



SEC Opens Comment Period on CEO Pay Ratio Rule

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Perhaps the most controversial rule regarding executive compensation in the Dodd-Frank Financial Reform legislation is the CEO pay ratio disclosure. This rule requires disclosure of the CEO's pay to that of the company's median employee. The SEC adopted final rules regarding the pay ratio disclosure requirement in calendar year 2015, and the requirement is scheduled to take effect with proxies filed in 2018.

The acting Chairman of the SEC is Michael Piwowar. On Monday, February 6, 2017 the acting Chairman announced the opening of a new 45-day comment period during which the SEC seeks input regarding "any unexpected challenges that issuers have experienced as they prepare for compliance and whether relief is needed." Further, acting Chairman Piwowar has requested SEC staff to reconsider the rule, based on the comments they receive during the comment period, to determine whether "additional guidance or relief may be appropriate."

Pay Governance LLC encourages companies to provide comments to the SEC. You may comment to the SEC by going directly to the SEC website at <https://www.sec.gov>.

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