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SEC Adopts New CEO Pay Ratio Disclosure Rules

The U.S. Securities and Exchange Commission (SEC) recently adopted final rules to implement CEO pay ratio disclosure requirements under the Dodd-Frank Act. The rules compel public companies to disclose how the compensation of the Chief Executive Officer compares with the median compensation of all other employees.

Covered companies will be required to disclose:

The annual total compensation of a specific employee (not identified) whose compensation falls at the statistical median for all company employees, excluding the CEO

Annual total compensation of the CEO

The ratio of these two numbers, i.e., 50:1

The new rules outline in great detail how companies shall identify a statistical “median employee,” as well as how total compensation shall be determined.

Read the full **white paper** for more information.