

# SEC Client Alert: Executive Compensation Disclosure Changes (Proposed Rules) – May 2026



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## Key Points

- ◆ *Most public companies would qualify for simplified disclosure*
- ◆ *Executive compensation disclosure would be reduced for companies with a public float of less than \$2 billion (NAFs)*
- ◆ *Certain shareholder advisory votes would no longer be required for NAFs*

## Overview

On May 19, 2026, the SEC proposed sweeping changes to simplify public company financial disclosure requirements, including significant reductions in executive compensation disclosure obligations for most registrants. A principal rationale for the Commission's actions is to lower compliance costs and simplify reporting requirements in order to encourage more companies to go public and remain public.

## Key Proposed Changes Affecting Executive Compensation

### 1. Expansion of Scaled Disclosure

Under the proposed rules, companies other than the smallest issuers would fall into one of two categories: large, accelerated filers (LAFs), which have a two-year average public float above \$2 billion, and non-accelerated filers (NAFs), which have a two-year average public float below \$2 billion. Under the proposal, LAFs would remain subject to the current proxy reporting rules (for now), while NAFs would be subject to substantially reduced disclosure requirements. Based on SEC estimates, the \$2 billion public float threshold would make approximately 80% of public companies eligible for simplified disclosure, although nearly all companies in the S&P 500 and S&P 400, as well as a meaningful portion of the S&P 600, would be classified as LAFs and therefore subject to the full disclosure requirements.

### 2. Reduced Executive Compensation Disclosure Requirements

If the new rules are adopted as proposed, NAFs would have the following reduced disclosure obligations:

- ◆ Disclose only two years of pay history (instead of three years) for executives in the Summary Compensation Table
- ◆ Disclose compensation for three named executive officers rather than five named executive officers
- ◆ Omit the Compensation Discussion & Analysis (CD&A) section of the proxy entirely
- ◆ Eliminate disclosures on the CEO pay ratio and pay-versus-performance

- ◆ Omit compensation risk disclosures
- ◆ Remove several detailed compensation tables (e.g., Pension Benefits, Grant of Plan-Based Awards, Option Exercises and Stock Vested, Nonqualified Deferred Compensation)
- ◆ Eliminate requirement to quantify potential payments at termination or change-in-control (narrative disclosure still required)

### 3. Elimination of Shareholder Advisory Votes

In addition, NAFs would no longer be required to hold the following advisory votes:

- ◆ Say on Pay votes
- ◆ Say on Pay Frequency votes
- ◆ Say on Golden Parachute votes

### 4. New On-Ramp for Public Companies

In addition, newly public companies would be subject only to the reduced disclosure NAF rules for a 60-month period, even if their public float exceeds \$2 billion. This five-year “seasoning” period is substantially more extended than the current 12-month timeframe.

## Key Takeaways

The proposed streamlining of the compensation disclosure requirements for the majority of public companies, together with the elimination of Say on Pay, could have far-reaching corporate governance implications. NAFs and newly public companies of any size would need to balance the opportunity to provide a substantially slimmer executive compensation disclosure against the expectations of investors that prefer more fulsome reporting. They would also need to consider whether to continue offering Say on Pay or instead return to the pre-Dodd-Frank framework, under which investor dissatisfaction with executive compensation was often expressed through votes against Compensation Committee members. As a result, many companies may choose to eliminate some current disclosures, such as pay-versus-performance and the CEO pay ratio, while retaining others, such as the CD&A (perhaps in a more streamlined format). Some companies may also decide to retain Say on Pay to give investors a direct means of expressing their views on executive compensation rather than limiting that expression to votes on Compensation Committee member elections.

Finally, although no disclosure changes were proposed for LAFs, SEC Chairman Atkins indicated that this proposal is “among the first steps toward transforming the SEC’s regulatory framework.” Additional changes may therefore be on the horizon for LAFs, including simplification of the pay-versus-performance disclosure and revisions to the perquisite disclosure rules, including those relating to executive security.

The SEC is currently accepting public comments, and most large institutional investors and proxy advisory firms are expected to submit comments. Final rules could be adopted by the end of 2026, after which companies will need to reassess filer status and disclosure obligations.

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