

Executive Compensation and Benefits Alert

June 30, 2025

If you have any questions regarding the matters discussed in this memorandum, please contact the attorneys listed on the following page or call your regular Skadden contact.

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One Manhattan West
New York, NY 10001
212.735.3000

SEC Signals Coming Changes To Executive Compensation Disclosure

On June 26, 2025, the Securities and Exchange Commission (SEC) hosted a roundtable on executive compensation disclosure requirements with representatives from public companies, investors, industry groups and advisors. In his introductory remarks, SEC Chair Paul Atkins referred to the current disclosure requirements as a “Frankenstein patchwork of rules,” a refrain echoed by Commissioners Hester Peirce and Mark Uyeda, each of whom signaled an interest in clarifying certain rules and simplifying current executive compensation disclosure.

The roundtable kicked off a retrospective review of the disclosure rules set forth in Item 402 of Regulation S-K, which were originally adopted in 1992 and were last comprehensively updated in 2006 when the SEC introduced the Compensation Discussion and Analysis. In the years following enactment of the Dodd-Frank Act of 2010, the SEC implemented Congress’ directives by adding the Say-on-Pay vote, CEO Pay Ratio and Pay Versus Performance disclosure requirements as well as rules pertaining to the clawback of erroneously awarded compensation.

Among the topics discussed by roundtable participants was whether the Item 402 disclosure requirements should become more practice-based in order to more closely align with the decision-making processes of corporate boards and compensation committees when designing and setting executive compensation. Participants also discussed the utility of Pay Versus Performance disclosure, including whether its use by investors is proportionate to the internal and external resources devoted by companies to its preparation.

Additionally, some participants suggested considering new ways to visualize compensation, such as by revising or eliminating various compensation tables and replacing them with disclosure showing target compensation decisions against realized performance outcomes.

Perquisites also were a hotly discussed topic. While some participants advocated for an “every dollar matters” approach to perquisite disclosure, others advocated for increasing the aggregate disclosure threshold of \$10,000 per fiscal year and reconsidering the types of benefits classified as perquisites, particularly in the case of executive security benefits.

The SEC is currently soliciting public comments as part of its review of executive compensation disclosure, which can be submitted in paper, email or [electronically](#). We anticipate that these public comments will inform the SEC’s next steps, which may include issuing a concept release or a rulemaking proposal.

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Contacts

Brian V. Breheny

Partner / Washington, D.C.
202.371.7180
brian.breheny@skadden.com

Raquel Fox

Partner / Washington, D.C.
202.371.7050
raquel.fox@skadden.com

Page W. Griffin

Partner / Palo Alto / New York
650.470.4560 / 212.735.2108
page.griffin@skadden.com

Shalom D. Huber

Partner / New York
212.735.2483
shalom.huber@skadden.com

Joseph M. Penko

Partner / New York
212.735.2618
joseph.penko@skadden.com

Erica Schohn

Partner / New York
212.735.2823
erica.schohn@skadden.com

Michael A. Wiseman

Partner / New York
212.735.2662
michael.wiseman@skadden.com

Joseph M. Yaffe

Partner / Palo Alto / Los Angeles
650.470.4650 / 213.687.5516
joseph.yaffe@skadden.com

Daniel Z. Landy

Associate / New York
212.735.2854
daniel.landy@skadden.com

Eitan Yitzhak Morris

Associate / New York
212.735.3678
eitan.morris@skadden.com