Davis Polk

Legislation to Repeal Disclosure of Pay Ratio, and Expected Reactions

April 28, 2011 | Client Update

There continue to be multiple areas of legislative activity to repeal or amend certain provisions of Dodd-Frank, including draft legislation to require employees to communicate internally before making whistleblower claims to the SEC. In March House Republicans announced a bill to eliminate the provision to disclose the ratio between the CEO’s compensation and the median annual total of all employees. Recently the AFL-CIO denounced this attempt to “water-down” Dodd-Frank, expressing their belief that this disclosure would have a “profound impact.” on executive compensation. According to their data, the average total compensation for S&P 500 CEOs is now about 343 times that of the average American worker, up from 42 times in 1980.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

Ning Chiu
+1 212 450 4908
ning.chiu@davispolk.com