

Pay versus Performance: Comment Period Reopening



The Securities and Exchange Commission is **reopening the comment period** for the pay versus performance proposing release. The 2015 proposed rules would implement Section 14(i) of the Securities Exchange Act, as added by Section 953(a) of the Dodd-Frank Act.

The Commission is seeking comment on all aspects of the 2015 proposing release as well as on additional questions posed in the reopening release.

Background

Section 14(i) of the Securities Exchange Act of 1934, which was added by Section 953(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, requires the SEC to adopt rules relating to how executive compensation actually paid by a registrant relates to the financial performance of that registrant.

In April 2015, the SEC proposed an amendment to Item 402 of Regulation S-K to implement this pay versus performance requirement. The 2015 proposed rules would, among other things, require registrants to express how the executive compensation actually paid by the registrant related to the financial performance of the registrant through both tabular and narrative disclosure.

The 2015 proposing release is available on the [SEC's website](#).

Requests for Comment

The Commission received numerous comment letters on the 2015 proposing release. In light of the regulatory and market developments since 2015, the Commission is providing the public the opportunity to submit additional comments on the 2015 proposal, and to address the additional requirements the Commission is considering in the reopening release issued today. These additional requirements include, among other things:

- Whether registrants should be required to disclose additional performance measures beyond total shareholder return;
- Whether, if required, pre-tax net income and net income would be useful additional financial measures;

FACT SHEET | Pay versus Performance: Comment Period Reopening

- Whether registrants should be required to disclose the measure that in the registrant's assessment represents the most important performance measure used by the registrant to link compensation actually paid during the fiscal year to company performance (which is called the "Company-Selected Measure"); and
 - Whether registrants should also be required to disclose a tabular list of a registrant's five most important performance measures used to determine compensation actually paid.
-

Additional Information:

The 2015 proposing release is available on the [SEC's website](#). The comment period will be open for 30 days after the release is published in the Federal Register.