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Hey Golfers —

Tens of millions of dollars are at stake this week at the Tour Championship in Georgia — **\$100 million, to be exact**. But the prize money may not be paid out how you think it is.

And bonuses aren't included in a PGA Tour players earnings. So if you ever end up on the [PGA Tour career earnings](#) page — **you'll notice they do not include FedEx Cup bonuses** — or other bonuses for that matter.

Here's a brief history of the FedEx Cup bonus.

- Announced in 2005 — the inaugural FedEx Cup bonus was in 2007.
- Tiger Woods won the \$10 million 2007 FedEx Cup bonus. **But he couldn't touch the cash.** It was treated as deferred compensation.
- The deferred compensation model has since changed. A majority of the money a player earns this week is paid after the tournament, but a small amount of deferred compensation still exists.

Top PGA Tour players earn millions in bonuses. **Rory McIlroy alone has won \$54.4 million alone from the FedEx Cup bonus.** That would rank him 17th on the PGA Tour career earnings list.

Just to give you an overall idea of how impactful bonuses have become on the PGA Tour — here is a look at Viktor Hovland's 2023 season after he won the FedEx Cup bonus.

Viktor Hovland won more than \$38 million last year in on-course earnings. Only 36.7% came from tournaments. **The remainder was from bonuses.**

The winner of this years FedEx Cup bonus will win \$25 million — an enormous amount of money. Just a few key points of context on that amount of money.

- It would rank 84th on the PGA Tour career money list. Tommy Fleetwood has made \$24.9 million.
- It would rank 15th on the DP World Tour career money list.
- It would rank one on the LPGA Tour career money list.

The first place prize of the FedEx Cup bonus has increased significantly since 2021 when it was \$15 million. It jumped to \$18 million in 2022, and is now \$25 million.

Here is an overview of how the bonuses are paid out.

I will note, that we have searched, but we can not find the detail for the 2024 FedEx Cup bonuses. They will likely come out after the tournament this week.

But here is a look how 2023 payouts were distributed.

Viktor Hovland's \$18 million was **\$17 million in cash and \$1 million in deferred compensation**. The top 5 players each had \$1 million in deferred compensation in their payouts.

Tenth place in last years payout earned a total of \$1 million. Half of that was in cash and half of that was in deferred compensation.

30th place in the 2023 FedEx Cup bonus was a total of \$500,000. \$245,000 of that was paid in cash, \$265,000 was paid in deferred compensation.

But it isn't just the golfers that made it to the Tour Championship that are getting paid. Golfers that finished 31st — 150th on the FedEx Cup points list will earn deferred compensation payouts. The bonuses ranged from \$250,000 at 31st to \$85,000 at 150th in 2023.

Let's take Harry Higgs, for example. He finished 144th on last year's money list earning \$684,000. He also will receive \$85,000 in deferred compensation.

So what is **deferred compensation**?

That money goes into a golfers non-qualified deferred retirement plan. Golfer's have two ways to earn money for their retirement plan.

- Cuts Plan

- FedEx Cup Bonus Plan

The FedEx Cup bonus plan immediately vests for a golfer. Whereas the Cuts Plan takes five years to fully vest. And to have a year that counts in the Cuts Plan — a golfer must play in 15 PGA Tour events.

Golfers can begin taking money from their FedEx Cup bonus plan when they turn 45. The deferred compensation has a massive compounding effect.

It is believed that the PGA Tour does an exceptional job investing golfers money. If we took Viktor Hovland's \$1 million in deferred compensation from 2023 and assumed an annual 8% return — it would be worth around \$4.5 million when he is 45 years old.

The PGA Tour lists \$2.25 billion on its Form 990 under ***Investments—publicly traded securities*** on its balance sheet. Around 75% of that money is in play retirement.

And as of December 31st, 2021 — **over 100 golfers had over \$5 million in their retirement accounts.** That number has surely increased in the last two and a half years.