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AN EMPLOYER'S GUIDE TO BASEBALL'S LOOMING LOCKOUT: YOUR QUESTIONS ANSWERED BEFORE MLB'S LABOR DEAL EXPIRES DECEMBER 1

Insights
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An Employer's Guide to Baseball's Looming Lockout: Your Questions Answered Before MLB's Labor Deal Expires December 1

Major League Baseball's contract with the players' union expires on December 1, and team owners are widely expected to lock out players the very next day. It would be the sport's second lockout in five years. This time the fight centers on something owners haven't put on the bargaining table since the 1994 strike that wiped out the World Series: a hard salary cap. The players' union calls that a nonstarter. And with both sides already downplaying any short-term extension, spring training and even the 2027 season are already hanging in the balance. So what exactly are the two sides fighting over? What does federal labor law let each side do? And most importantly: will there be baseball on Opening Day? The Fisher Phillips Labor Relations Practice Group and our Sports Industry Team have joined together to answer your pressing questions – and make their predictions as to when things will get resolved.

⚾ **Stay in the game.** The Fisher Phillips Sports Industry Team and Labor Relations Practice Group are joining forces to provide regular updates and analysis about the lockout from now until the first pitch of the 2027 regular season. Subscribe to the Fisher Phillips Insight System to make sure you receive every one of them.

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What Happens After December 1?

The collective bargaining agreement (CBA) between MLB and the MLB Players Association, signed in March 2022 to end the last lockout, expires at 11:59 p.m. Eastern on Tuesday, December 1.

Owners aren't legally required to lock out the players when a contract expires (more on that below), but Commissioner Rob Manfred has made clear he intends to. Neither side seems interested in extending the current deal to buy time. In late October, Manfred said union chief Bruce Meyer "is not prepared to do a status quo deal," and Manfred himself has no interest in keeping the current system either.

Until the deadline, expect a "normal" offseason. Key dates include:

- **November 2:** Free agency officially began
- **November 10-12:** General managers' meetings in Las Vegas
- **November 17:** Deadline for free agents to accept or reject a $23.15 million qualifying offer, and for clubs to protect prospects from the Rule 5 draft
- **November 17-19:** Owners' meetings in New York
- **November 20:** Deadline for clubs to tender contracts to arbitration-eligible players
- **Late November/early December:** The union's annual player meeting in Arizona, which overlaps with the final days of bargaining
- **December 1, 11:59 p.m. Eastern:** The current CBA expires

If history is a guide, the vote to lock out the players will come quickly. In 2021, the final pre-deadline bargaining session broke down at a hotel in Irving, Texas, and owners voted unanimously that evening to lock out the players at 12:01 a.m.

What's a Lockout? How Does It Compare to a Strike?

As we explained during the last lockout, the core difference is who pulls the trigger.

- A **strike** is when employees withhold their labor.

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- A **lockout** is when the employer shuts the doors and refuses to let them work until a new deal is reached.

Both are lawful economic weapons designed to create bargaining leverage. Owners favor an offseason lockout because it takes away the players' ability to launch a midseason strike, when games, gate receipts, and TV money are at stake. Baseball learned that lesson the hard way in 1994, when a players' strike in August led to the league canceling the World Series. Manfred called the 2021 lockout the best way to protect the following season, and it appears that owners will follow the same playbook this year.

What Happens When the Lockout Begins?

Major league business stops cold. Clubs can't sign, trade, or even talk to players on their 40-man rosters. Players are also barred from team facilities, meaning anyone rehabbing an injury has to do it elsewhere.

MLB has already sent clubs a 34-page memo spelling out the ground rules. Among the highlights:

- Club staff who run into a player in public should be cordial, and they may attend a player's wedding if they don't talk business.
- Holiday cards and gifts are fine, but only if they go out before December 2.
- Player names and images will be scrubbed from club and league websites.
- Clubs should document late-season interactions between players and medical staff, reflecting a concern that players could claim pre-lockout injuries and seek workers' compensation.
- MLB won't try to stop locked-out players from heading to foreign leagues or winter ball.

The ripple effects reach the rest of the offseason calendar. The Winter Meetings, set for December 7-9 in San Diego, are expected to be canceled, and arbitration hearings won't happen during a lockout. In 2021, the stoppage wiped out the major league phase of the Rule 5 draft for the first time since 1920. And unlike last time, MLB has said it won't pause the negotiating windows for players posted by Japanese

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clubs, so those players could end up back in Japan if the clock runs out.

That's why we could see frenetic activity over the next several weeks before the CBA expiration. Before the last lockout, teams committed more than $1.9 billion to free agents, including a record $1.4 billion on December 1, 2021 alone. Expect a similar scramble this month.

Why Are the Two Sides So Far Apart?

Baseball is the only major North American league without a salary cap, and owners have made it a priority during these negotiations.

- **What owners want:** MLB opened formal bargaining in May with a proposed seven-year deal running through 2033, built around a $245.3 million hard cap and a $171.2 million floor beginning in 2027. On November 3, the league revised that offer, pushing the start date to 2028 and raising the numbers to a $258.2 million cap and a $180.2 million floor. Clubs could start at 90% of the floor and phase up over three years. The system would be tied to a 50-50 split of defined baseball revenue, with an escrow mechanism to claw back salary if players' share runs above half. The proposed cap would prevent free agents signing with a new club from getting more than five years (six for a "cornerstone" player re-signing with his own club). It would also see first-year salaries capped at a percentage of the team cap, annual raises limited to 5%, and a ban on new deferred-money contracts.

- **Why players say no:** The union argues the system would cut player pay, undermine guaranteed contracts through escrow, and slash amateur signing bonuses. It also disputes how MLB defines revenue and expenses, saying the advertised 50-50 split would actually shrink players' current share. Meyer has called the owners' cap push a "nuclear bomb" that will make bargaining much harder.

- **The competitive balance debate:** Owners point to the gap between the biggest spenders and everyone else as a reason to create a ceiling and a floor. The Dodgers won back-to-back titles in 2024 and 2025 with a payroll (near $400M) that dwarfed some teams (at least six teams have payrolls below $100M). But when the Milwaukee Brewers (with the 19th-ranked payroll) beat the Tampa Bay Rays (25th-ranked) in this year's World Series, the union said it

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proved that teams did not need to be artificially constrained or forced to spend to succeed.

MLB LABOR DEAL PROPOSALS

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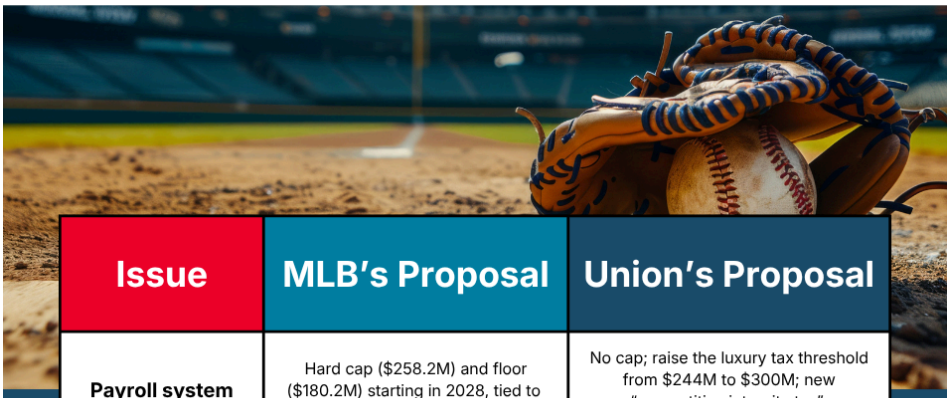
HOW BOTH SIDES VIEW MAJOR ISSUES



Issue	MLB's Proposal	Union's Proposal
Payroll system	Hard cap ($258.2M) and floor ($180.2M) starting in 2028, tied to a 50-50 revenue split	No cap; raise the luxury tax threshold from $244M to $300M; new "competitive integrity tax" on low-spending clubs
Minimum salary	$1M for players with 2+ years of service; $900K for others (now $780K)	$1.5M in 2027
Pre-arbitration bonus pool	Increase from $50M to $65M	Increase from $50M to $180M
Free agency	Players 30 or older eligible after five seasons (current club gets one more chance to keep them)	Players 30 or older eligible after five seasons
Contract limits	Five-year maximum (six with own club); salary limits per player; no new deferrals	Keep the open market
Revenue sharing	Centralize media revenue	Guarantee each small-market club $240M in annual revenue; require recipients to spend it on the team
Rosters	Set rosters weekly; reduce minor league options from five to four	28-man rosters for the first 15 days; reduce options to three; player access to club performance data
Amateur entry	Separate 12-round domestic and international drafts with hard-slotted bonuses; raise minimum signing age	Keep the 20-round draft and current eligibility; more bonus money
Gambling	Not addressed	Ban prop bets targeting individual players

The Parties at the Table

- **MLB Commissioner Rob Manfred:** He is no stranger to this fight. A graduate of Cornell's School of Industrial and Labor Relations and Harvard Law School, he started his career as a management-side labor lawyer, helped MLB bargain through the 1990 spring training lockout and the 1994-95 strike, and joined the league office in 1998.

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Deputy Commissioner Dan Halem remains MLB's lead negotiator. Manfred said during All-Star week that the owners are more unified now than at any point during his time in baseball.

- **MLBPA President Bruce Meyer:** He has led the union on an interim basis since February, when longtime executive director Tony Clark resigned. Meyer, a former Big Law partner who previously advised the NHL and NFL players' unions, has been the MLBPA's lead negotiator since 2018 and was at the table for the deal that ended the last lockout. The union says the recent leadership change has not affected its bargaining preparation.

- **The Players:** Manfred has been unusually open about his strategy. In 2025, he said the plan was to "get directly to the players" because he didn't believe union leadership was eager to lead change. That approach is rooted in the end of the last lockout, when the union's eight-player executive subcommittee voted against the final deal but the full board of player representatives approved it 26-12. The union has accused MLB of trying to divide players from their union. Whether that strategy gains any traction, and where federal labor law draws the line on it, is one of the storylines we'll be watching most closely.

The Labor Law to Know

For all the talk about payrolls and playoff formats, this is simply another labor dispute governed by the same federal law that applies to any unionized workplace. A few key principles will shape what happens next:

- **Lockouts are legal.** The US Supreme Court has held that an employer may lock out its workers to apply economic pressure in support of a legitimate bargaining position. A lockout can cross the line into an unfair labor practice if it's aimed at undermining the union itself, but that's not the typical case.

- **The status quo doesn't disappear on December 2.** When a CBA expires, an employer generally can't unilaterally change wages, hours, and working conditions until the parties reach a new deal or bargain to a genuine impasse. That's why MLB can't simply announce a salary cap. It's also why owners don't *have* to lock anyone out. The parties could keep operating under the old terms while they negotiate, but neither side wants that here.

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- **Impasse is a high bar, and baseball has been here before.** During the 1994-95 strike, owners declared "impasse" and imposed a salary cap. The players' union filed charges, the National Labor Relations Board went to court, and in March 1995 a federal judge (now-Justice Sonia Sotomayor) issued an injunction that removed the cap, restored the old terms, and effectively ended the strike.

- **Employers can talk to union members, but within limits.** Federal law protects an employer's right to share its views with represented employees, but it can't make threats or promises. It also can't bypass the union by negotiating directly with employees. Manfred's "direct to the players" approach may become a source of legal contention.

- **Antitrust is the players' wild card.** In 2011, NFL and NBA players walked away from their unions so they could sue their leagues under antitrust law. Could we see the same thing happen here? Baseball's famous antitrust exemption won't block that path, as the 1998 Curt Flood Act applies federal antitrust law to major league players' employment. It would be a drastic step, but it's not off the table.

- **Mediation is an option.** The Federal Mediation and Conciliation Service can help the sides talk, though its recommendations aren't binding. MLB proposed mediation in 2022, but the union declined.

- **Congress can't end it.** Lawmakers have no authority to force a private league and its union to settle, though they could shake things up by threatening what's left of MLB's antitrust exemption.

What Dates Should You Watch?

December 1 will get the headlines, but the real pressure points come later:

- **Week of February 9:** Pitchers and catchers would typically report to spring training. Missing that date won't trigger anything legally, but it's a powerful symbol.

- **Roughly March 10-15:** The most important cutoff on the calendar. Players need a few weeks of spring ramp-up, so a deal much later than mid-March likely means a revised regular season schedule. The 2022 deal landed on March 10.

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- **March 24-25:** Opening Night is scheduled for Wednesday, March 24, with a full slate of games the next day.
- **The 60-game mark:** MLB's national TV contracts reportedly extend automatically through 2029 if a stoppage wipes out at least 60 games per team in 2027. That would push back the league's plan to overhaul its media business by a full year, a powerful incentive for owners to settle before roughly late May.

FP Predictions

In December 2021, we predicted a deal by the end of February and an on-time Opening Day. The lockout ended after 99 days on March 10, 2022, Opening Day slid one week to April 7, and all 162 games were played. This time, both sides are better funded, further apart, and openly preparing for a long fight.

Here are the four ways this could play out:

1. Play ball! The sides strike a deal in time for spring training to ramp up, and Opening Night goes off as scheduled on March 24.

2. A 2022 rerun. A deal comes together in early to mid-March, delaying Opening Day by a few weeks, with a compressed schedule that may or may not preserve all 162 games.

3. Memorial Day baseball. The standoff drags into the spring, the season opens around late May, and fans get a shortened season and a World Series.

4. A long rain delay. Neither side blinks before the 60-game TV trigger, and the 2027 season is severely shortened – or worse.

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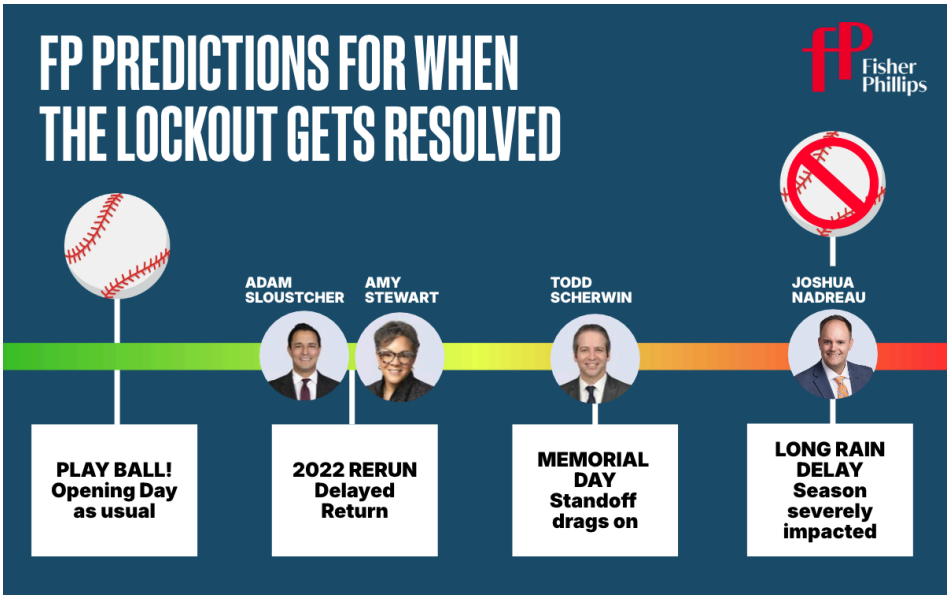

Conclusion

We will continue to monitor developments as December 1 approaches and provide regular updates until the first pitch of the regular season. Make sure you are subscribed to Fisher Phillips' Insight System to get the most up-to-date information. Any questions may be directed to your Fisher Phillips attorney, the authors of this Insight, any attorney in our Labor Relations Practice Group, or any attorney on our Sports Industry Team.

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