Pearl Meyer

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SEC to Revisit Executive Compensation Disclosure Rules at June 26, 2025 Roundtable



Deb Lifshey

MANAGING DIRECTOR

The US Securities and Exchange Commission (SEC) has announced that it will convene a public roundtable on June 26, 2025, to examine the current landscape of executive compensation disclosure requirements. The roundtable aims to gather insights from a broad spectrum of stakeholders—including public companies, investors, and subject-matter experts—on whether existing disclosure rules continue to effectively serve the needs of investors or if changes are warranted to reduce complexity and improve clarity.

SEC Chairman Paul S. Atkins issued a statement underscoring the importance of revisiting rules established in prior decades, noting that while disclosures have grown more detailed and complex over the years, it remains unclear whether that added complexity translates into more useful information for investors.

Historical Context and Regulatory Evolution

The SEC's executive compensation disclosure framework has evolved significantly since the introduction of tabular disclosure in 1992. Those reforms sought to present a clear, graphical summary of executive compensation as it aligns (or not) with company performance and peer comparisons. Further revisions to the disclosure framework in 2006 and new requirements stemming from the Dodd-Frank Act in 2010 expanded the disclosure landscape considerably, introducing detailed narrative discussions, pay ratios, clawback disclosure, and pay-versus-performance metrics, among other elements.

Chairman Atkins emphasized that the Commission must now consider whether this growing complexity has strayed from its original goal of providing clear, actionable information to investors.

Topics and Questions for Discussion

As part of the agenda-setting process, Atkins outlined a list of nine key questions for Commission staff and roundtable participants to consider, divided into three main areas. The exact text of such questions follows.

Executive compensation decisions: setting compensation and making investment and voting decisions

1. What is the process by which companies develop their executive compensation packages? What drives the development and decisions of compensation packages? What roles do the company's management, the company's compensation committee (or board of directors), and external advisors play in this development?
2. Current disclosure requirements seek to unpack these processes for investors. How can our rules be revised to better inform investors about the material aspects of how executive compensation decisions are made?
3. What level of detail regarding executive compensation information is material to investors in making their investment and voting decisions? Is there any information currently required to be disclosed in response to Item 402 of Regulation S-K that is not material to investors or that could be streamlined to improve the disclosure for investors? How do companies' engagement with investors drive compensation decisions and compensation disclosure?

Executive compensation disclosure: past, present, and future

4. The Commission substantially revised its executive compensation disclosure requirements in 2006 with requirements to provide, among other things, enhanced tabular disclosure of compensation amounts and a compensation discussion and analysis of the company's compensation practices. The rules were intended to provide investors with a clearer and more complete picture of the compensation earned by a company's executive officers. Have these disclosure requirements met these objectives? Do the required disclosures help investors to make informed investment and voting decisions? Given the complexity and length of these disclosures, are investors able to easily parse through the disclosure to identify the material information they need? In what ways could disclosure rules be revised to return to a simpler presentation and focus?
5. The Dodd-Frank Act added several executive compensation related requirements to the securities laws, including shareholder advisory voting on various aspects of executive compensation. What types of disclosure do investors find material in making these voting decisions? Are companies able to provide such disclosure in a cost-effective manner? Do the current rules strike the right balance between eliciting material information and the costs to provide such information?
6. With the experience of almost 20 years of implementing the 2006 rule amendments, how can the Commission address challenges that either companies or investors have encountered with executive compensation rules and the resulting disclosures in a cost-effective and efficient manner while continuing to provide material compensation information for investors? For example, are there requirements that are difficult or costly to comply with and that do not elicit material information for investors? Are

there ways that we can reduce the cost or otherwise streamline the compensation information required by the rules?

Executive compensation hot topics: exploring the challenging issues

7. The Commission recently adopted rules implementing the requirements of Dodd Frank related to pay-versus-performance and clawbacks. Now that companies have implemented the new rules, are there any lessons we can learn from their implementation? Can these rules be improved? If so, how? For example, which requirements of these rules are the most difficult to comply with and how could we reduce those burdens while continuing to provide investors with material information and satisfy these statutory mandates?
8. Since adoption of the pay-versus performance rules, I [Atkins] have continued to hear concerns regarding the rule's definition of "compensation actually paid" (CAP). What has been companies' experience in calculating CAP and what has been investors' experience in using the information to make investment and voting decisions?
9. What has been companies' experience in applying the two-part analysis articulated by the Commission in 2006 with respect to evaluating whether perquisites for executive officers must be disclosed? How do disclosure requirements resulting from the test, and whether a cost constitutes a perquisite, affect companies' decisions on whether or not to provide a perquisite? For example, how has the application of the analysis affected evaluations relating to the costs of security for executive officers? Are there types of perquisites that have been particularly difficult to analyze? How do investors use information regarding perquisites in making investment and voting decisions?

Public Participation Encouraged—Submit Your Views Directly or Contact Pearl Meyer

The SEC invites members of the public to submit comments on these topics. Submissions will be added to the public record and posted without redaction.

Pearl Meyer intends to issue our views on the current state of disclosure rules based on observations about the effort and results having worked with thousands of clients over multiple decades and the ever-evolving rule changes. We also encourage our clients to submit feedback direct to the SEC or reach out to us to have your views included in our submission.

About the Author

Deb advises on executive compensation from a legal and regulatory perspective, including securities disclosure, tax and governance matters, contract negotiation, and reasonableness opinion letters.

Pearl Meyer

About Pearl Meyer

Pearl Meyer is the leading advisor to boards and senior management helping organizations build, develop, and reward great leadership teams that drive long-term success. Our strategy-driven compensation and leadership consulting services act as powerful catalysts for value creation and competitive advantage by addressing the critical links between people and outcomes. Our clients stand at the forefront of their industries and range from emerging high-growth, not-for-profit, and private organizations to the Fortune 500.