



EXPLAINER: PARACHUTE AND SOLIDARITY PAYMENTS

JANUARY 2023

Premier League

Total broadcast revenue in 2020/21 = £2,518,439,820

The domestic broadcast revenue of the Premier League £1,480,190,090 once central commercial (£118,484,640) is removed is split three ways:

- Equal share: 50% (£680,852,725)
- Merit – where they finish in the league: 25% (Total pot: £340,426,363)
- Facility Payment – how many times shown on TV: 25% (£340,426,363)

International broadcast revenue (£1,038,249,730) is split in two ways

- Equal share: £950,831,980 (the total revenue in 2019/20 split 20 ways)
- Merit: £87,417,750 (Current revenue – the 2019/20 revenue)

Note: Any future increase in international broadcasting revenue will be split on a merit basis.

Equal share for each Premier League club = 2.5% domestic broadcast revenue (£34,042,636 in 2020/21) + £47,541,599

Equal share in 2020/21 = £81,584,235

Parachute payments

Given to clubs relegated from the Premier League in the last three years (and not promoted in that period)

- 55% of equal share in Year One
- 45% in Year 2
- 20% in Year 3

Solidarity payments

Each EFL club not in receipt of a parachute payment receives a percentage of the third-year parachute payment as follows:

- Championship: 30% (currently 6% of equal share)
- League One: 4.5% (0.9% of equal share)
- League Two: 3% (0.6% of equal share)

The reason for this split is because the EFL's articles of association stipulate that any money given to it by the Premier League must be split using the ratio 80:12:8 between the Championship, League One and League Two. The articles can only be changed by a majority vote. The current voting in the EFL is weighted as follows:

- 50% to Championship clubs
- 33% to League One
- 17% to League Two

Note: Any further increase in international broadcasting revenue has no benefit to EFL clubs as it is split on a merit basis and not on a equal share basis.

Source: <https://www.premierleague.com/news/2222377>

Data for 2020/21 season