

Rule 5 Draft

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The Rule 5 draft is held each December at the Winter Meetings, and it consists of a Major League portion and a minor league portion. By November 20, each club must set its 40-man roster and submit reserve lists for all major and minor-league levels (See Minor League Rosters). Between November 20 and the Rule 5 draft, a club may add Major League free agents to its 40-man roster but may not add any player from its minor league reserve lists.

After 4 or 5 years as a professional, a player must be added to his club's 40-man roster or exposed to the 29 other clubs in the Rule 5 draft. (Under the new CBA, a club has 5 years to evaluate a player who signs his first pro contract at 18 years old or younger, but only 4 years to decide on a player who signs at age 19.) For purposes of calculating years as a pro, the counting begins the day a player signs his first pro contract, not the season he begins to play.

Clubs draft in reverse order of their won-loss records in the previous season, and only clubs with less than 40 players on their rosters may take part. To select an eligible player, a drafting club pays \$50,000 to the player's original club. The drafting club must keep the player on its 25-man active roster for all of the next season or put him on waivers. If a third club claims the player on waivers, the third club also must keep him in the majors all season. If the player clears waivers, he must be offered back to his original club for \$25,000. A drafting club may work out a trade with the player's original club so that the drafting club can keep him and send him to the minor leagues.

If, because of injury, a player selected in the Rule 5 draft spends less than 90 days on the active Major League roster, he also must remain on the Major League roster the next season until he earns 90 days of service. Otherwise, he must be put on waivers and offered back to his original club.

The Rule 5 draft also includes two minor-league phases. In the AAA phase, a player not protected on his club's 40-man roster or 38-man AAA reserve list may be selected for \$12,000. In the AA phase, a player not protected on his club's 40-man roster, 38-man AAA reserve list or 37-man AA reserve list may be selected for \$4,000. A player selected in the minor-league phase of the Rule 5 draft is not required to play the next season with his drafting club at the higher organizational level.