([Discovery](#), [Right of First Refusal](#), etc.)

An international player occupying an international slot who is added to the Disabled List may be replaced with an international player.

Clubs **may not** trade for salary budget space for a player added to the Disabled List.

3. Supplemental and Reserve Roster Players on the Disabled List

If a player on a club's Supplemental Roster or Reserve Roster suffers an injury that will place such a player on the Disabled List, the club may replace the injured player with a player earning the Reserve Minimum Salary irrespective of the salary earned by the injured player (i.e., if a Generation Adidas Player earning more than the Reserve Minimum Salary is injured, he may only be replaced by a player earning the Reserve Minimum Salary (subject to the Club Salary Budget)). Such Reserve Minimum Salary will be charged to the Club Salary Budget. Therefore, a club must have Salary Budget space to replace the injured player on the Supplemental Roster or Reserve Roster with a Disabled List Replacement Player. The club must also ensure it has the necessary roster space and Club Salary Budget available when the player is removed from the Disabled List.

NOTE: No changes may be made to a club's roster after the Roster Freeze Date (September 14, 2018) and running through the day after MLS Cup. Nevertheless, a club may obtain players in accordance with the Extreme Hardship rules and procedures to replace players who are injured or otherwise legitimately unavailable after the Roster Freeze Date.

V. Methods of Removing a Player from a Roster

A. Waivers

Clubs may waive players based on performance at any time during the MLS season. A club may waive a Semi-Guaranteed Player at any time during the regular season until 48 hours prior to the Contract Guarantee Date. A club may waive a Guaranteed or Semi-Guaranteed Player after the Contract Guarantee Date only with League approval. Clubs may not waive a player between the Roster Freeze Date and MLS Cup.

Semi-Guaranteed Players waived on or after the Contract Guarantee Date of any League Year and Guaranteed Players waived anytime, and who clear waivers (i.e., not picked up by another club), will continue to have their Salary Budget Charge count against the Club Salary Budget. The club waiving the player will not receive a replacement player.

B. Transfers and Loans outside of MLS

An MLS player may be transferred or loaned at any time to a non-MLS club (subject to the receiving club's applicable Federation's transfer window), and subject to the consent of the player. Upon loaning a player, clubs will receive roster relief but not Salary Budget relief unless otherwise agreed to in the loan agreement.

1. Transfer and Loan Fees

Revenue Sharing with the League (MLS) from transfers or loans for clubs is as follows:

- A club shall receive three quarters (3/4) of the corresponding transfer or loan fee revenue (including agent fees and other expenses), from any transaction involving a player that is NOT a [Homegrown Player](#), [Generation Adidas Player](#), or player acquired via the MLS [SuperDraft](#).
- If a [Designated Player](#) is transferred or loaned, the club will receive all amounts of the transfer or loan fee revenue until it has recouped all out-of-pocket cash payments made by the club in connection to that player prior to any sharing arrangement with the League. After such recoup, the transfer or loan of the Designated Player shall be treated as any other transfer with the club receiving three quarters (3/4) of the corresponding transfer or loan fee revenue.
- A club shall receive 100 percent of the corresponding transfer or loan fee revenue (including agent fees and other expenses) from any transaction involving a [Homegrown Player](#) (regardless of service years).
- A club shall receive the transfer or loan fee revenue (including agent fees and other expenses) from any transaction involving a Generation Adidas Player or player acquired via the MLS SuperDraft based on the number of MLS service years:

MLS Service Years	Transfer/Loan Fee Revenue to Club
1	1/3
2	1/2
3+	3/4

- All remaining portions of the transfer or loan revenue fees are retained by the League.

2. Usage of Revenue

The club's share of transfer or loan fee revenue may only be used as follows:

- " The club may assign up to US\$750,000 of the transfer/loan revenue as [General Allocation Money](#). (In the case of [Designated Players](#), such assignment of Allocation Money can only take place after the club has received 100% of their out-of-pocket investment)
- The remaining balance of the club's share (if any), and which cannot be traded, will be available to be used by clubs in the following ways:
 - Against the expenses incurred by the club in relation to the costs of an existing or new [Designated Player](#); or
 - With League approval, against an expense that (i) would not otherwise have been incurred by the club; and (ii) reasonably represents an investment in the League or club (e.g., youth development and training facilities)

C. Intraleague Loans

Clubs may loan a player to another MLS club subject to the following:

- " The player must be 24 years old (or younger than the age of 24) at the time of the loan.
- Each MLS club may only loan one player to another MLS club per season.
- The loan must be initiated during the [Primary Transfer Window](#) or [Secondary Transfer Window](#).
- Intraleague Loans that are initiated prior to the close of the Primary Transfer Window may allow the loaned player to be recalled during the Secondary Transfer Window as agreed upon between the two clubs. If recalled, such a player must remain with his original club for the remainder of the MLS season.
- Except in an instance where the player is recalled as outlined above, he must remain with his new club for the entire MLS Season.
- The player may not compete against his former club during the MLS Season while on loan (includes MLS games and all other competitions).
- Intraleague Loans may include an option to make them permanent.

D. Loan of a Player by MLS

A club may loan any player from its [Senior Roster](#), [Supplemental Roster](#) or [Reserve Roster](#) to a non-MLS club at any time during the League Year under consideration, subject to League discretion. During the loan period, the club will receive roster relief but not Salary Budget relief unless otherwise determined in the loan agreement.

If the player is recalled from his loan, the club must have an available roster slot in order for the player to be eligible for MLS games.

If the loaned player is an [International Player](#), then his replacement may be an International Player and occupy an international roster slot.

E. Loan of a Player by MLS to USL Affiliate

- All loans from MLS clubs to USL affiliates must be free (i.e., no loan fees paid by USL affiliate clubs).
- If that an MLS player is loaned to a USL affiliate, such a player may not be paid more than the player's MLS Salary Budget Charge without that compensation being captured on the MLS club's Salary Budget (including, but not limited to, performance bonus compensation).
- An MLS club can receive roster relief and budget relief for a maximum of one player loaned to its USL affiliate; provided, however, that:
 - The player is under the age of 25 (i.e., he does not turn 25 prior to the end of the calendar year);
 - The player's Salary Budget Charge is less than or equal to the MLS Senior Minimum Salary (including any loan fees, transfer fees, agent fees, housing, car, etc.); and
 - The loan of the player to the USL affiliate must last for the duration an entire USL season; provided, however, that such a player may be recalled to his parent MLS club only in the case of Extreme Hardship.

1. Right of Recall

If a player is loaned from an MLS club to a USL affiliate with a Right of Recall incorporated into the loan agreement, then that player may be recalled by the parent MLS club at any point during the MLS Regular Season subject to MLS roster guidelines (e.g., available international roster slots, roster space). There are no restrictions on the number of times such a player may be recalled.

F. Contract Expiration

When a player's contract expires, the player no longer counts against the roster or Salary Budget of the club in question. Subject to the [Re-Entry](#) and [Free Agency](#) rules, a club retains the [Right of First Refusal](#) on the player indefinitely following the expiration of a contract provided attempts were made to re-sign the player.

G. Buyout of Guaranteed Contract

A club may buy out one player who has a Guaranteed Contract (including a Designated Player with a guaranteed contract) during the offseason and free up the corresponding Salary Budget space. Such a buyout is at the club's expense.

A club may not free up space in the Salary Budget with a buyout of a player's contract during the season. In the case a club buys out a player's contract during the season, the buyout amount will be charged against the club's Salary Budget.

VI. Rights of First Refusal

A. Former MLS Player

A club may not free up space in the Salary Budget with a buyout of a player's contract during the season. In the case a club buys out a player's contract during the season, the buyout amount will be charged against the club's Salary Budget.

That club **will not** have a Right of First Refusal if:

- The club received [General Allocation Money](#) in connection with the transfer of such player to a non-MLS club;
- The club received a transfer fee in connection with the transfer of such player to a non-MLS club; or
- The player was excluded from possible selection in the Expansion Draft (e.g., retired player)

B. New Player

If the League on behalf of an MLS club makes a Genuine Offer to a new player but is unable to sign him, that club will have a Right of First Refusal if the player later signs with MLS. This process applies to players the League attempts to sign. If the player is subsequently signed, and the club does not exercise its Right of First Refusal, the player will be assigned via the [Waiver Process](#) unless otherwise determined by the League depending on the type of player.

For a new player the League attempted to sign through the [Discovery Process](#), the Right of First Refusal will last for four full Transfer Windows. Upon the conclusion of the four full Transfer Windows, that player will be Discoverable again.

For those players on a club's Right of First Refusal list and who were previously on a club's [Discovery List](#), the [Discovery Conflict Resolution Process](#) shall apply (i.e., posting of US\$50,000 in [General Allocation Money](#)).

Holding a Right of First Refusal applies only within MLS and does not indicate holding of the player's International Transfer Certificate.

C. College Protected Player

A "College Protected Player" is a player who was selected in the [MLS SuperDraft](#), provided his drafting club offered him a contract and the contract offer was refused by the player. If his club does not offer him a contract after being on trial, the player will have the option to be placed on Waivers on the date following the drafting club's first MLS Regular Season game. If no club is prepared to sign him off [Waivers](#), the player will be placed on the drafting club's "[College Protected List](#)" until December 31 in the year following the draft in question, after which date the club loses the rights to sign the player.

VII. Allocation Money

Allocation Money is money that is available to a club in addition to its Salary Budget. There are two types of allocation money: (i) General Allocation Money; or (ii) Targeted Allocation Money.

A. General Allocation Money

1. Annual Allotment By MLS

- a) Each club receives an annual allotment of General Allocation Money.
- b) In 2018, that allotment is **US\$200,000 per club**.

2. Other Methods of Receiving General Allocation Money

A club may also receive General Allocation Money in the following cases:

- a) Failure to qualify for the MLS Cup Playoffs (US\$200,000 per club)
- b) The transfer of a club's player to non-MLS club (outside MLS)
- c) Qualification for the CONCACAF Champions League (US\$140,000 per club)
- d) Expansion Clubs (see below)
- e) Expansion Dilution (see below)
- f) Designated Player charge distribution

3. Special Rules for Expansion Years

In any year that the League adds one or more expansion clubs, (i) all clubs will receive an equal amount of General Allocation Money and (ii) any club that loses a player in the Expansion Draft will receive additional General Allocation Money. New expansion clubs receive a separate amount of General Allocation Money for their inaugural season.

4. Tradability

General Allocation Money can be traded by clubs.

5. General Allocation Money Can Be Applied In The Following Circumstances

6 uses of General Allocation Money

a) Buy Down

General Allocation Money can be used to "buy-down" a player's Salary Budget Charge as part of managing a club's roster, including buying a Salary Budget Charge below the League maximum of US\$504,375.

EXAMPLE: A club may "buy down" a player earning US\$500,000 to a Salary Budget Charge of US\$300,000 by using US\$200,000 of General Allocation Money.

- b) To sign players new to MLS (i.e., a player who did not play in MLS during the previous season);
- c) To re-sign an existing MLS player;
- d) To off-set acquisition costs (loan and transfer fees);
- e) In connection with the extension of a player's contract for the second year provided the player was new to MLS in the immediately prior year;
- f) To reduce the Salary Budget Charge of a [Designated Player](#) to a limit of US\$150,000.

6. Usage Limits

a) Use against a Salary Budget Charge

A club cannot use General Allocation Money to reduce more than **50 percent** of a player's Salary Budget Charge.

b) Use against a Loan or Transfer Fee

There is no restriction where General Allocation Money is being used on a loan or transfer fee. Thus, a club may reduce **100 percent** of a loan or transfer fee.

B. Targeted Allocation Money

1. Distribution of Targeted Allocation Money (“TAM”) By MLS

Distributed to MLS clubs in accordance with the below table:

a) Mandatory Targeted Allocation Money Invested by Year

- 2015: US\$ 500,000 per club
- 2016: US\$ 800,000 per club
- 2017: US\$ 1.2 million per club
- 2018: US\$ 1.2 million per club
- 2019: US\$ 1.2 million per club

Expansion clubs joining the League in 2018 or 2019 will receive a prorated amount of the initial 2015 investment (i.e., US\$100,000 per year through 2019).

In 2018, Los Angeles Football Club will receive US\$200,000 of the initial allotment.

b) Discretionary Targeted Allocation Money Available Per Year

- 2018: US\$2.8 million per club
- 2019: US\$2.8 million per club

MLS clubs have the flexibility to spend up to an additional US\$2.8 million of Targeted Allocation Money, on a discretionary basis funded by the club, per year in both 2018 and 2019.

2. Use Of Targeted Allocation Money By Clubs

4 uses of Targeted Allocation Money

- Sign a new player** - provided his salary and acquisition costs are more than the Maximum Salary Budget Charge.
- Re-sign an existing player** - provided he is earning more than the Maximum Salary Budget Charge.
- Convert a Designated Player to a non-Designated Player** - Use of all or a portion of the available Targeted Allocation Money to convert a Designated Player to a non-

Designated Player by buying down his Salary Budget Charge at or below the Maximum Salary Budget Charge. *If Targeted Allocation Money is used to free up a Designated Player slot, the club must simultaneously sign a new Designated Player at an investment equal to, or greater than, the player he is replacing.*

- a. A club retains the flexibility to convert a player bought down with Targeted Allocation Money into a Designated Player if that club has a free Designated Player slot.
- d) **Sign new Homegrown Players to their first MLS contracts** - Clubs may use up to US\$200,000 of currently approved Targeted Allocation Money (amounts through 2019) to sign new Homegrown Players to their first MLS contracts. *It cannot be used on Homegrown Players previously signed to MLS.*

3. Tradability

A club may trade its Mandatory Targeted Allocation Money to another club.

4. Salary Parameters

- a) A player must earn more than 2018 Maximum Salary Budget Charge (US\$504,375) to qualify for Targeted Allocation Money. The compensation ceiling for such eligible players is set at US\$1,504,375 per year.
- b) A player cannot have his Salary Budget Charge bought down below US\$150,000 using Targeted Allocation Money.

5. Restrictions

- a) Targeted Allocation Money and General Allocation Money may not be used in combination when signing or re-signing a player. One of either Targeted Allocation Money or General Allocation Money may be used on a player in a single season, not both.
- b) Targeted Allocation Money expires after four full Transfer Windows.

6. Nondisclosure of TAM

To protect the interests of MLS and its clubs during discussions with prospective players or clubs in other leagues, amounts of Allocation Money held by each club will not be shared publicly. Only in the case of a trade will the amount of Targeted Allocation Money involved be made public.

2018 Salary Budget Information Summary (USD)

Club Salary Budget	\$4,035,000
Maximum Salary Budget Charge	\$504,375
Senior Minimum Salary	\$67,500
Reserve Minimum Salary	\$54,500
1 st Designated Player Salary Budget Charge	\$504,375
2 nd Designated Player Salary Budget Charge	\$504,375
3 rd Designated Player Salary Budget Charge	\$504,375
Designated Player Salary Budget Charge (Young Player)	Ages 20 and younger: \$150,000 Ages 21-23: \$200,000
Mid-Season Designated Player Salary Budget Charge	\$252,188
Mid-Season Young Player Designated Player Salary Budget Charge	\$150,000

2018 Roster Spots

Spots 1 - 20	Senior Roster
Spots 21 – 24	Supplemental Roster
Spots 25- 30	Reserve Roster
Total MLS # International Spots (23 Clubs* 8 each)	184

Hypothetical MLS Team Roster:			C.A. Miamense		
Total Money Spent on Player Compensation			\$35,107,250		
Maximum Salary Budget (i.e. Cap)			\$4,035,000		
Total Salary Budget Charge (must use GAM/TAM Buy Down to be <= \$4,035,000)			\$4,009,370		
Remaining GAM/TAM (Assumes \$3,100,000 allocation)			\$ 655,000		
Spot	Player Name*	Roster Designation	Player Salary Budget \$	Salary Budget Charge	GAM/TAM Buy Down \$
1	Virtuoso* BRA	Designated Player	12,500,000	504,374	
2	Diaz* ARG	Designated Player	8,250,000	504,374	
3	Russinho* BRA	Designated Player	5,565,000	504,374	
4	Espadas	Senior Roster (TAM)	2,500,000	504,374	
5	Zasso	Senior Roster (TAM)	1,500,000	504,374	
6	Matisse* FRA	Senior Roster (TAM)	1,125,000	125,000	1,000,000
7	Montana* COL	Senior Roster (TAM)	750,000	100,000	650,000
8	Branco* POR	Senior Roster (TAM)	530,000	90,000	440,000
9	Neves	Senior Roster	275,000	105,000	170,000
10	Salva* ESP	Senior Roster	225,000	100,000	125,000
11	Victorino	Senior Roster	180,000	120,000	60,000
12	Saintly* GHA	Senior Roster	157,500	157,500	
13	Camacho	Senior Roster (HGP)	135,000	-	
14	Nadar	Senior Roster	127,000	127,000	
15	McPhee	Senior Roster	127,000	127,000	
16	Reyes	Senior Roster	125,000	125,000	
17	Pierre	Senior Roster (HGP)	125,000	-	
18	Abreu	Senior Roster	125,000	125,000	
19	Owairan	Senior Roster	101,000	101,000	
20	Tubbs	Senior Roster	85,000	85,000	
21	Lankhaar	Supplemental Roster	68,500	-	
22	Gutierrez	Supplemental Roster	68,500	-	
23	Perez	Supplemental Roster	67,500	-	
24	Irving	Supplemental Roster	67,500	-	
25	Zwainer	Reserve Roster	55,250	-	
26	Jean-Charles	Reserve Roster	54,500	-	
27	Porter	Reserve Roster	54,500	-	
28	Mascarpone	Reserve Roster	54,500	-	
29	Jones	Reserve Roster HGP	54,500	-	
30	Boronat	Reserve Roster HGP	54,500	-	
TOTALS:			35,107,250	4,009,370	2,445,000

*= international player

NOTES:

All names used in this hypothetical are fictitious player names.

New expansion clubs receive a separate amount of General Allocation Money for their inaugural season. Let's say in our hypothetical Club Atletico Miamiense receives \$400,000 in GAM as an expansion team.

TAM Estimate for 2020: Mandatory \$250,000 (funded by League); Discretionary \$2,450,000 (funded by the Club) Total TAM: \$,050,000.

Thus in the hypothetical the total amount of allocation money is \$3,100,000.

Roster slots 21 – 30 do not count towards the salary budget charge.

Homegrown Players do not count towards salary budget charge.