SEC Proposes Rules Requiring New Pay-for-Performance Disclosure

May 5, 2015

On April 29, 2015, the U.S. Securities and Exchange Commission (the "***SEC***") voted to propose rules under Section 953(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, requiring companies to disclose the relationship between executive compensation actually paid and the financial performance of the company. ?Ã¡This new "pay-for-performance" disclosure (the "***Disclosure***") would include information for the company and peer group companies set out in a table that is incorporated into the proxy or other information statements in which executive compensation disclosure is required. ?Ã¡The Disclosure would present (a) executive compensation actually paid for the principal executive officer (*i.e.*, the total compensation as disclosed in the proxy statement's summary compensation table (the "***SCT***"), with adjustments for pension and equity award amounts); (b) the average compensation actually paid to the remaining named executive officers identified in the SCT; and (c) the total annual shareholder return of the company and its peer group companies. ?Ã¡The Disclosure would be required for the last five fiscal years (subject to an exception for smaller reporting companies). ?Ã¡The proposed rules provide for a 60-day comment period but do not indicate a timeframe for the SEC to issue final rules. A copy of the proposed rules is available **here**. A copy of the SEC's Press Release and Fact Sheet regarding the proposed rules is available **here**.

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