Your resource on executive compensation

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in the news

CEO pay levels up as companies brace for volatility

By Steve Sabow and David Wise

CEO pay showed solid increases in 2013 for the first time since 2010—and shareholder perception remained "front and center" among compensation decision-makers, as the delivery of pay remained highly volatile and performance-based in a record year for companies and their shareholders.[1]

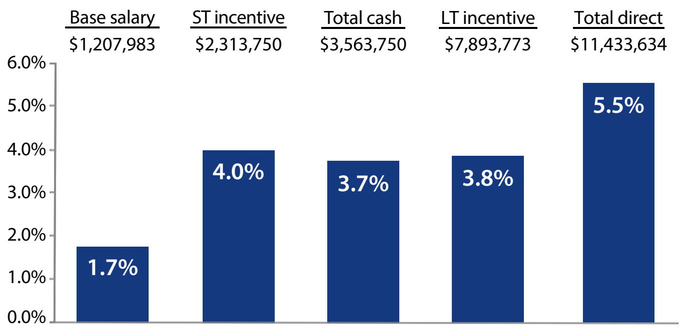
A banner year for shareholders yields solid gains in pay levels

In our just-concluded annual study of CEO compensation, which we conducted with *The Wall Street Journal*, we analyzed CEO pay against last year's record-breaking performance for shareholders—when a bull market and solid earnings growth drove one of the greatest years in the modern era, and total shareholder return (TSR) was a remarkable 33.8 percent.

Companies were also more profitable in 2013, with a solid median net income growth of 8 percent. However, GDP growth in the U.S. and globally was stagnant, most measures of productivity were down, and inflation was modest, yielding very little top-line growth for most companies. Greater profitability instead was achieved through enhanced efficiency and low wage growth: After years of issuing debt to take advantage of historically low interest rates, companies reaped the benefits of having invested in their core businesses and managed to "do more with less."

1 This year's study includes the 300 largest companies that filed their final definitive proxy statement between May 1, 2013 and April 30, 2014. This study provides a snapshot of total compensation as disclosed in each company's proxy statement, including each CEO's total direct compensation (TDC), which consists of salary, bonus or other annual incentives paid, and any long-term incentive awards (long-term stock or cash) granted.

2013 CEO compensation changes and values



Individual values are medians that should not be added

As a result of this performance, 2013 saw the first material uptick in CEO pay levels since 2010. Base salaries grew 1.7 percent to $1.2 million, while annual incentive payments increased for the first time since 2010 by 4 percent to $2.3 million. Together, these factors resulted in an overall increase of 3.7 percent in median cash compensation, to $3.6 million.

Further, long-term incentive (LTI) grants increased, growing 3.8 percent to $7.9 million—leaving total direct compensation with a healthy 5.5 percent growth, to $11.4 million.

And the winners were...

For the second year in a row, the largest pay increases were seen in the utilities sector, where pay levels increased 15.9 percent—despite a median 0.2 percent drop in net income, and a comparably modest 10.3 percent one-year TSR—all during a volatile weather year. Utilities struggled for a variety of reasons in 2013, including ongoing concerns about the Fed's tapering of bond purchases, rising interest rates, lower natural gas prices, and an improving U.S. economy. All of these factors made investors more willing to exit the safety of high-yield utility stocks.

On the other end of the spectrum, oil & gas company pay remained flat, at negative 0.1 percent—a result supported by the survey's lowest net income change, at negative 6.8 percent (despite a very healthy 27.1 percent return to shareholders). 2013 was a mixed year for the sector: Oil prices and demand peaked, but an oversupply of new natural gas sources drove gas prices down.

CEO pay in the heavily-watched financial services sector saw a major reversal in 2013. For the first time since the financial crisis, pay levels increased by a robust 12.9 percent. Many banks found success in 2013 after years of rebalancing their business portfolio away from classic capital markets businesses and into more stable wealth management offerings. As a result, financial services companies made up the highest-performing sector in Hay Group's study, showing greatly improved profitability at 15.4 percent—and the survey's highest shareholder return, of 43.5 percent.

Realized long-term incentive (LTI) pay remained strong

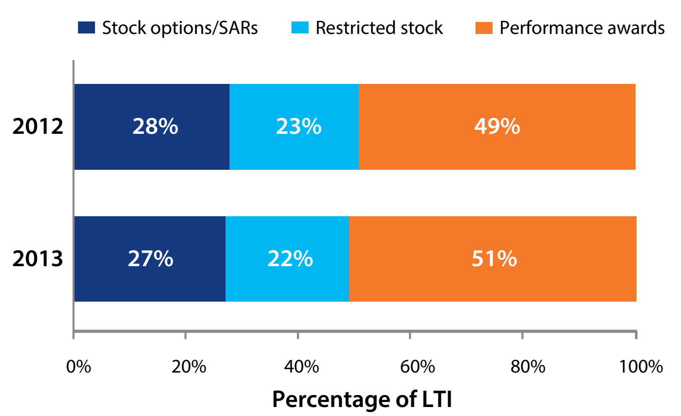
For the third year in a row, CEOs realized significant compensation in the form of "realized" or take-home equity-based pay. After 2012, when realized pay increased to record levels, 2013 saw realized LTI nearly flat at $7.9 million. Take-home pay from stock option exercises declined as companies used fewer of them, while realized compensation from time-vested restricted stock and performance awards increased. These historically high levels of realized pay are reminders that today's pay schemes provide CEOs with the potential for much more volatile pay outcomes than in the past.

Long-term performance plans continued their steep incline

Pay designs in 2013 set CEOs up for increasingly volatile pay outcomes. For the third year in a row, long-term performance plans were the most heavily-weighted piece of the entire pay puzzle, making up 32.3 percent of the average CEO's total compensation, up from 30.3 percent the year before. Performance awards outpaced bonuses–a similarly volatile element that ranked second in pay emphasis–making up 22 percent of the average CEO's pay package.

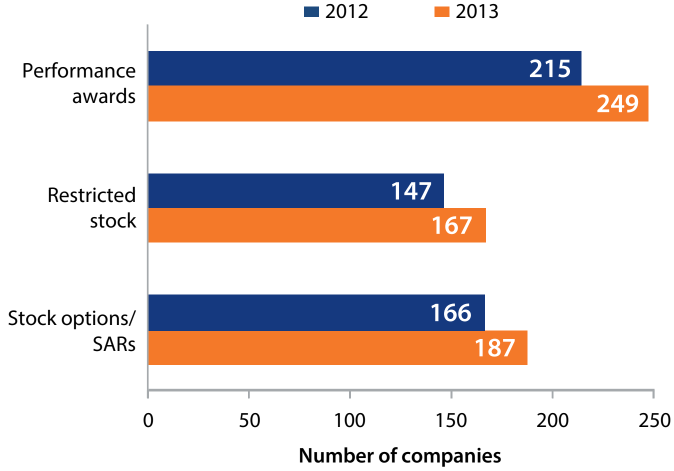
Shareholders consider performance awards the most important element within a CEO's pay package, as most of these plans only vest when a company achieves prescribed objectives. Some companies have implemented these plans as a way to appease their shareholders' concerns about pay and performance, while other companies are using the plans to align the senior team around key long-term milestones.

Change in CEO LTI mix, 2012 vs. 2013



Includes only constant incumbents

Change in CEO LTI prevalence, all incumbents



Includes only constant incumbents

At 51 percent of total award value, performance awards made up more than half of CEOs' LTI in 2013, up slightly from 49 percent in 2012. The number of companies that continued to add such plans rose to a record 83 percent of all companies, up from 72 percent in 2012. At 27 percent of CEOs' total award value, stock options remained the second most heavily-used pay vehicle, with 62 percent of companies granting them (up from 55 percent in 2012). Finally, at 22 percent of the total award value, time-vested restricted stock continues to be used in 56 percent of companies (up from 49 percent in 2012).

With the prevalence of all three vehicles increasing, companies continued the trend of providing their CEOs with a portfolio of long-term incentives. Seventy-nine percent of companies granted more than one vehicle, with 31 percent of companies reporting the most widely-used combination to include all three LTI vehicles (stock options, restricted stock and performance awards). The next most popular combination, of stock options and performance awards, dropped in prevalence among companies from 27 percent to 25 percent. The combination of performance awards and restricted stock remained flat, at 18 percent of companies. Notably, the least-used LTI program in 2013 was the most widely-used just 10 years earlier: less than 4 percent of companies now use only stock options.

Pay and performance

Once again, top-performing CEOs out-earned all others in 2013 by a significant margin. However, bottom performers didn't necessarily see the declines in pay that you might expect.

The top third of net income performers improved their profitability by a median level of 36 percent and saw a 7.2 percent increase in cash compensation as a result. However, the lower third of performers saw their profitability decline by more than 20 percent, coupled with a drop in cash compensation of only 1.1 percent. All told, top performers fared only 8 percentage points better in cash pay increases than low performers, despite huge differences in profitability.

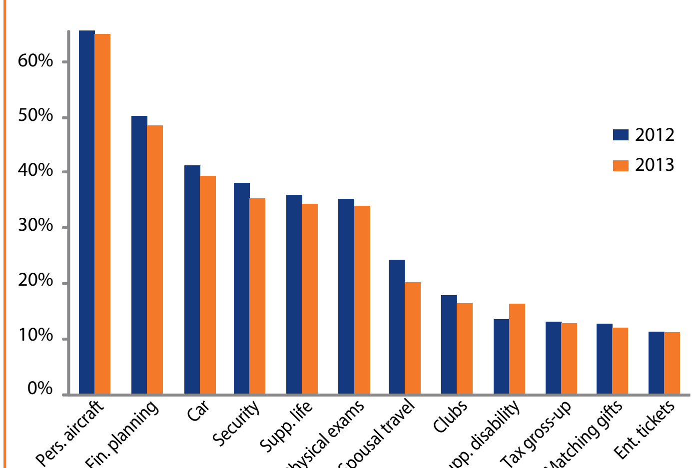
Over the longer term, when comparing realized LTI pay to three-year total shareholder return (TSR), top performers outgained low performing CEOs by a substantial margin, but did not outgain middle performers by a significant amount. The top third of TSR performers realized $12.1 million in 2013 for TSR performance of 29.1 percent, while the bottom third made only $3.2 million for 3.1 percent TSR. However, the middle third realized $8.1 million, despite TSR that was just more than half (at 16.5 percent) of the top performers.

Both results are likely diluted by the strong stock price performance for companies in 2013, which may have been enough to make both shareholders and compensation decision-makers less sensitive to pay outcomes for the year.

Companies continue cutting perks

2012 saw significant cutbacks in newsworthy perquisites, and 2013 saw a slower but continued pace of perquisite elimination. Nearly every perquisite declined in prevalence. The perk most eliminated was the spousal travel benefit, falling from 24 percent to 20 percent prevalence. Personal use of a corporate aircraft once again remained the most prevalent perquisite in Hay Group's study and was the only perk to be provided by more than half (64.7 percent) of companies.

Perquisite Prevalence, 2012 vs 2013



Where it's all headed

Despite progress in "bullet-proofing" pay programs in recent years, companies continued to keep the pressure on paying for performance in 2013. However, the jury's still out on whether or not these programs will withstand scrutiny in a year when shareholders don't win.

During the last four years of shareholder input ("say-on-pay"), a bull market has provided ever-increasing returns to shareholders. Over that period, companies have continued to make more money, grow, and create value for shareholders.

Looking back

In retrospect, the increasing performance volatility in today's executive pay packages couldn't have come at a better time for CEOs. They continue to realize more pay than at any point before—in large part because their equity stakes have vested at materially higher prices than when they were granted, and they've often vested at above-target levels. In addition, companies with four straight years of high say-on-pay approval outcomes may begin to feel that their pay programs aren't at risk of negative shareholder sentiment.

However, the true test of these programs only will be seen during a period of contraction, when growth slows or reverses or shareholders lose value. Given the performance volatility inherent in today's CEO pay packages, a contraction will yield realizable pay values that are far lower than what CEOs are seeing today. In that year, pay programs will be put to the test. Will shareholders support a pay program at a 95 percent approval in a year when they've lost 15 percent of their value? Will compensation committees that see their executives' realizable pay decline in that same year look to re-load them the next year, as we saw happen in 2009?

Looking ahead

For 2014, we expect companies to continue to close the narrowing gap between their pay programs and shareholder perception. We expect to see greater use of "realizable pay" disclosures that better align the intrinsic value of LTI awards with company performance, further movement to performance-vested equity plans, and continued eliminations of perquisites. In short, we anticipate more "performance-based" pay—and even more volatility on potential pay outcomes.

The danger in this trend towards greater volatility is that it may not be right for every company. While pay has undoubtedly become more performance-based, not every company has the type of volatility inherent in their business outcomes to support extreme pay volatility. When the difference between a "poor" and "great" performance year lies in a relatively narrow range, does it make sense for a CEO's incentives to range from zero to double a large target incentive?

This is the paradox of over-reliance on market practice. Companies want to know how their peers are doing things, and to keep abreast of industry trends and "best practices." However, in that process, the opportunity for a company to create a misalignment with their business becomes dangerously real. Effective pay programs tailor to the strategic needs of the company while doing enough to head off shareholder concerns.

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hot topics

Youth vs. experience: is a time bomb ticking in your boardroom?

By Christopher Ewing and Brian Tobin

With age comes wisdom. Right?

Whenever age is mentioned, things can get heated, and an objective discussion of youth versus experience can be tricky.

> "The…question that must be addressed is whether the Board will be prepared to make a change if that need should arise **not from my death but rather from my decay,** particularly if this decay is accompanied by my delusionally thinking that I am reaching new peaks of managerial brilliance."
>
> Warren Buffett

With average director age, board retirement age ceilings, and the number of retired individuals serving on boards all on the rise, however, such discussions – however uncomfortable – must be undertaken.

Why is this happening? And why are some companies going so far as to waive required age limits in their governance guidelines?

- A shortage of qualified candidates
- The desire to retain individuals that are knowledgeable and familiar with company business

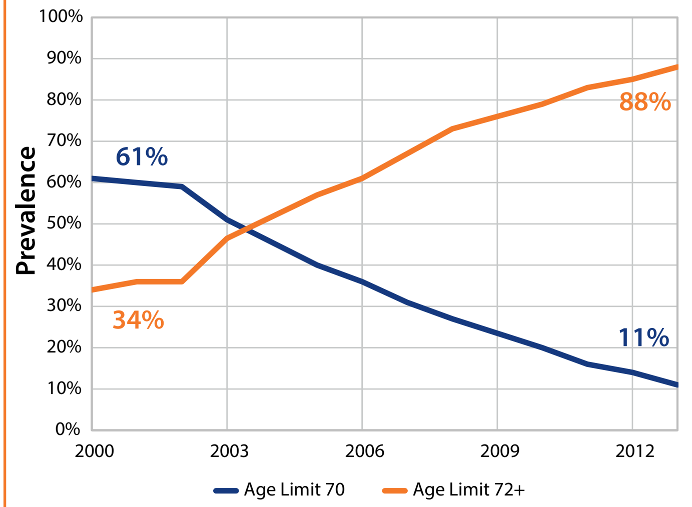
Over time, these factors have led to boardrooms that, though experienced, may be lacking the fresh ideas and differing perspectives that can benefit the shareholders these boards represent. Regardless of where this matter ranks from the board's perspective, its potential for increased relevance among shareholders is climbing in correlation with rising director ages and shouldn't be ignored.

Decreased use of retirement ceilings

According to the Spencer Stuart Board Index, use of board retirement ceilings in governance guidelines has increased from 58 percent to 73 percent among S&P 500 companies since 2000. As shown below, age limits of 72+ (and even 75+ in nearly a quarter of S&P 500 companies) are increasingly being implemented in governance guidelines.

Companies sometimes provide specific reasons why age ceilings were originally put into place and under what circumstances these limits could be waived. One aerospace and defense company cited in its proxy disclosures the "experience, skill set, and active engagement" as well as the expected difficulty in replacing a particular director who was re-nominated for election despite having reached the age limit of 72. Even with such reasons for these increases, higher age ceilings can jeopardize the equilibrium between youth and experience and will increasingly warrant regular discussion and board action to preserve the appropriate balance.

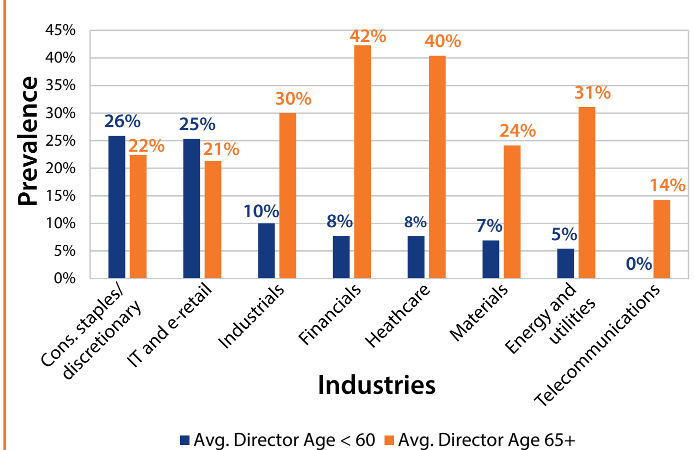
Prevalence by age limit



Industry variations

In technology and e-commerce company boardrooms, youth and experience coexist on boards where the directors, who must be technologically erudite, tend to skew younger. A quarter of technology and e-commerce companies in the S&P 500 have average director ages below 60. In the financial industry, however, where some companies have existed for a century or more, business acumen and financial market knowledge are paramount. This experience is usually found in older individuals with many years of participation in the market. As shown below, 42 percent of financial companies average 65 years old and above among their directors.

Prevalence by industry



Term limits

Some companies have put term limits in place to periodically introduce new blood and combat stagnation in the boardroom. While this is not popular (present in only 3 percent of S&P 500 companies), term limits are set at a decade or more of service, allowing directors to build tenures that are long enough to be meaningful—while also promoting the circulation of fresh perspectives. One movie and entertainment company cited the importance of maintaining a balance between continuity and fresh viewpoints to justify term limits.

Companies opposed to term limits point to their thorough director evaluation and nomination procedures, which determine whether a director's term should continue or come to an end. Many claim that term limits can result in the removal of directors who have gained increasing insight into the company's history, operations and objectives. (In fact, the term "increasing insight" is commonly used in disclosures rejecting term limits.)

One consumer services company, which originally had a term limit in place, recently put a repeal of the limit up for shareholder vote. The company believed that the limit, though well-intentioned, did not promote board turnover—and explained that an "active and vibrant" board would be best achieved through annual elections and the board's self-evaluation process.

It's clear that companies with and without term limits share the common goal of wanting a board that includes experience and astute, dynamic thinkers–directors who can provide new perspectives in the present and preserve board integrity and leadership in the future, after older directors depart.

Achieving the desired boardroom balance

The biggest challenge facing efforts to supply and revitalize boards is the lack of available qualified candidates. Youthful, capable individuals who can provide valuable insight and shareholder representation are not easily found, but companies can address this by making gradual adjustments to governance guidelines and policies.

- **Set age limits and stick to them.** Nearly 75 percent of S&P 500 companies have director age limits. These age limits have been waived at several companies looking to retain directors with experience that's too valuable to lose. With proper planning, directors should be permitted to stay on the board beyond age limits only in exceptional cases such as financial restatements, management leadership turmoil, or an unexpected spike in board turnover. The integrity of age limits should be maintained and coupled with regular efforts to review director candidate pools and recruit new candidates.
- **Invest more in director education and development.** The recruitment of dynamic but less-experienced candidates may require increased investment in director education and development. This may include a policy of providing reimbursement for directors attending industry seminars and continuing education courses. Companies should also provide educational opportunities for directors to maximize their knowledge about the company board they serve.
- **Set lower outside board limits.** Three-fourths of S&P 500 companies cap the number of other boards on which directors may serve. The vast majority sets limits of three or four additional boards, which allows current directors to focus on fewer commitments and leaves more openings on other boards for less-experienced individuals to gain expertise.
- **De-classify the board.** Board de-classification has more than doubled among S&P 500 companies since 2003. A de-classified board subjects directors to annual elections and maximizes the opportunity for shareholders to decide whether the board would benefit from rejuvenation.

Balance in the boardroom

The most important goal of the board is to represent shareholders. To achieve this, directors must continually strive for a mix of experience, fresh ideas, and sound leadership in the boardroom. Through good governance, a commitment to director development, and investment in a future director pipeline, the only ticking in your boardroom will be done by its clock.

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data

Tweet, post, connect – prosper?

By: Josephine Gartrell

As I was researching the pay of social media executives, I noticed some Facebook "friends" were making fun of my "Always Sunny in Philadelphia" quiz results. At the same time, I was discussing the California Charitable Hospital Executive Compensation Act of 2014 with a few LinkedIn "connections" and reading messages from my passionately opinionated husband's Twitter "followers."

We certainly are plugged into social media in a way that was unimaginable a decade ago, and we can learn more from these companies' Form S-1 filings:

- **LinkedIn** is "the world's largest professional network on the Internet… [on which] members are able to create, manage and share their professional identity online [and] build and engage with their professional network."
- **Facebook** allows people to "stay connected with their friends and family…and share and express what matters to them and the people they care about."
- **Twitter** offers users a "global platform for public self-expression and conversation in real time."

Going public

What do these prominent social media firms have in common besides connecting people around the world? They all went public, and they all had named executive officers (NEOs) with significant equity.

LinkedIn went public in 2011, Facebook in 2012, and Twitter in 2013. LinkedIn and Facebook went public with modest profitability, while Twitter had its initial public offering (IPO) despite unprofitability. LinkedIn was the most expensive, at $45 per share, followed by Facebook at $38 per share. Twitter was last, at $26 per share.

However, their IPO prices were not necessarily indicative of their IPO-date closing prices. LinkedIn's IPO-date closing price doubled to $94.25 per share; Facebook barely budged at $38.23 per share; and Twitter added a healthy 73% to close at $44.90. Counterintuitively, Facebook's IPO raised the most money, followed by Twitter and LinkedIn. Their respective NEOs, with their total compensation heavily weighted in equity, had reason to celebrate: They joined other stakeholders in prospering on our incessant need to interface with anyone and everyone. But who is prospering beyond the S-1—and who is performing to target and beyond?

Compensation philosophies and objectives

If combined, the social media giants' compensation philosophies would read something like this: "The companies operate in a rapidly evolving market and are in the early stages of their journeys. Accordingly, each needs a team that is capable of refining or enhancing their respective business models, which fosters or bolsters the growth of their respective user bases and products, and is capable of increasing user engagement. Teams are expected to 'possess and demonstrate strong leadership and management capabilities.'

Intertwined is the common goal of incentivizing their teams to perform exceedingly well relative to their stated objectives. To foster post-IPO growth, they heavily weight their executive compensation toward equity, mostly in the form of restricted stock units (RSUs) and stock options.

LinkedIn

Pre-IPO, LinkedIn paid CEO Jeff Weiner a base salary of $480,000 and an actual bonus of $290,194 (although his target bonus was only 60% of base salary, he received 116% of base salary due to the company's outstanding performance). He received no equity compensation in 2010 because it was determined that he and other NEOs held enough to meet retention and incentive goals.

Fast forward to 2013, and a review of the most recently filed proxy reveals that Mr. Weiner received quite a raise since the company's IPO. Accompanied by LinkedIn's 97% "say-on-pay" approval, LinkedIn's performance has been deemed outstanding by its board and shareholders, and Mr. Weiner profits greatly from exceeding performance metrics across the board. In 2013, his total compensation increased year-over-year from $1,175,400 in 2012 to $49,071,363 in 2013.

Facebook

The face of Facebook, Mark Zuckerberg, earned a pre-IPO base salary of $500,000 and an actual "First Half 2011" bonus of $220,500. Post-IPO, Mr. Zuckerberg had total compensation of $653,165, including his $1.00 per year base salary. He did not receive a bonus or equity awards post-IPO, but he did make a few billion dollars exercising his stock options.

Twitter

Twitter CEO Richard Costolo earned a pre-IPO base salary of $200,000 and no bonus. However, including his stock and option awards, his total pre-IPO compensation (2012) was $11,505,740. Mr. Costolo's annual base salary was reduced to $14,000 in August 2013, and his total compensation in 2013 was $130,250. However, his post-IPO total compensation is yet to be determined since Twitter's IPO occurred on November 7, 2013. If current news is any indicator, though, one could safely bet that his target will be heavily weighted toward increasing user growth at a more rapid pace.

Variability of performance-based compensation

Social media CEOs' compensation tells the companies' stories and shows us that performance-based pay in this space can result in large pay swings on a year-over-year basis. Through analysis of CEO (and other NEO) pay, we see where these companies were, where they are going, and what the focus for growth needs to be. Comparing them is not always straightforward, but it does tell shareholders that one moment's success can turn to another moment's failure in the ever-changing industry. In fact, there is some evidence that investor enthusiasm for social media is thawing.

Rather than go public, for example, Instagram was sold to Facebook. Facebook tried to buy Snapchat, too, thinking it would help rejuvenate its profitable teenage-user base. CEO Evan Spiegel declined Facebook's offer in speculated hopes of getting more than the offer of $3 billion through an IPO. Some commentators questioned this move, and the IPO has not yet happened.

Regardless of the challenges unique to each social media company, proper performance criteria applied to NEO pay will likely be the focus of moving each organization toward its respective brand of interconnection and anticipated success.

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trends

Evolution of long-term incentives – and what it means today

By Martin Somelofske

Executive pay has been evolving for decades, and this is particularly true of long-term incentives. The change has been driven by a number of forces and institutions:

- SEC disclosure requirements
- accounting rules
- tax law and regulations
- proxy advisory firms like Institutional Shareholder Services (ISS) and Glass Lewis, and
- an overall change in the economy and stock market

In the 1970s, stock options became a popular way to motivate and reward executives. The Accounting Principles Board issued its famous Opinion No. 25 in October 1972, basically saying that stock options awarded to employees "at the money" should not be recognized as a compensation expense. With this favorable accounting treatment focused on the "intrinsic value" of an option at the time of award, stock options became a popular way of paying executives.

In the 1980s, stock options become the dominant long-term incentive and wealth-building vehicle for executives and other employees. After revisiting the expensing question, the now Financial Accounting Standards Board (FASB) issued FAS 123, which encouraged companies to account for options based on their "fair value." At this point, the fair value method was not mandatory. The intrinsic value method was still permissible as long as there was a footnote indicating what the expense would have been under the fair value method, and a majority of companies took advantage of this.

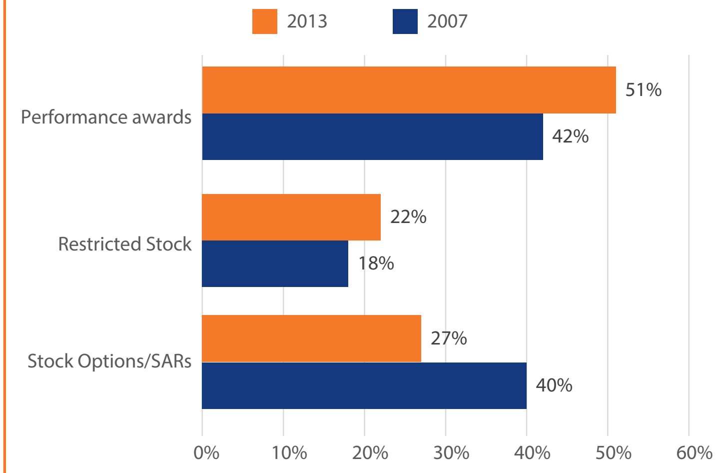
The good times would not last forever, however. With Enron, WorldCom and other scandals, in the early 2000s over 500 publicly traded companies voluntarily adopted FAS 123. Later, the first decade of the 21st century saw the "internet bubble" crash and significant stock market volatility. As a result, many options granted in 1999 and 2000 were "underwater" by late 2001. This, in turn, lead to dimly viewed practices like "re-pricing" and "backdating" of options. In short, stock options were becoming problematic.

In March 2004, FASB released Share-Based Payment, a draft of an accounting statement that was subsequently adopted and resulted in the requirement that companies recognize the compensation expense related to employee stock options based on the grant-date fair value method. Once the adoption of fair value accounting for equity took hold, a movement towards equity vehicles other than options was underway.

The decline in use of stock options

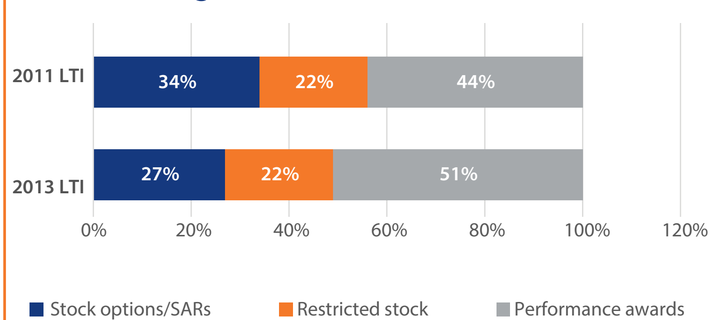
In comparing data on the types of CEO LTI awards between 2013 and 2007 (when Hay Group first partnered with *The Wall Street Journal* on its annual CEO pay study), we prepared Chart 1 below. The chart shows that stock options continued a decline (from when that vehicle had earlier lost its long-standing position as the most popular LTI award). (Note: The 2013 data is for CEOs of Hay Group 300 companies, the 300 largest companies that filed their final definitive proxy statement between May 1, 2013 and April 30, 2014, while our 2007 study looked at 350 companies and differed in certain other parameters.)

Chart 1: CEO LTI awards: 2013 vs. 2007



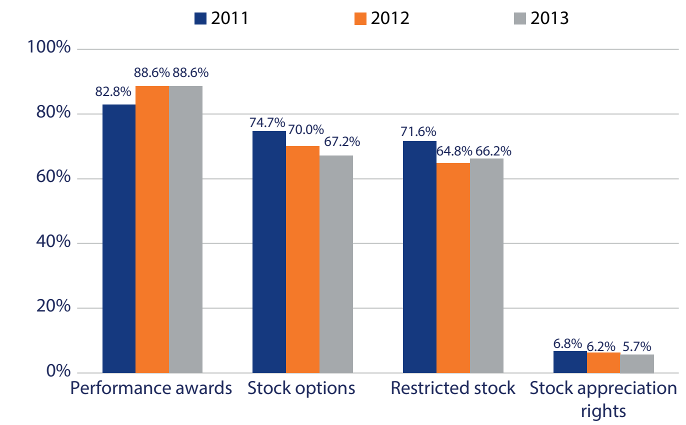
In addition, proxy advisory firms now play an increasingly influential role. ISS and Glass Lewis continue to push for more performance-based pay as part of their review of public companies. The advent of "say-on-pay" has pushed companies away from stock options and restricted stock and towards more performance-based equity plans. Chart 2 below shows the more recent trend towards performance awards for CEOs in particular among the Hay Group 300:

Chart 2: Change in CEO LTI mix, 2011 vs. 2013



Looking at the use of different LTI vehicles by companies (not just for awards to CEOs), we also find that performance awards have lead the field in recent years (as shown in Chart 3):

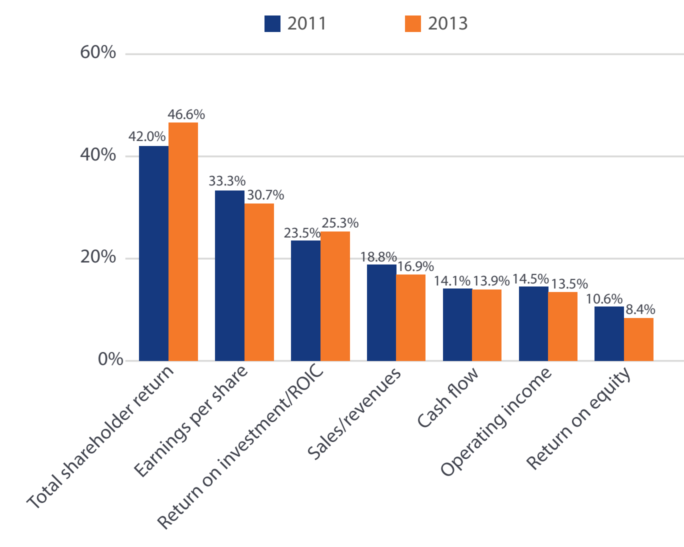
Chart 3: Use of types of LTI awards by companies



Selection of performance metrics

As the use of performance-based long-term incentive plans continues to rise, it's especially important to choose the appropriate performance metrics in designing these incentive plans. Currently, total shareholder return (TSR) and earnings per share are the most popular metrics used, as shown in Chart 4:

Chart 4: Long-Term Incentive Plan Performance Metrics



Good performance measures should appeal to shareholders and be meaningful to management. They should be based on your company's mid- to long-term goals and reflect a balance between strategic, operating, and individual goals. Ultimately, performance measures should encourage activities and results that enhance shareholder value. The key is striking the right balance.

Design considerations

An important consideration when selecting performance measures is the degree of difficulty required to achieve them. For instance, using TSR could result in the vesting of equity when a company lags behind its peers and the general market but the overall stock market conditions are favorable. An equally problematic situation can occur when using relative shareholder return, as a company may outperform peers yet have a small (or even negative) return.

With performance vesting, upside potential and downside risk both need to be present. On the upside, 150% to 200% of the target number of shares are typically available. On the downside, none of the shares may vest for performance below a given threshold, and a typical threshold has 50% of the target number of shares vesting. Here, it's important to have goals that are appropriately challenging. If the targets are set too low, they'll easily be achieved. Low targets don't encourage high levels of performance and are unfair to shareholders. On the other hand, if goals are unreasonably difficult, management will soon ignore them, rendering them meaningless.

This issue is compounded by the fact that compensation committees are attempting to set goals that are projecting performance out three to five years. This problem is somewhat mitigated by the fact that most companies make annual grants, and they can therefore reset the bar each year.

What's ahead

We expect to see a continued preference for performance-based awards over the use of stock options—though stock options will continue to be widely employed—and restricted stock will often be the second choice after performance shares. Further, we expect to see the continued use of relative TSR measures. Finally, it's possible that more companies will add non-financial, strategic performance metrics.

Welcome to the 2014 Hay Group Executive retirement benefits & perquisites survey

Hay Group invites you to participate in our latest research initiative to better understand US organizations' executive benefits policies and programs. Executive benefits programs command the attention of shareholder advocacy groups, the investment community, and the Internal Revenue Service. To serve these constituencies, Hay Group is conducting this study to identify current practices and trends in the marketplace.

The web-based survey, which takes approximately 30 minutes, requests information about your organization's executive perquisites, deferred compensation, and supplemental executive retirement programs. **If this survey would be better answered by someone else in your organization, please forward this invitation and ask them to respond. Survey submissions will be accepted until Friday, July 18th.**

Individual responses will remain strictly confidential, and results will be compiled and summarized on an aggregate basis. Industry results also will be provided, assuming sufficient levels of industry participation.

To thank you for your efforts, we will email all participants a summary report of the 2014 Executive Retirement Benefits and Perquisites Survey results.

Please click the link below to begin the survey:
https://www9.hayinsightsurvey.com/run/executive_benefits_survey2014.

Thank you,

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Hay Group is a global management consulting firm that works with leaders to transform strategy into reality. We develop talent, organize people to be more effective and motivate them to perform at their best. Our focus is on making change happen and helping people and organizations realize their potential.

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