

## Free Agent Compensation

Written by Jeff Euston

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A club may receive draft-pick compensation if it loses a free agent if:

- the player signs with another club before December 2, or
- the club offered arbitration to the free agent but failed to re-sign him.

Compensation is based on the free agent's place in the Elias Sports Bureau's ranking of all major league players by position based on their performance during the last two seasons. Players are ranked by league in one of five positional groups: 1) 1B/DH/OF, 2) 2B/SS/3B, 3) catchers, 4) starting pitchers or 5) relief pitchers. The statistical criteria, which vary by position, are not public.

- **Type A players:**

- Those who rank in the top 30 percent at their position. (The Type A pool shrinks to the top 20 percent after the 2007 season.)
- Compensation for a Type A player is the signing club's first-round draft pick and a supplemental pick between the first and second rounds.

- **Type B players:**

- Those who rank between 31 and 50 percent. (The Type B pool shrinks to between 21 and 40 percent after the 2007 season.)
- Compensation for a Type B player is a supplemental pick between the first and second rounds.

## Exceptions

- If the signing club's first-round draft pick falls in the upper half of the first round, that choice is protected and the signing club loses its second-round selection instead.
- If a club signs multiple free agents within the same category, its earlier pick goes to the team that lost the higher-rated player.

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