

RESEARCH REPORT  
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## Will Coronavirus Affect Executive Base Salary Planning?



**Brett A. Herand**

MANAGING DIRECTOR

**This survey was open from 3/24/2020 to 3/27/2020 and reflects responses from 389 participants, including 86 directors and 303 employees. The data indicate that, like the COVID-19 pandemic itself, executive pay decision-making remains very fluid.**

**Roughly half of respondents indicated that 2020 pay actions have already been made. For the other half, 45% of 2020 pay actions are effective in April or May with the other 55% occurring later in 2020.**

**As we approach April 1st, many companies that typically adjust executive pay in April and May are still unsure as to how the pandemic will affect executive salary actions. 25% of respondents indicated that they will freeze executive salaries and just 3% considered salary freezes but have elected not to and plan to make executive salary adjustments as scheduled, meaning that more than 70% of companies have not finalized plans on this issue.**

**For those where pay decisions are made later in the year, more than 60% of respondents indicated that it is too early to tell whether the pandemic will affect executive salary actions.**

**Although the longer-term impact of COVID-19 on the economy is unclear, companies are beginning to inventory the impact and are considering a range of people actions to ensure that companies can effectively navigate this massive disruption.**

### About the Author

Brett advises boards and management on executive compensation, including performance measurement, incentive design, and technical matters spanning tax, accounting, and SEC requirements.

### About Pearl Meyer

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