WINSTON & STRAWN LLP

What Is Executive Compensation?

Executive Compensation

The term **executive compensation** refers to the financial payments and non-financial benefits provided to the upper level management within a business or organization. Employees who receive this type of compensation are generally presidents or vice-presidents, chief executive, financial, operating, legal, and other C-Suite executives. An executive compensation package is a group of benefits that could include stock awards, severance protection, deferred compensation, and retirement plans. SEC regulations require public companies to disclose the amount their executives are earning, plus how this amount is calculated. Some states also have executive compensation laws.

What Laws Regulate Executive Compensation?

The area of **executive compensation law** covers topics ranging from disclosures to taxation. Specific laws that touch executive compensation are the Securities Act of 1933, the Securities Exchange Act of 1934, the Internal Revenue Code, the Employee Retirement Income Security Act of 1974, and the Dodd-Frank Act.

The U.S. government regulates executive compensation through federal agencies: Department of Labor, Department of the Treasury, Internal Revenue Service, and Securities and Exchange Commission.

Related Capabilities

Employee Benefits & Executive Compensation

Public Companies