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December 4, 2013

U.S. Securities and Exchange Commission
100 F Street, NE
Washington DC 20549

Attention: Elizabeth Murphy, Secretary

Re: Pay Ratio Disclosure (Release Nos. 33-9452; 34-70443; File No. S7-07-13)

Ladies and Gentlemen:

I am writing on behalf of Johnson & Johnson to comment on the Securities and Exchange Commission's proposed rules to implement Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Proposed Rules"). Headquartered in New Brunswick, New Jersey, with over 127,000 employees based in 60 countries, and over \$67 billion in revenues for fiscal 2012, Johnson & Johnson is the world's most comprehensive and broadly-based manufacturer of health care products.

We appreciate the Commission's practical approach and the consideration of the costs of compliance with Section 953(b) when drafting the Proposed Rules. We believe that the key principles included in the Proposed Rules that will make a difficult compliance task more workable for us are the:

1. Flexibility to use different approaches and methodologies; and
2. Ability to use reasonable estimates and assumptions.

We encourage the Commission to maintain these key principles in the final rules. After an initial assessment of our internal reporting systems and databases, we feel reasonably confident that we would be able to provide a reasonable estimate of the median pay of our employees based on the rules, as proposed. However, if the final rules do not allow for at least the level of flexibility on methodologies or the use of estimates and assumptions as the Proposed Rules, it could become impossible for us to determine the median pay of our employees at a reasonable cost and within the required timeframe.

We are hopeful that as we and other companies work to comply with the rules, as proposed, there may be other areas identified where flexibility and the use of estimates and assumptions could allow for disclosure of the median pay on a timely basis with further

reduced compliance costs. We encourage the Commission to continue to consider the practical issues companies will face in complying with the rules, as proposed.

Attached are our responses to selected requests for comment in the above-referenced proposing release. Thank you for the opportunity to comment on the Proposed Rules.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Chia', with a stylized flourish at the end.

Douglas K. Chia

Attachment

cc: Mary Jo White, Chair
Luis A. Aguilar, Commissioner
Daniel M. Gallagher, Commissioner
Michael S. Piwowar, Commissioner
Kara M. Stein, Commissioner
Keith F. Higgins, Director, Division of Corporation Finance

Below are responses of Johnson & Johnson to selected requests for comment in the proposing release regarding pay ratio disclosure (Release Nos. 33-9452; 34-70443; File No. S7-07-13). The numbers below correspond to the question numbers in the proposing release:

1. We agree that the pay ratio disclosure should only be required in filings in which Item 402 disclosure is required.
8. We believe that allowing companies the flexibility to provide the two ratios (one for U.S. employees and one for all employees), but not requiring both, would be preferable to requiring companies to disclose two pay ratios due to the increase in compliance time and costs for companies.
13. We agree with the proposed rule in that Section 953(b) should not be read to include non-employees since companies may not have access to data on employees of third-parties.
19. We agree with the proposed rule in not requiring companies to include employees who were employed at any time during the year (but not on the last date of the fiscal year), since doing so would not be consistent with the disclosure rules generally for named executive officers and would increase compliance time and costs.
22. We believe that allowing companies the flexibility to annualize the compensation for non-seasonal, non-temporary employees is preferable to requiring it. Making it a requirement would increase the costs and time needed to comply.
25. We agree with the proposed rule permitting companies to choose a method to identify the median that is workable for each company based on its particular facts and circumstances. We do not think that there will be a “one size fits all” approach that will work for every company.
26. We believe that the rule should not specify the requirements for statistical sampling, reasonable estimates, or confidence intervals. The key issue for companies is the timely and cost-effective availability of data. Companies are facing widely different situations with regard to data collection. Reducing flexibility in approaches and the use of estimates could make the rule unworkable.
27. We do not believe that statistical sampling would necessarily help overcome the need for data collection, which is the key issue for many companies. Even with the help of third-parties, we believe data collection would need to be done by internal staff at most companies.

28. Companies should be permitted, as proposed, to identify the median employee using a consistently applied compensation measure. We believe that this will provide a reasonable estimate of the median.
35. The use of reasonable estimates in determining total compensation (or specific elements of total compensation) should not be constrained since any constraints would increase the costs of compliance. Companies using estimates that are not reasonable should be addressed by the Commission on a case-by-case basis.
36. The final rules should continue to allow the use of reasonable estimates in determining total compensation (or specific elements of total compensation). Without the use of estimates, compliance with the rules may be impossible for many companies.
41. Requiring additional metrics, such as the mean or standard deviation, would increase the time and costs needed to comply with the rules. These metrics also assume greater availability of data than may be the case at many companies.
50. The Section 953(b) information should be “furnished” rather than “filed,” since this information could become fodder for frivolous lawsuits.