A	Accounting firms, as compensation
ACA (Patient Protection and	advisors, 57
Affordable Care Act), 238	Accounting Principles Board (APB),
Academics, as board candidates, 39	256–257
Accelerated expense recognition,	Accounting Principles Board
270	Opinions, 256, 283,
Account balance plans, 214	286-287
Accounting, 255–304	APB 12 deferred compensation
Accounting Principles Board	contracts, 286
Opinions, 283, 286–287	B 15 earnings per share,
accounting standards	286
organizations, 256–260	APB 16 business combinations,
Accounting Standards Updates,	287
284, 292–293	APB 25, 100, 261–262,
Emerging Issues Task Force	280-282
Releases, 285, 297–303	performance awards, 383
FASB Financial Accounting	restricted stock, 376
Statements, 283–284,	SARs, 376
287–292	stock options, 372-373
FASB Interpretations, 284,	stock units, 380-381
293–294	Accounting Principles Board
FASB Staff Positions, 284,	Statements, 256
294–297	Accounting Research Bulletins
new equity-based compensation	(ARBs), 256
rules, 261–280	ARB 43, 256
performance awards, 383-384	ARB 43 equity-based
previous equity-based	compensation, 286
compensation rules, 280-283	Accounting Standards Codification
restricted stock, 378	(ASC), 257. See also ASC
SEC Staff Accounting Bulletins,	Topics
285, 303–304	Accounting standards organizations,
stock appreciation rights, 376	256–260

Accounting Standards Updates (Updates), 258, 284, 292–293 Update 2010-05 escrowed share arrangements, 292 Update 2010–13 denominating award's exercise price, 292-293 Acquisitions, 190-191 Affiliates, 187 Age Discrimination in Employment Act of 1967 (ADEA), 309-313 Agenda setting, 17–19 AICPA (American Institute of Certified Public Accountants), 256, 257 AIG, 155 Air travel benefits, 402 ALI (American Law Institute), 119, 124 Alternative minimum tax (AMT), 245, 369 American Institute of Certified Public Accountants (AICPA) 256, 257 American Jobs Creation Act of 2004 (Jobs Act), 202 American Law Institute (ALI), 119, 124 Americans with Disabilities Act of 1990, 309 AMT (alternative minimum tax), 245, 369 Anti-acceleration rule, 219–221 APB, see Accounting Principles Board Applicable employee remuneration, 234 ARBs, see Accounting Research

Bulletins

ASC Topics, 257

ASC (Accounting Standards

Codification), 257

ASC 230/FAS 132 pension and postretirement benefits disclosures, 289 ASC 260/FAS 128 earnings per share, 289 ASC 323/EITF 00–12 stock-based compensation to employees of equity method investee, 302 ASC 350/FAS 142 goodwill and intangible assets, 290 ASC 450/FAS 5 accounting for contingencies, 287 ASC 450/FAS 150 instruments with characteristics of liabilities and equities, 291 ASC 480/FAS 150 equity and liabilities, 268–269 ASC 505/EITF 85–1 classifying notes received for capital stock, 298 ASC 710/EITF 97-14 deferred compensation in rabbi trusts, 302 ASC 715/FAS 87 pensions accounting, 287 ASC 715/FAS 106 postretirement benefits, 288 ASC 715/FAS 158 definedbenefit pension and other postretirement plans, 291-292 ASC 718: fair value of stock awards, 103, 372, 373 performance awards, 383 restricted stock, 378 SARs, 376 stock units, 380, 381 ASC 718/FAS 123R share-based

payment, 263-277

of grant date, 294

ASC 718/FAS 123R-2 application

ASC 718/FAS 123R-4 instruments	Regulation S-K, 162, 169, 406,
issued that allow for cash	468–470
settlement, 296	reporting, 162
ASC 718/FSP FAS 123R-1	Benefits. See also specific types of
freestanding financial	benefits
instruments exchanged for	in employment arrangements,
services, 294–295	330–334
ASC 740/FAS 109 expense taxes,	Section 132 fringe benefits, 246
273	tax rules for, 246
ASC 805 business combinations,	Berkshire CD&A 2013, 595-596
259	Big-picture focus, 22–23
ASC 805/FAS 141R business	Blackout periods:
combinations, 290	advance notice of, 182
ASC 815/FAS 133 derivative	defined, 185
instruments and hedging,	insider trading during, 182–189
289–290	Blanket no-hire provisions, 345
ASC 840/EITF 02–8 options in	Board of directors:
unrestricted, publicly traded	approaching candidates for, 43
share of unrelated entities,	CEO succession planning by,
302–303	66–68
ASC 970/EITF 86–27 excess	compensation of, see Director
contributions to defined	compensation
contribution plan, 298	dealing with nonperforming
At-the-money stock options, 100	directors, 48
AT&T Human Resources	deferred compensation plan
Committee, 527–531	aggregation rules,
At-will employment, 317-319	215–216
Audit and Accounting (Conference	director searches, 36–39, 41–43
Board), 133	director selection of, 43-47
	diversity of, 40–41
В	fiduciary duties of, 117–126
Back-door noncompete covenants,	independence of directors, see
345	Director independence
Below-market loans, 252–253	interactions with CEOs, 74
Benchmarking, 26–29	orientation of new members,
and 1990s runaway	49–51
compensation, 24	oversight duties, 123–125
director compensation study,	sample prospectus, 34–37
109–112	service hours on, 98
process of, 26–28	size of, 10–11
uses of, 27, 39	structure of, 4
Beneficial ownership:	time commitment for, 39–40
determining, 176–177	training for, 48, 51–52
accerning, 1/0 1//	g 101, 10, 91 92

D 1 1 4	C 1
Boilerplate provisions (employment	Cash:
agreements), 347–348	ASC 718/FAS 123R-4, 296
Bonuses:	deferred compensation
deductions for, 249	distributed in, 318
executive bonus plans, 355	as incentive compensation,
linking CEO evaluation and,	352–353, 363
79–80, 87	in share-based payment
Section 404 tax deductions, 249	transactions, 279
Book value stock purchase plans, 299, 300	Cash-based incentive compensation, 352–353, 363
Brehm v. Eisner, 122	Cashless exercise programs,
Brokers, discretionary voting limit	194–195
for, 174	Cash-settled SARs, 375
Bulletin 14E (SEC), 60	Catalyst, 42
Bush, George W., 202	CD&A, see Compensation
Business combinations:	Discussion and Analysis
accounting for, 290	Cendant Corporation, 30–31
APB 16, 287	CEOs, see Chief executive officers
ASC 805, 259	CEO/Named Executive Officer
ASC 805/FAS 141R, 290	(CEO/NEO) Ratio, 61–62
EITF 85–45, 298	Chair of compensation committee, 14
grandfathered in Codification,	Change-in-control (CIC), 341–344
259	and deferred compensation, 219
settlement of stock options and	and fiduciary duties of directors,
awards, 298	128
Business judgment rule, 122–123	and golden parachutes, 239, 240
Business machines, providing,	protections under, 22
403–404	=
	Charitable contributions, 403
Business owners, as board	Charters (compensation committee),
candidates, 39	11–13
Business Roundtable, 138–139	AT&T Human Resources
C	Committee, 527–531
C	Citigroup Inc., 531–534
California Public Employees'	The Coca-Cola Company,
Retirement System	535–537
(CalPERS), 25	The Home Depot Inc., 540–545
CAP (Committee on Accounting	Intel Corporation, 537–540
Procedures), 256	Chief executive officers (CEOs):
Capital stock, notes received for,	as board candidates, 39
298	boards' interactions with, 74
Cap on executive compensation,	in director search process, 43
232–238	evaluation of, <i>see</i> Evaluation
Care, duty of, 118, 126-128	(CEOs)

job description for, 75, 76	shareholders' perspective
pay program for, 3–4	considered by, 24–25
succession planning, see	size of, 10–11
Succession planning (CEOs)	Compensation committee chair, 14
CIC, see Change-in-control	Compensation Discussion and
Citigroup Inc., 531–534	Analysis (CD&A), 144–146
Clawback policy:	benefit of, 4
Dodd-Frank, 174	at Berkshire, 595-596
Sarbanes-Oxley, 195–198	equity grants disclosures,
Cliff vesting, 377	154–155
Club memberships, 401–402	at Google, 547–565
The Coca-Cola Company, 102–103,	at Prudential Financial, 565–595
535–537	requirement for, 130
Codification (FASB), 257–260. See	and smaller reporting companies,
also ASC Topics	157–158
Codification Research System, 258	taking control ot, 25–26
Committee on Accounting	Compensation programs. See also
Procedures (CAP), 256	specific programs, e.g.:
Common stock equivalents, 286	Pension-benefit programs
Communication, by compensation	alignment of, with corporate
committee, 25–26	strategy, 22–23
Compensation committee, 3–31	understanding elements of, 21–22
benchmarking by, 26–29	Compensatory property, transfer of,
big-picture focus of, 22–23	243–244
and board structure, 4	Compensatory stock options,
in CEO succession planning, 68	accounting for buyout of, 301
chair's role on, 14	Competitors, as board candidates,
charter of, 11–13	37–38
composition of, 5	Conference Board:
course corrections by, 23-24	on CEO successors, 69
deferred compensation issues for,	Commission on Public Trust
207–208	and Private Enterprise, 131,
duties and responsibilities of,	137–138
14–26	Corporate Governance, 138
effective communication by,	Corporate Governance Best
25–26	Practices, 65
independence tests for, 5-10	sample CEO evaluation form, 83
information for, 20-22	Confidentiality:
meeting minutes of, 29-31	of CEO evaluations, 75, 77
organization for, 17-21	in CEO succession planning, 72
outside experts and advisors to,	in employment arrangements, 346
53–57	in executive selection process,
role of. 13–14	323

Consensus (EITF), 257 Covered employees (Section 162[m]), 7, 233–234, 371 Constructive receipt, 202, 229–231 Constructive termination, 337–338 Crisis management, succession Consultants: planning in, 65, 71 as board candidates, 38 independence of, 53–54 selection criteria, 54-55 Death, termination of employment types of, 55-57 at, 334-335 Contingencies, accounting for, 287 Decision making: Contractual employment on CEO succession, 69 arrangements, 318-320 context for, 20 Control securities, 187, 188 Deferral of compensation (term), Convergence (accounting 208-209 standards), 260, 264 Deferred compensation, 201–232 Corporate governance, 117–141 anti-acceleration rule, 219–221 APB 12 deferred compensation applications of fiduciary duty rules, 126-131 contracts, 286 CEO planning process disclosure, constructive receipt, 202, 64 229-231 decuctions for, 249 external compensation policies and guidelines, 131, 137-141 definitions related to, 208–212 fiduciary duties of directors, and director equity-based 117 - 126compensation, 101 NYSE/NASDAQ rules on, 13, distribution/payment events 131-137 permissible, 218–219 Corporate Governance (Conference economic benefit doctrine, 231 equity-based, 226-228 Board), 138 Corporate Governance Best initial deferral elections, 216–217 Practices (Conference issues for compensation Board), 65 committees, 207-208 Corporate governance committees, NQDCPs, 203-208 34 NQDCPs from tax-indifferent and board education, 52 parties, 232 in CEO succession planning, 68 in offshore trusts, 228-229 director pay advice from, 108 in pension-benefit programs, Corporate strategy, aligning 395–396 compensation plans/ plan aggregation rules, 214–216 Section 404 tax deductions, 249 programs with, 22–23 Council of Institutional Investors, 25 seven-step analysis, 206-209 Course corrections, by short-term (2 1/2-month), 212 - 213compensation committee, 23 - 24six-month payment delay rule, Courts, 201 221 - 222

subsequent deferral elections,	Director independence:
217–218	governance disclosure, 163-165
termination of employment,	"interested" directors, 7, 8
222–226	nonemployee directors, 6, 102,
written plan requirements,	103
213–214	NYSE/NASDAQ requirements
Deferred stock units (DSU),	for, 4
379–382	outside directors, 7, 8
Defined-benefit pension plans:	tests for, 5–10
accounting for, 287-288, 291-292	Director interlocks, 9–10
SERPs, 390–393	Disability, 211, 219, 335
Defined-contribution pension plans:	Disability benefits, 399
popularity of, 390	Disclosure, 143–170
SERPs, 298, 394–395	of background information on
Delaware:	directors, 9
board size, 10	beneficial ownership reporting,
corporation law, 117	162
expert advice in compensation	on CEO planning process, 64
decisions, 19	Compensation Discussion and
fiduciary duties, 118-128, 130	Analysis, 144–146
quality of meeting minutes,	of compensation policies/
29–30	decisions, 130–131
Demand loans, 253	of director compensation,
De minimis remuneration, 235–235	103–106, 155
Derivative securities, 177	of director independence and
Directors, see Board of directors	governance, 163-165
Director compensation, 97–112, 155	of director qualifications/
conducting study of, 109–112	selection process, 44
deferred equity-based, 101	equity compensation plan, 165-167
disclosure of, 103–106. See also	Form 8-K, 168
Disclosure	golden parachute compensation,
elements of, 99–103	158–160
increase in, 99	IFRS 2, 279
simplification of, 106–107	material compensation risk,
trends in, 106–109	155–157
"Director Compensation" (James	option grant practices, 154–155
F. Reda and Kimberly A.	pending Dodd-Frank
Glass), 106	requirements, 160–162
Director Compensation Report	plan filing requirements,
(2012-2013), 108–109	167–168
Director Compensation Table,	principles-based, 143
103–106, 109–110, 155	Regulation S-K provisions,
Director exculpation, 125–126	168–170

Disclosure (continued)	Section 971, 407
related person transactions,	Section 971, 107 Section 972, 407
162–163	Title IX (Investor Protection and
rules-based, 144	Securities Reform Act), 172
of share-based payment	Donovan test, 307
transactions, 266	Donovan v. Dillingham, 307
for smaller reporting companies,	Double-trigger arrangements, 343
157–158	DSU (deferred stock units), 379–382
tabular disclosures, 146–153	Duty of care, 118, 126–128
Discretionary voting by brokers, 174	Duty of loyalty, 118–119, 121
Discrimination:	Duty to inquire, 125
under ADEA, 310–313	Duty to monitor, 124–125
laws related to, 309	buty to moment, 121 129
Disgorgement requirement, 196, 197	E
Disinterested directors, 102	Earnings per share.
Dispute resolution, in employment	APB 15, 286
arrangements, 346–347	ASC 260/FAS 128, 289
Dodd-Frank Wall Street Reform and	Economic benefit doctrine, 201, 231
Consumer Protection Act of	Economic value added, 355
2010, 23	EESA (Emergency Economic
brokers' discretionary voting	Stabilization Act of 2008),
limit, 174	204, 243
clawback policy, 174	Eisner, Michael, 30
disclosure requirements under	EITF (Emerging Issues Task Force),
143	257. See also Emerging
executive compensation	Issues Task Force Releases
provisions, 171–174	Elective account balance plans, 214
on independence of	Emergency Economic Stabilization
compensation advisors, 54	Act of 2008 (EESA), 204, 243
pending disclosure requirements	Emerging Issues Task Force (EITF),
under, 160-162	257
on ratio of CEO to average	Emerging Issues Task Force
worker pay, 61	Releases, 285, 297–303
Say on Golden Parachute, 158,	ASC 323/EITF 00-12 stock-based
172, 173	compensation to employees
Say on Pay, 129, 172–173	of equity method investee,
Section 951, 407	302
Section 952, 407	ASC 505/EITF 85–1 classifying
Section 953, 407	notes received for capital
Section 954, 407	stock, 298
Section 955, 407	ASC 710/EITF 97–14 deferred
Section 956, 407	compensation in rabbi trusts,
Section 957, 407	302

- ASC 840/EITF 02–8 options in unrestricted, publicly traded share of unrelated entities, 302–303
- ASC 970/EITF 86–27 excess contributions to defined contribution plan, 298
- EITF 00–23 stock compensation under APB 25 and FIN 44, 302
- EITF 84–13 stock options and SARs in leveraged buyouts, 297
- EITF 84–18 stock option pyramiding, 297
- EITF 84–34 permanent discount restricted stock purchase plan, 297
- EITF 85–45 business combinations, 298
- EITF 87–6 stock compensation plan adjustments, 298–299
- EITF 87–23 book value stock purchase plans, 299
- EITF 87–33 market decline stock compensation ssues, 299–300
- EITF 88–6 book value stock plans in IPOs, 300
- EITF 90–7 relead stock option accounting, 301
- EITF 90–9 ESOP changes resulting from equity restructuring, 301
- EITF 94–6 buyout of compensatory stock options, 301
- EITF 95–16 stock compensation with employer loan features, 301
- EITF 96–18 equity instruments issued to other than employees, 301

- EITF 96-18 grants of equity instruments, 279–280
- EITF 97–5 delayed receipt of option shares upon exercise, 301–302
- Employee benefit plan, ERISA definition of, 306
- Employee pension benefit plan, ERISA definition of, 306–307
- Employee Retirement Income Security Act of 1974 (ERISA), 305–309
  - nonqualified pension plans, 389 preemption doctrine, 305
- Employee services.
  - equity awards in exchange for, 265
  - freestanding financial instruments exchanged for, 294–295
- Employee stock option plans (ESOPs):
  - changes resulting from equity restructuring, 301
- excess plan contributions to, 298 Employee stock purchase plans (ESPPs), 167, 249–251
- Employment arrangements,
  - 317–348 at-will, 317–319
  - change-in-control, 341-344
  - compensation and benefits, 330–334
  - contractual, 318-320
  - duties, responsibilities and authority, 329
  - elements of written agreements, 320–321
  - office location, 330
  - parties in, 326
  - process for written agreements, 322–323
  - reporting, 329–330
  - restrictive covenants, 344-348

Employment arrangements	previous accounting rules for,
(continued)	280–283
terminations of employment,	restricted stock, 377-379
334–341	restricted stock units or deferred
term of the agreement/	stock units, 379–382
employment period, 326-328	retention guidelines, 384-385
terms and conditions in, 325-348	stock appreciation rights,
titles, 328–329	375–377
types of, 323–325	stock options, 368–374
Employment inducement awards, 190	stock ownership guidelines, 384–385
Employment period, 326–328,	Equity compensation plans:
339-340	defined, 189
English rule, 346	disclosure requirements,
Enron Corporation, 183, 202	165–167
Entrepreneurs, as board candidates,	NYSE/NASDAQ shareholder
39	approval requirements,
Equal Pay Act, 309	189 -193
Equity(-ies):	Equity holdings table, 146
ASC 450/FAS 150, 291	Equity split dollar, 253
ASC 480/FAS 150, 268–269	ERISA, see Employee Retirement
ASC 718/FAS 123R, 268, 269	Income Security Act of 1974
as incentive compensation,	Escrowed share arrangements,
352–353	292
issued to other than employees,	ESOPs, see Employee stock option
301	plans
Equity accounting, 352	ESP (Executive Severance Plan),
Equity-based compensation,	324–325
367–385	ESPPs (employee stock purchase
accounting rules for, 261-283	plans), 167, 249–251
deferred, 101, 226–228	Estate planning tax rules, 251–252
for directors, 100–102	Evaluation (board candidates),
fair value of, 100–101	46–47
FAS 123 amendment proposal,	Evaluation (CEOs), 73–95
263–264	confidentiality of, 75, 77
FIN 28, 282	criteria for, 79–87
FIN 44, 282–283	factors inhibiting effectiveness of,
"fixed" and "variable," 280–281	74–75
incentive awards, 352–353,	leadership and succession
367–384	planning element in, 63
new accounting rules for,	linked to incentive compensation
261–280	87, 94–95
performance-based, 212, 382–384	process of, 75–79, 88–89

questions included in, 89-94	Expenses:
responsibility for, 78-79	paid by principal stockholders,
Evaluation programs, annual	303
(compensation committee),	reimbursement for, 334
20, 21	Expense accounts, 401
Evergreen arrangement, 327	Expense recognition (ASC 718/FAS
Evergreen provision, 192	123R), 270–271
Excess benefit plans:	
ERISA definition of, 307–308	F
SERPs, 389, 395	Fair Labor Standards Act, 309
Excess parachute payments, 240	Fair market value (FMV), 243–244,
Exchange Act, see Securities	375
Exchange Act of 1934	Fair value:
Exchange of stock:	ASC 718/FAS 123P 264-269
for employee services, 265	of equity-based compensation,
for property, 251	100–101
Exculpation statutes, 125–126	IFRS 2, 277–279
Executive bonus plans, 355	of stock awards, 103
Executive compensation. See also	of stock options, 103
specific topics	Family and Medical Leave Act,
cap on, 232–238	309
for CEO and other executives, 3	FAS, see Statements of Financial
CEO/NEO Ratio, 61–62	Accounting Standards
debate and controversy over, 3-4	FASB, see Financial Accounting
disclosure of, see Disclosure	Standards Board
in employment arrangements,	FASB Accounting Standards
330–334	Codification® Research
level of, 63	System (Codification
ratio of CEO to average worker	Research System), 258
pay, 61	FASB Interpretations (FIN), 257,
ratio of CEO to median worker	284, 293–294
pay, 161	FIN 28 SARs and other equity-
response to 1990s levels of,	based compensation, 100,
23–24	282
Say on Pay for, 172–173	FIN 31 stock compensation plans
and succession planning, 61–64	in EPS calculations, 293
Executive Compensation	FIN 38 measurement date with
(Conference Board), 137	junior stock, 293
Executive compensation consulting	FIN 44 transactions involving
firms, as compensation	stock compensation, 100,
advisors, 56	282–283
Executive Severance Plan (ESP),	FIN 48 uncertainty in income
324–325	taxes. 293–294

FASB Staff Positions (FSP), 257, 284,	Financial Accounting Standards
294–297	Board (FASB), 257
ASC 718/FAS 123R-2 application	Codification of, 257–260
of grant date, 294	FASB Accounting Standards
ASC 718/FAS 123R-4 instruments	<i>Codification®</i> Research
issued that allow for cash	System, 258
settlement, 296	Financial counseling, 402
ASC 718/FSP FAS 123R-1	Financial Executives Institute, 257
freestanding financial	Financial reports/reporting:
instruments exchanged for	under ASC 718/FAS 123R, 266-267
services, 294–295	restatements of, 195-198
FSP FAS 123R-3 transition	Fixed awards, 280-281
election for tax effects	FMV (fair market value), 243-244,
of share-based payment	375
awards, 295–296	Foreign plans (deferral of
FSP FAS 123R-5 amendment of	compensation), 215
FAS 123R-1, 296–297	Forfeiture, substantial risk of, 209
FSP FAS 123R-6 technical	Form 3, 175-176, 406
corrections of FASB 123R,	Form 4, 176, 406
297	Form 5, 176, 406
FASB Statements of Concepts, 257	Form 8-K, 168, 406
FASB Technical Bulletins (FTB), 257	Form 10-K, 406
FICA (Federal Insurance	Form 10-Q, 406
Contributions Act) rules, 252	Form 144, 406
deferred compensation, 20	Form S-8, 406
nonqualified pension plans, 389	Formula plans, 192
Sections 3101 et seq., 252	Fort Halifax Packing Co. v. Coyne,
Fidelity Investments 25	307
Fiduciary duties of directors, 117–126	Fort Halifax test, 307
applications of, 126–131	401(k) plans, 167
board oversight, 123–125	Francis v. United Jersey Bank, 124
business judgment rule, 122–123	Friends, as board candidates, 38
change-in-control considerations,	Fringe benefits:
128	Section 132 fringe benefits, 246
director exculpation, 125–126	tax rules for, 246
duty of care, 118, 126–128	FSP, see FASB Staff Positions
duty of loyalty, 118–119	FTB (FASB Technical Bulletins), 257
good faith, 119–121, 126–128	Future tax benefit, 275–277
public disclosure of	retere territoria, 275 277
compensation policies/	G
decisions, 130–131	GAAP (generally accepted
and Say on Pay, 129	accounting principles), 256.
FIN see FASR Interpretations	See also U.S. GAAP

GASB (Governmental Accounting	Grant-date fair value, 265
Standards Board), 260	Grants of Plan-Based Awards Table
GCMs (General Counsel	149–150, 154
Memoranda), 201	Gross negligence, 118
General compensation and benefits	Ground travel benefits, 402
firms, as compensation	Guth v. Loft, Inc., 118–119
advisors, 56	
General Counsel Memoranda	H
(GCMs), 201	Health insurance payments, 238
Generally accepted accounting	Hedging, 161–162
principles (GAAP), 256. See	Historical compensation table, 146
also U.S. GAAP	Hodgson, Paul, 70
Gifts, tax rules for, 251–252	The Home Depot Inc., 540–545
Glass, Kimberly, 106	Hoye v. Meek, 124
Glass, Lewis & Co., 25, 141	Human resources consulting
Golden parachutes:	firms, as compensation
defined, 238–239	advisors, 56
disclosure requirements, 158-160	70 y
Say on Pay for, 172, 173	I
seven-step analysis plan for,	IAS Cuternational Accounting
241–242	Standards), 260
tax rules for, 238–243	ASB (International Accounting
Golden Parachute Compensation	Standards Board), 260
Table, 158–160	IASC (International Accounting
Good faith, 119–121, 126–128	Standards Committee), 260
Good Reason Safe Harbor, 225–226	IFRICs (International Financial
Good Reason terminations, 222-	Reporting Interpretations
226, 336–338 343	Committees), 260
Goodwill, accounting for, 290	IFRS (International Financial
Google, 547–565	Reporting Standards), 260,
Gordon v. Goodyear, 129	277–280
Governance, see Corporate	Incentive compensation,
governance	349–365
Governance QuickScore (ISS),	award levels, 357-358
140–141	cash and stock payouts, 363
Governmental Accounting	cash-based, 352
Standards Board (GASB), 260	and change in control, 363
Graduated vesting, 377	definitions and abbreviations
Graham v. Allis-Chalmers	related to, 349–352
Manufacturing Co., 124	eligibility and participation, 357
Grant date, 294	in employment arrangements,
APB 25, 281	331–332
ASC 718/FAS 123R, 269–270	equity-based, 352-353, 367-384

Incentive compensation (continued)	Initial public offerings (IPOs): book value stock purchase plans
linking CEO evaluations to,	in, 300
79–80, 87, 94–95	cheap stock issued near filing of,
performance goals, 360–361	303
performance measures, 358–360	In-kind benefits, 214–215
performance periods/restricted	Inquire, duty to, 125
periods, 358	In re Abbott Laboratories Derivative
plan administration, 356–357	Shareholders Litigation, 125,
purpose of plans, 356	126
retention-only plans, 364–365	In re Caremark International Inc.
shareholder approval	Derivative Litigation, 124,
requirements, 364	126
and termination of employment,	In re The Walt Disney Company
361–363	Derivative Litigation, 29–30,
types of, 354–356	119–122, 128
Incentive stock options (ISOs), 368,	Insider trading:
369	during blackout periods,
IRC Sections 421-424, 249–251	182–189
Section 162(m), 371	exempt awards to Section 16
Income taxes:	insiders, 102
accounting for uncertainty in,	Rule 10b-5, 179–182
293–294	Sarbanes-Oxley Section 306,
grandfathered in Codification 259	182–187
Indemnification provision, 347	on undisclosed material
Independence tests/requirements:	information, 179–182
for compensation committee,	Institute of Management
5–10	Accountants, 257
full disclosure of background	Institutional investors,
information, 9	understanding concerns of,
for individual directors, 4	25
IRC Section 162(m), 7, 8	Institutional Shareholder Services
NYSE/NASDAQ, 5, 53–54	(ISS), 25, 139–141
Rule 16b-3, 6	Insurance specialists, as
state law interested director test,	compensation advisors, 56
7, 8	Intangible assets, accounting for,
Individual account plans, 185	290
Information:	Intel Corporation, 537–540
for compensation committee,	Internal Revenue Code (IRC), 200
20–22	Sections 55-59 alternative
organizations providing, 511-514	minimum tax, 245
periodicals, 514–517	Section 61 split-dollar life
timeliness of 17–18	insurance 245

Section 83:	Section 404 bonus and
83(b) restricted or deferred	deferred compensation tax
stock units, 380	deductions, 249
83(b) restricted stock,	Section 409A:
377–379	409A-1(b)(4) 2 1/2-month rule,
offshore trusts, 228	212–213
transfer of property, 226,	409A-1(d) substantial risk of
243–244	forfeiture, 209
Section 101(A) life insurance	409A(a) constructive receipt,
death benefits, 245–246	202
Section 105(H) executive medical	409A(b)(1) offshore trusts,
benefits, 246	228–229
Section 132 fringe benefits, 246	409A(b)(4) offshore trusts,
Section 162(m):	229
162(m)(5) troubled assets, 237,	409A(b)(2) transfer of property,
238	229
162(m)(6) health insurance	deferred compensation, 101,
compensation, 238	202
cap on executive	issues important to
compensation, 232–238	compensation committees,
CEO compensation tax	207–208
deductions, 371	nonqualified deferred
independence test, 7	compensation plans,
negative discretion, 94–95	203–208
performance awards, 382, 383	restricted and deferred stock
performance requirements, 94	units, 380, 382
restricted or deferred stock	SARs, 375
units, 380, 382	seven-step analysis, 206–207
restricted stock, 577–378	stock options, 370–371
SARs, 375	Section 415 pension plan
Section 162(A) reasonable	limitations, 249
compensation, 246-249	Section 416(i)(1)(A) key
Section 280G golden parachutes,	employees, 222
238–243	Sections 421–424 ISOs and
Sections 401 and 402 qualified	ESPPs, 249-251
pension plans, 249	Section 423, 191
Section 401(a), 191	Section 451:
Section 401 qualified plans,	constructive receipt, 229-231
389	economic benefit doctrine,
Section 402(b) transfer of	201, 231
property, 226	Section 457A NQDCPs, 232
Section 403(c) transfer of	Section 1032 exchange of stock
property, 226	for property, 251

Internal Revenue Code ( <i>continued</i> ) Sections 2001 <i>et seq.</i> , 2501 <i>et seq.</i> , 2601 <i>et seq.</i> gift and estate planning, 251–252	IPOs, <i>see</i> Initial public offerings IRC, <i>see</i> Internal Revenue Code IRRC Institute for Corporate Responsibility, 25
Sections 3101 et seq. FICA tax,	IRS, <i>see</i> Internal Revenue Service ISOs, <i>see</i> Incentive stock options
Sections 3401 <i>et seq</i> . withholding, 252	ISS (Institutional Shareholder Services), 25, 139–141
Section 4999 golden parachutes, 238–240	ISS 2013 Comprehensive U.S. Compensation Policy, 140
Sections 7702 and 7702A definition of life insurance, 252	ISS U.S. Corporate Governance Policy 2013 Updates, 139
Section 7872 below-market	
loans and split-dollar life	Jagolinzer, Alan D., 181
insurance, 252–253	Jobs Act, 202
Internal Revenue Service (IRS), 200–201	Job description (CEO), 75, 76
and deferred compensation, 231	K
NQDCP Section 409A guidance,	Key cynployees, 222
203–205	Key-person life insurance, 397–398
Revenue Procedures 71–19	
and 92–65 deferred	L
compensation, 230–231	Labor laws/regulations, 309–313
Revenue Procedures 92-64 and	Law firms, as compensation
92-65 rabbi trusts, 231	advisors, 55–56
on severance payments, 228	Lead director, 107
International Accounting Standards	Leadership premium, for directors,
(IAS), 260	106
International Accounting Standards	Legally binding right, 208-209
Board (IASB), 260	Liabilities:
International Accounting Standards	ASC 450/FAS 150, 291
Committee (IASC), 260	ASC 480/FAS 150, 268–269
International Financial Reporting	ASC 718/FAS 123R, 268, 269
Interpretations Committees	paid by principal stockholders,
(IFRICs), 260	303
International Financial Reporting	Liability accounting, 352
Standards (IFRS), 260,	Life insurance, 397–399
277–280	definition of, 252
Intrinsic value, 280	Section 101(A) life insurance
Investor Protection and Securities	death benefits, 245–246
Reform Act of 2010, 172	Sections 7702 and 7702A
Involuntary separation, 222–224	definition of, 252

Section 7872 split-dollar life insurance, 252–253 split-dollar, 252–253	Measurement date, 281, 293 Medical benefits, 399, 403–404 Section 105(H) executive medical
Life insurance contract, 252	benefits, 246
Life insurance death benefits, tax	tax rules for, 246
rules for, 245–246	Meeting minutes (compensation
Liquidated damages, in employment	committee), 29–31
agreements, 320	Mergers, 190–191
Listing standards, 131. See also	Model Business Corporation Act
NASDAQ Stock Market	(Model Act), 117–119
(NASDAQ) rules; New York	on board oversight, 123–125
Stock Exchange (NYSE) rules	on director exculpation, 125–126
Loans:	Modified English rule, 346–347
below-market, 252–253	Monitor, duty to, 124–125
company-provided, 102	monator, duty to, 123,325
demand, 253	N
to directors/executive officers, 193	NACD (National Association of
Sarbanes-Oxley Section 402, 102,	Cerporate Directors), 42,
163, 193–195, 398	103–109
Section 13(d), 193	Named executive officers, 146, 157
stock compensation with, 301	NASDAQ Stock Market (NASDAQ)
Loyalty, duty of, 118–119, 121	rules:
	approval of equity compensation
M	plans, 189–193
McCall v. Scott amended, 125, 126	and CEO planning process
Malone v. Brincat, 130	disclosure, 64
Management's Discussion and	and CEO succession/evaluation,
Analysis of Financial	73
Condition and Results of	compensation committee
Operations (MD&A), 144	requirements, 12, 407,
Mandatory purchase arrangements,	500–506
102	corporate governance, 13,
Market condition, 272	131–137
Mark-to-market method, 269	independence test, 5, 53-54
Marriott, 69–70	nominating committee, 33, 34
Martin v. Commissioner, 231	nomination/renomination of
Material compensation risk,	directors, 43
disclosure requirements for,	Rule 5605(d), 407, 500–506
155–157	shareholder approval for equity
MD&A (Management's Discussion	compensation plans, 25
and Analysis of Financial	written charters, 11, 12
Condition and Results of	National Association of Corporate
Operations), 144	Directors (NACD), 42

Negative discretion, 94–95, 208–209, 236  Negligence, 118 Net exercises, 195 Net settlement (stock options), 377 New Plan Benefits Table, 106 New York City Employees' Retirement System (NYCERS), 25 New York Stock Exchange (NYSE) rules: approval of equity compensation plans, 189–193 CEO evaluation, 73 CEO planning process disclosure, 64 compensation committee requirements, 12, 407, 506–509 corporate governance, 13, 131–137 director interlocks, 10 independence test, 5, 53–54 nominating committee, 33–34 nomination/renomination of directors, 43 Rule 303A 05, 407, 506–509	anti-acceleration rule for, 219–221 categories of, 214–215 deferral election, 216, 217 IRS guidance on, 203–205 legally binding right to receive property, 226 in seven-step analysis, Section 409A, 206–207 from tax-indifferent parties, 232 transfer of property, 229 Nonqualified Deferred Compensation Table, 152, 394–395 Nonqualified pension plans, 389 Nonqualified stock options (NSOs), 368, 370, 372 Nonsolicitation covenant, 345 Notes, for capital stock, 298 NQDCPs, see Nonqualified deferred compensation plans NCOs, see Nonqualified stock options NYCERS (New York City Employees' Retirement System), 25 NYSE rules, see New York Stock
Rule 303A.05, 407, 506–509	NYSE rules, see New York Stock
shareholder approval for equity compensation plans, 25	Exchange rules
written charters 11	O
Nominating committee:	Offshore trusts, deferred
in CEO succession planning, 68	compensation in, 228–229
role of, 33–34	Ogilvy, David, 67
Nonaccount balance plans, 214	Older Workers Benefit Protection
Noncompete covenant, 344–345	Act of 1991 (OWBPA), 309,
Nondisparagement covenant,	311
345–346	Omnibus plans, 367
Nonelective account balance plans, 214	OPEB (Other Postretirement
	Employee Benefits), 288–289 Option Exercises and Stock Vesting
Nonemployee directors, 6, 102, 103 Noninterference covenant, 345	Table, 151
Nonqualified deferred	Option grant practices, disclosure
compensation plans	requirements for, 154–155
(NQDCPs), 203–208	
(NQDCr5), 203-208	Option spread, 369

Orientation (directors), 49–51	ERISA definition of, 306–307
Other Postretirement Employee	grandfathered in Codification,
Benefits (OPEB), 288–289	259–260 Sections 401 and 402 qualified
Outside directors, 7, 8, 235	Sections 401 and 402 qualified
Outside experts:	plans, 249
engaging, 19	Section 415 limitations on, 249
independence of, 53–54	tax rules for, 249
selection criteria, 54–55	Performance, termination of
types of, 55–57	employment for, 335–336
Outstanding Equity Awards at Fiscal Year-End Table, 151	Performance awards, equity-based, 382–384
Oversight (board), 123–125	Performance-based compensation,
Ovitz, Michael, 29-30, 127	161
OWBPA (Older Workers Benefit	and annual deduction limit, 371
Protection Act of 1991), 309,	for directors, 102-103
311	incentive compensation, 352–353
	Section 162(m), 235–237
P	Section 162(m) requirements, 94
Parachute payments, 239	Section 409A requirements,
Parallel excess plans, 191	210–212
Parallel nonqualified plans, 191	Performance condition (ASC 718/
Patient Protection and Affordable	FAS 123R), 272–273
Care Act (ACA), 238	Performance measures/targets, for
Peer companies, for director	CEOs, 75
compensation, 110	Perquisites, 387–388, 400–404
Pension-benefit programs, 387–397	disclosure rules for, 149, 387
deferred compensation in,	in employee agreements, 333
395–396	Plan filing requirements, 167–168
defined-benefit SFkPs, 390-393	PLRs (Private Letter Rulings), 200-201
defined-contribution SERPs,	Plumbers Local No. 127 Pension
394–395	Fund v. Davis, 129
excess-benefit SERPs, 395	Positive discretion, 236
rabbi trusts, 396	Postretirement benefits:
secular trusts, 396	accounting for, 288, 291-292
Pension Benefits Table, 152, 393	disclosures about, 289
Pension funds, insider trades	Potential Post-Employment
during blackout periods for,	Payments, 153
182–189	Private Letter Rulings (PLRs), 200–201
Pension plans. See also Pension-	Property:
benefit programs	compensatory, transfer of, 243-244
accounting for, 287	deferred compensation
defining, 191	distributed in, 318
disclosures about, 289	exchange of stock for, 251

Protection Period (CIC), 343 Proxy Paper Guidelines, 2013	Item 404 related persons transactions, 169, 406,
Proxy Season (Glass Lewis),	470–476
141	Item 404(a) transactions with
Prudential Financial, 565–595	related persons, 6, 162–163
Publicly held companies, privately	Item 405 Section 16(a) compliance,
held companies that	170, 406, 476–477
become, 236–237	Item 406 Code of Ethics, 406,
Publicly held corporation, defined,	477–479
233	Item 407 corporate governance,
	170, 406, 479–497
Q	Item 601 exhibits, 498–500
Qualified pension plans, 249,	Item 601(b)(10) material
388–389	contracts, 170 406
Quit right, 343	selected disclosure provisions,
	168–170
R	Reimbursement, 214–215
Rabbi trusts, 230–231, 302, 396	Related person transactions,
Raul v. Rynd, 129	disclosure requirements for,
Reasonable compensation,	162–163
246–249	Reload stock options, accounting
Reda, James F., 106	for, 301
Regulation BTR (Blackout Trading \)	Relocation benefits, 333, 400-401
Restriction), 183–184, 407	Remuneration, 233–236
Regulation S-K, 406	Reporting Persons, 175
Item 201, 407–410	Report on Executive Compensation
Item 201(d) equity compensation	(Business Roundtable),
plans, 165, 169, 406	138–139
Item 303, MD&A, 1-14	Repricing, option, 192–193
Item 401, 169, 406, 410–416	Restatements of financial reports,
Item 402 executive	195–198
compensation, 169, 406,	Restoration SERPs, 389
416–468	Restricted securities, 187, 188
402(s) golden parachute	Restricted stock, 166–167, 377–379
disclosure, 158–159	Restricted stock units (RSUs),
402(s) material compensation	379–382
risk, 155–158	advantage of stock options over,
ratio of CEO pay to median	101
pay, 161	in equity compensation plan
Item 403 beneficial ownership,	tables, 167
169, 406, 468–470	Restrictive covenants, in
Item 403(b) beneficial ownership	employment arrangements,
reporting, 162	344–348

_	
Retention-only incentive	Say on Golden Parachute, 158, 160
compensation plans,	Say on Pay, 129, 172–173
364–365	SEC, see Securities and Exchange
Retirees, as board candidates, 38–39	Commission
Retirement, 338–339	SEC Staff Accounting Bulletins
Retirement and postemployment	(SABs), 257, 285, 303–304
payments and benefits	SAB 79 (topic 5T) expenses or
tables, 146, 151–153	liabilities paid by principal
Revenue Act of 1978, 201, 203	stockholders, 303
Revenue Procedures, 200	SAB 83 (topic 4D) cheap stock,
Revenue Rulings, 200	303
Revised Model Business	SAB 107 (topic 14) interpretation
Corporation Act (Model Act),	of FAS 123R, 303
10	SAB 110 (topic 14) amendment
Risk disclosure, 155–157	of SAB 107, 303–304
Risk management, succession	Secular trusts, 396
planning in, 65	Securities Act of 1933, 405
Risk of forfeiture, substantial,	Rule 1/4, 187–189, 405
209–210	Rule 701, 405
RSUs, see Restricted stock units	Securities and Exchange
Rule of 65, 393	Commission (SEC):
	Bulletin 14E, on CEO succession
S	planning, 60
SABs, see SEC Staff Accounting	CD&A "filed" with, 144
Bulletins	on CEO succession planning, 60,
Safe harbor amount (golden	65
parachutes), 225–226, 240	director compensation disclosure
SARs, see Stock appreciation rights	rules, 143, 144
Sarbanes-Oxley Act of 2002:	Director Compensation Table,
CD&A liability 26	103–106, 109–110
executive compensation	director qualifications/selection
provisions, 193–198	disclosures, 44
on nonaudit services of outside	directors' background
auditors, 57	information disclosure, 9
Section 304 restatements of	executive compensation
financial reports, 195-198, 407	disclosure rules, 22, 73, 103,
Section 306 insider trades,	127–128, 143, 144
182–187, 407	exempt awards to Section 16
Section 402 loans to officers and	insiders, 102
directors, 102, 163, 193-195,	and GAAP standards, 256
398, 407	interlock disclosure, 10
Section 403 disclosures of	on material compensation risk,
transactions, 407	156–157

Securities and Exchange	Section 14A (b)(1) compensation
Commission (continued)	disclosure, 158
New Plan Benefits Table, 106	Section 14(i) pay for
new rules for Dodd-Frank	performance, 161
disclosure requirements,	Section 14(j) hedging activities,
161–162	161–162
on nominating committee, 34	Section 16 stock transaction rules
NYSE/NASDAQ listing standards	175–179
amendments, 53	performance awards, 384
pay ratio disclosure, 161	restricted stock, 378-379
perquisites, 149, 387	stock appreciation rights, 376
on related person transactions,	stock options, 373-374
162–163	stock units, 381
and Rule 10b5-1 trading plans,	Section 18 CD&A, 144
181–182	Securities issues, 171–198
Staff Accounting Bulletins (SABs),	Dodd-Frank executive
257	compensation provisions,
Securities Exchange Act of 1934	171 -174
(Exchange Act), 405–406.	NYSE/NASDAQ approval of
See also Dodd-Frank Wall	equity compensation plans
Street Reform and Consumer	rules, 189–193
Protection Act of 2010	Sarbanes-Oxley executive
Regulation 14A, 406	compensation provisions,
Rule 10b-5, 406	193–198
10b5-1 insider trading, 406	stock transactions rules, 175–189
10b5-1 stock trading plans,	Security-related benefits, 402
180–182	Selection process:
insider trades, 179-182	approaching candidates, 43
Rule 10b-18, 406	attracting candidates, 41
Rule 14a-8(i)(7), 60	CEO involvement in, 43
Rules 16a-1 through 16a-13, 406	experienced professional help in,
Rules 16b-1 through 16b-8, 406	322–323
Rule 16b-3 independence test, 6	final selection criteria, 44-47
Rule 144 sales of unrestricted and	mistakes in, 47–48
control stock, 187–189	nominating committee's role in,
Schedule 14A (Rule 14a-101), 406	33–34
Section 10D clawback policy,	nomination, 34–39
174	rejecting candidates, 47
Section 13(d) loans to directors/	Separation pay plans, 214
executive officers, 193	SERPs, see Supplemental executive
Section 14A shareholder approval	retirement plans
of executive compensation,	Service condition (ASC 718/FAS
172–173	123R), 271–272

Service recipient stock, 228	Six-month payment delay rule,
Severance. <i>See also</i> Termination of	221–222
employment	Size of compensation committee,
under classic employment	10–11
agreements, 327–328	Smaller reporting companies,
Executive Severance Plan,	disclosure requirements for,
324–325	157–158
in modern employment	SOPs (Statements of Positions,
agreements, 328	AICPA), 257
Severance payments:	Specified employee, 222
IRS on, 228	Spinoff transactions, 237
sign-on compensation replacing,	Split-dollar life insurance, 215,
332–333	398–399
Severance period, 337	Section 61, 245
Share-based payments:	Section 7872, 252-253
ASC 718/FAS 123R, 263–277	Standing Interpretations Committees
IFRS 2, 277–280	(SICs) 260
transition election for tax effects	Statements of Financial Accounting
of, 295–296	Standards (FAS), 257,
Shareholders:	283–284, 287–292. See also
and CEO succession planning	ASC Topics
proposals, 60	FAS 123R equity-based awards,
compensation committees	372
consideration of, 24–25	FAS 123R share-based payment,
director compensation set by, 97	263–277
Shareholder approval requirements:	FAS 123 stock-based
for equity compensation plans,	compensation, 261–263
189–193	FAS 148 equity-based
for incentive compensation, 364	compensation, 290
for material revisions/	Statements of Positions (SOPs,
amendments to equity-	AICPA), 257
compensation plans, 191-192	State of Wisconsin Investment
for maximum compensation, 236	Board (SWIB), 25
Shareholder value, 24	Stock, exchanged for property, 251
Shareholder value plans, 355	Stock appreciation rights (SARs),
Short-swing profits, 177–179	100, 375–377
Short-term deferrals, 380	ASC 718/FAS 123R, 269
Short-term (2 1/2-month) deferred	and deferral of compensation,
compensation, 212–213	226, 227
SICs (Standing Interpretations	FIN 28, 282
Committees), 260	IFRS 2, 277
Sign-on compensation, 332–333	purchased in leveraged buyouts,
Single-trigger arrangements, 343	297

Stock-based compensation:	Stock option plans, 355
adjustments to, 298–299	Stock ownership guidelines, 101,
to employees of equity method	102, 384–385
investee, 302	Stock purchase plans:
employer loan features, 301	ARB 43 equity-based
FAS 123, 261–263	compensation, 286
market decline issues, 299-300	book value, 299
Stock exchanges, corporate	Stock right, 226
governance rules of, 131-141	Stock right plans, 215
Stock options, 368-374	Stock-settled SARs, 375
accounting treatment, 372-373	Stock transactions rules, 175–189
advantage over RSUs, 101	Stone v. Ritter, 119, 121, 124, 126
advantages and disadvantages of,	Straight-line expense recognition,
374	270
APB 25 valuation, 280	Subsequent deferral elections,
ARB 43 equity-based	217–218
compensation, 286	Substantial risk of forfeiture,
assumed in mergers, 167	209 -210
at-the-money, 100	Succession planning (CEOs),
cashless exercise, 194-195	59–73
compensatory, accounting for	advantages of, 65–67
buyout of, 301	pay and, 61–64
and deferral of compensation,	process of, 67–73
226–227	SEC on, 60
delayed receipt of shares upon	Summary Compensation Table,
exercise, 301–302	147–149, 158, 233, 393, 394
disclosure of option grant	Supplemental executive retirement
practices, 154–155	plans (SERPs):
fair value of, 265	defined-benefit, 390-393
net exercise, 195	defined-contribution, 394-395
and new millionaires of 1990s, 3	excess-benefit, 395
other equity-based incentives vs.,	types of, 389
367	SWIB (State of Wisconsin
purchased in leveraged buyouts,	Investment Board), 25
297	
pyramiding, 297	T
reporting and liability	TAMs (Technical Advice
requirements, 373–374	Memoranda), 201
repricing of, 192–193	TARP (Troubled Asset Relief
tax treatment of, 249-251, 369-372	Program), 204–205
in unrestricted, publicly traded	Tax counseling, 402
share of unrelated entities,	Tax Court, 201
302–303	Tax gross-up, 403

Tax laws/rules/issues, 199-253 Retirement Equities Fund (TIAA-CREF), 25, 141 alternative minimum tax, 245, 369 ASC 718/FAS 123R, 273-277 Technical Advice Memoranda below-market loans and split-(TAMs), 201 dollar life insurance, Temporary housing, 400-401 Termination of employment. See 252-253 also Severance cap on executive compensation, 232-238 change-in-control, 343 deductions for bonuses/deferred and deferred compensation, compensation, 249 222-226 deferred compensation, 201-232 in employment arrangements, employee stock purchase plans, 334-341 249 - 251for good reason, 222-226, exchange of stock for property, 336-338, 343 251 incentive compensation at, executive medical benefits, 246 361-363 federal tax laws/codes, 201, without cause, 222-224, 336-338 without Good Reason, 338-339 244-245 FICA tax, 252 Term loans, 253 Term of employment, 339-340 fringe benefits, 246 Term of the agreement gift and estate planning, 251-252 golden parachutes, 238–243 (employment), 326-328 life insurance death benefits, TIAA-CREF (Teachers Insurance 245-246 and Annuity Associationlife insurance definition, 252 College Retirement Equities pension plans, 249 Fund), 25, 141 performance awards, 382-383 Tie-breaker provisions, 346 qualified pension plans, 249 Title VII, Civil Rights Act of 1964, reasonable compensation, 246-249 309 responsibility for federal tax laws, Top-hat plans, 308-309, 389 200-201 Training, for directors, 48, 51–52, restricted or deferred stock units, 519-526 380 Tranche expense recognition, 270 restricted stock, 377-378 Transfer of compensatory property, split-dollar life insurance taxation, 243 - 244Transition election, for tax effects of share-based payment stock appreciation rights, 375 stock options, 249-251, 369-372 awards, 295-296 transfer of compensatory Treasury stock method, 286 property, 243-244 Troubled assets, 237, 238 withholding, 252 Troubled Asset Relief Program Teachers Insurance and Annuity (TARP), 204–205 Association-College True SERPs, 389

2 1/2-month deferred	V
compensation, 212–213	Vacation provisions, 334
Two-times rule, 224	Valeant Pharmaceuticals
	International v. Jerney, 123
U	Variable awards, 280-281
Ultimate vest concept, 281–282	Vesting:
Uniformed Services	cliff, 377
Employment and	graduated, 377
Reemployment Rights Act	Option Exercises and Stock
(USERRA), 309	Vesting Table, 151
U.S. GAAP, 256	performance awards, 383
in Codification, 257, 258	ultimate vest, 281–282
and convergence of standards,	Voluntary separation penalty, 63
260	
future tax benefit, 275-277	W
previous equity-based accounting	Walkaway right, 343
under, 280-282	The Walt Dieney Company, 126–127
simplification of, 264	Welfare-benefit programs, 387–388,
Unocal Corp. v. Mesa Petroleum	397–399
Co., 128	Wheat Commission, 257
Unocal standard, 128	White, Mary Jo, 23
Updates, see Accounting Standards	Withholding tax, 252
Updates	Without cause terminations,
USERRA (Uniformed Services	222–224, 336–338
Employment and	Without Good Reason terminations,
Reemployment Rights Act),	338–339
309	Wraparound SERPs, 389
×0.	