

Publications

Client Alert: Section 162(m) Transition Relief May Be Expiring for 2010 Performance-Based Compensation

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CLIENT ALERT | 10.29.2009

In 2008, the IRS issued a ruling limiting the deductibility of certain incentive compensation under Section 162(m) of the Internal Revenue Code.

The IRS provided transition relief allowing employers to delay amending their existing incentive compensation plans if either: (1) the incentive compensation performance period began on or before January 1, 2009; or (2) the incentive compensation is payable pursuant to an employment contract as in effect on February 21, 2008 (without regard to future renewals or extensions, including renewals or extensions that occur automatically). For many employers, this transition relief is expiring.

Click on the link below to download the *Client Alert*.