

## SEC Proposal Would Cut Executive Compensation Disclosure and Eliminate Say-on-Pay for Many Public Companies

On May 19, 2026, the SEC proposed sweeping changes to public company filing and disclosure requirements. The headline: roughly 80% of public companies would become "non-accelerated filers", which wouldn't have to hold say-on-pay votes and would have significantly scaled back compensation disclosure requirements.

The SEC's comment period on these proposed changes runs through July 20, 2026. The earliest practical impact is 2027 for most companies, though final rules and effective dates remain uncertain.

### Key Takeaways

- **A simpler filer system.** Large accelerated filers (LAFs) and non-accelerated filers (NAFs) replace today's five categories.
- **Higher LAF threshold, tested over two years.** \$2 billion public float must be met for two consecutive years to trigger LAF status (about 19% of public companies would qualify as LAFs, down from about 35% under the current threshold).
- **Five-year IPO on-ramp.** For 60 months after going public, no company can be classified as a large accelerated filer, regardless of how much its public float grows. That means newly public companies get five guaranteed years of lighter disclosure.
- **NAFs will have significantly scaled back proxy requirements.** Under the proposal, NAFs would be exempt from many existing requirements, for example:
  - No say-on-pay or say-on-frequency vote
  - No say-on-golden-parachute vote
  - No CD&A
  - No CEO pay ratio or pay vs. performance disclosure
  - Three Named Executive Officers instead of five
  - Two years of Summary Compensation Table data instead of three

## What Companies Should Do Now

- **Figure out your projected filer status.** Assess public float and post-IPO timeframe against the proposed standards. If you're near the line, plan for both scenarios.
- **Weigh pros and cons of adopting scaled-back disclosure in the context of shareholder vote implications.** Eligibility to scale back is not a mandate to do so. Many large investors and proxy advisors may push companies to continue voluntary say-on-pay votes and CD&A-style disclosure. Currently, the annual say-on-pay vote provides a non-binding “warning” signal of shareholder concerns, before affecting votes on board members. If compensation is an area of concern for shareholders, eliminating the say-on-pay vote leaves shareholders with only a vote against Compensation Committee members or other board members to express their discontent.
- **Consider commenting on SEC rules.** The comment period is open through July 20, 2026. The SEC is asking specifically about the LAF threshold, the post-IPO on-ramp length, and the scope of scaled compensation disclosure.
- **Continue to monitor for additional changes.** This proposal is part of a broader SEC review of Regulation S-K, and further changes to executive compensation disclosure may come in subsequent rulemakings.

## Contact Us

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