U.S. Securities and Exchange Commission

PRESS RELEASE

SEC Proposes Executive and Director Compensation Disclosure Reforms

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Washington D.C., Nov. 13, 2026 — The Securities and Exchange Commission today proposed rule amendments to make its executive and director compensation disclosure requirements more principles-based and materiality-driven, providing investors with clearer, more concise, and less complex disclosures. The proposal follows the Commission's review of its executive and director compensation disclosure requirements, including a request for public comment (https://www.sec.gov/comments/4-855/executive-compensation-roundtable#no-back) and a roundtable (/newsroom/speeches-statements/remarks-atkins-executive-compensation-roundtable-062625) discussion with representatives from public companies, investors, and other experts in this field. This proposal builds on Chairman Atkins' efforts to reduce friction for companies looking to join and remain in our public markets.

The proposal would refocus these disclosures — last comprehensively reformed in 2006 — on material information and improve investors' ability to track equity awards through their lifecycle. The proposed amendments aim to reduce compliance burdens for registrants where there is not commensurate benefit for investors and would provide registrants with more flexibility to present their disclosures in a way that is consistent with how compensation programs are constructed today and better represents the intention of their boards of directors and compensation committees.

"Today, the Commission proposed amendments to its executive compensation disclosure requirements contained in Item 402 of Regulation S-K. These amendments reflect a comprehensive reform of Item 402 that, together with other previously proposed actions, are central tenets of my agenda and focus on transforming the SEC's

public company disclosure regime to one rooted in materiality," said SEC Chairman Paul S. Atkins in a statement (/newsroom/speeches-statements/atkins-statement-proposing-release-executive-compensation-disclosure-reform-111326). "With the benefit of input from more than 80 comment letters received from investors, companies, and advisors in connection with the SEC's roundtable on executive compensation in July 2025, today's proposal aims to elicit more informative disclosure rooted in materiality."

The proposed amendments to Item 402 of Regulation S-K would permit registrants to tailor disclosure in a way that provides greater transparency regarding the registrant's compensation practices and is more efficient for investors to read and understand. In support of these goals, the proposed changes would, among other things:

- Revise the named executive officers to encompass the principal executive officer and principal financial officer — the positions whose compensation are generally most material for investors due to their roles in managing a registrant's most consequential matters — thereby reducing the number of named executive officers from typically five or more individuals under the current rule to two in most circumstances.
- Modify the primary executive compensation tabular disclosure requirements into three new tables (Earned Compensation Table, Granted Compensation Table, and Status of Equity Awards Table) with accompanying narratives that would replace the primary four tables required under the current rule. The proposed changes would retain material information required under the current tabular disclosure framework but would seek to streamline and clarify the presentation.
- Raise the minimum aggregate reporting threshold for perquisites from $10,000 to $150,000 and introduce a new *de minimis* tracking exclusion. The proposed amendments would retain disclosure of material perquisites for investors while reducing compliance burdens for registrants.
- Revise the Commission's interpretive guidance regarding perquisites to give registrants more flexibility to make the determination of whether a benefit is a perquisite, so long as the determination is reasonable and made in good faith.
- Make the Compensation Discussion and Analysis (CD&A) requirement more principles-based, require registrants to address only three topics in the CD&A, and eliminate the list of 15 example topics contained in the current rule. The proposed changes would streamline the presentation of information, reduce complexity and repetition, and focus more clearly on material information.
- Simplify the pay-versus-performance disclosure requirement by reducing required performance measures and replacing the complex "Compensation Actually Paid" calculation with the total compensation earned amount from the proposed Earned

Compensation Table. The proposed changes would continue to satisfy the statutory mandate of the Dodd-Frank Act while simplifying disclosure requirements.

- Limit the population used in the determination of "median employee" under the pay ratio rule to U.S. full-time employees and reduce the required frequency of the determination to every five years.
- Eliminate required check boxes from the cover pages of annual reports and certain potentially redundant disclosure requirements regarding the application of a registrant's clawback policy that overly burden registrants without eliciting material information for investors. The underlying mechanics of a registrant's clawback process would remain unchanged.

The public comment period will remain open for 60 days following publication of the proposing release in the Federal Register.

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Last Reviewed or Updated: Nov. 13, 2026

RESOURCES

- **Proposed Rule**
- **Fact Sheet**