



2025 Equity Administration Survey— Executive summary

Presented by the National Association of
Stock Plan Professionals and Deloitte Tax LLP

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Executive summary

Introduction and methodology

The 2025 Equity Administration Survey was developed jointly by the National Association of Stock Plan Professionals (NASPP) and Deloitte Tax LLP (Deloitte Tax) and conducted from April 2025 to May 2025 by Deloitte Tax.

This survey provides a broad look at the plan administration practices of respondents that offer discretionary equity awards to employees. The survey on equity incentive design practices was last released in 2024 and will be conducted again in 2027. Additionally, the employee stock purchase plan survey will be surveyed in 2026.

The 2025 Equity Administration Survey, one of the most comprehensive of its kind, includes more than 150 questions covering nine areas:

- Participant profile
- Stock plan administration
- Grant policies and procedures
- Ownership guidelines
- Transaction procedures and tax compliance
- Mobility compliance
- Stock plan communication practices and education
- Insider trading compliance
- Country/jurisdiction-specific questions

Guidelines for this year's survey include:

- Participants must have completed at least two sections of the survey to be included in the report. Multiple responses from the same company were eliminated; each company is represented in the database only once.
- We received 364 responses during the survey period (April 2025 to May 2025).
- The total number of respondents for each question is presented.
- Due to rounding, the total percentage of respondents may not add up to exactly 100 percent for some questions.
- For some of the questions, we report the data by industry group or other demographic profile (for example, number of employees).

Customized cuts of the data

Deloitte Tax can make special cuts of the results available for a fee. If you are interested in your own customized cut of the data, please contact LaRee Golke at lgolke@deloitte.com or Megan Lazarek at mlazarek@deloitte.com.

Highlights of the 2025 survey

Survey results reflect the latest trends in global stock plan administration among companies worldwide. Respondents come from a diverse range of industries, regions, and company sizes, including variations in revenue, market capitalization, and employee count. In this year's survey, 59 percent identified as non-high-tech companies, while 41 percent identified as high-tech. The six largest industry groups represented were: technology services (11 percent), biotechnology/life sciences/chemicals (10 percent), durable goods manufacturing (8 percent), retail/wholesale (8 percent), computer software and services (7 percent), high technology manufacturing (7 percent), and financial services (7 percent). All participants are publicly traded companies, with a majority (60 percent) listed on the New York Stock Exchange.

Stock plan administration

68 percent of respondents indicate that the primary responsibility for administering their stock plans lies within the human resources or compensation and benefits department—an increase from 65 percent in the 2022 survey. Outside of human resources and compensation and benefits, this primary responsibility is distributed among several functions: finance (11 percent), legal (10 percent), and accounting (8 percent).

When considering departments that play an active role in stock plan administration alongside their primary responsibilities, most respondents identified human resources and compensation and benefits (90 percent), payroll (74 percent), legal (73 percent), accounting (72 percent), and finance (60 percent) as key participants.

Companies with a larger global workforce tend to have more staff focused on plan administration. For example, just over half of organizations with more than 5,000 employees worldwide (52 percent) have at least two people solely dedicated to administering their stock plans. In contrast, the majority of companies with fewer than 750 employees (85 percent) typically have only one or no solely dedicated personnel managing their plans.

Seventy-one percent of respondents outsource some aspect of stock plan administration: 19 percent outsource most functions and 52 percent are partially outsourced. The top outsourced tasks are award vesting and releases (51 percent), distribution of grant agreements and materials (45 percent), and processing stock option exercises (45 percent).

COVID has had a lasting effect on work arrangements for in-house stock plan administration teams. Fifty-six report hybrid arrangements (in-office only one to four days per week) and 50 percent report that at least some team members are fully remote. In our 2020 survey, less than percent of respondents reported telework arrangements for staff members.

AI is not yet widely deployed in administration of stock plans, utilized by less than 30 percent of respondents. When used, AI resources are most often used to write emails, presentations, and documents (82 percent).

Grant policies and procedures

Employees rarely have the option to choose the type of incentive they receive. The vast majority of companies (92 percent) do not offer employees a choice regarding incentive forms and are not considering implementing such a policy. Only a small portion (5 percent) allow employees to select the form of their incentives, most commonly known as equity choice.

Nearly all respondents (94 percent) have established grant guidelines. The main factor determining eligibility for restricted stock/units and stock options/stock appreciation rights is position title or level (56 percent and 41 percent, respectively). Performance awards are almost exclusively granted to CEOs and other executives (43 percent).

The second most prevalent minimum criterion companies use to determine participation in restricted stock/unit programs is salary grade or overall compensation (33 percent). The median salary at which companies make employees eligible to receive stock options/SARs and performance awards is \$200,000, compared to \$120,000 for restricted stock/units.

Most companies base their grant guidelines on the value of shares or options (84 percent). Just over half (54 percent) use fair market value (FMV) on the grant date or prior day to price shares, whereas 43 percent utilize multiday averages, usually over 20–40 days.

With respect to approval of grants to non-executives, annual equity awards are usually approved by board committees (64 percent), while most companies have delegated authority to approve new-hire grants to their CEO (57 percent).

Ownership guidelines

Eighty-eight percent of companies reported having ownership guidelines for executives, directors, and/or employees.

Ownership guidelines are most frequently established as a multiple or percent of base salary (86 percent). Guidelines commonly range from 6 to 9 times for CEOs, 3 times for CFOs and other named executive officers, and 1 to 2 times for other senior management. The most common guideline for outside directors is 5 times annual retainer (67 percent).

Equity awards generally do not count towards ownership guidelines until vested, though unvested restricted stock/units and phantom stock count at nearly two-thirds of companies. The majority of companies exclude unvested performance shares/units and unvested stock options/SARs from ownership guideline calculations.

Transaction procedures and tax compliance

Excess tax withholding is not a widespread practice in stock plan transactions but is increasing prevalence. Although nearly half of the companies surveyed do not permit US employees to request additional withholding (48 percent), this is down from 61 percent in 2022. More companies are allowing this practice for certain individuals such as executives (23 percent, up from 14 percent in 2022) or on an exception basis (13 percent, up from 10 percent in 2022).

When it comes to financing option exercises, both in the United States and internationally, companies most commonly use same-day sale or sell-to-cover methods to fund both the exercise price and tax withholding. Just over 80 percent of companies utilize this financing method for exercises by US participants and 76 percent utilize it outside the United States. Half of these companies report that it is used for nearly all exercise transactions (at least 95% of transactions in the United States and at least 99% of transactions outside the United States).

For equity award transactions (such as restricted stock or performance awards), net share settlement—where the company withholds shares to cover taxes—is the predominant approach for tax withholding. Nearly 80 percent of companies utilize net share settlement to facilitate tax withholding on awards held by US participants and 65 percent utilize this withholding method outside the United States. Seventy-five percent of these companies report that this withholding method is used for the majority of award transactions (at least 99% of transactions in the United States and at least 80% of transactions

outside the United States). Most organizations rely on just one or two tax payment methods for these transactions, streamlining the process for employees.

Mobility compliance

Companies are increasingly tracking employees who move between locations to ensure proper tax withholding. Most commonly, they monitor international assignees who have repatriated to their home country (88 percent), permanent international transfers/one-way moves (87 percent), and international assignees who are actively part of a formal assignee program (85 percent). In the United States, tracking also extends to employees moving between states (63 percent).

The main way companies learn of employee movements is self-reporting by employees (80 percent). Less common detection methods include third-party travel providers or travel expense reporting (17 percent and 16 percent, respectively).

The data gathered is then used to handle tax withholdings for most or all mobile employees. In the United States, company payroll teams usually manage these calculations, while outside the United States, third-party tax advisors are more involved. For companies that do not track employee movement, the main reasons are that they have too few mobile employees to make it worthwhile or their systems lack the necessary capabilities.

Stock plan communication practices and education

Most companies (78 percent) require employees to separately indicate acceptance of their grants. Twenty-seven percent of respondents cancel stock options/SARs that are not accepted within a specified period while more respondents (32 percent) cancel full value awards.

More than half of respondents include country-specific consequences for all countries where equity is offered (52 percent) while 36 percent do not address country-specific consequences. Where country-specific consequences are included, 57 percent of respondents utilize third-party advisors to develop the summaries.

The survey showed that in-person training sessions are making a return. Of the companies that provide presentations to educate employees about equity compensation, 25 percent now offer in-person presentations. This marks an increase from 22 percent in 2022. However, it is still significantly lower than previous years—55 percent in 2020 and 70 percent in 2017 offered in-person sessions. Use of webinars increased, with 81 percent

using live webinars compared to 77 percent in 2022. Use of pre-recorded webinars (45 percent) remained at consistent levels with 2022.

Many companies have indicated an increased interest in the use of AI to assist with employee education. Over half of companies do not currently use AI to assist with employee education but are interested in implementing the technology (52 percent). Companies who have implemented the use of AI use the technology for drafting written educational materials or presentations (14 percent), drafting responses to employee inquiries (11 percent), and offer an AI chatbot to respond to employee inquiries (6 percent).

Insider trading compliance

Consistent with prior survey results dating back to 1996, virtually all respondents (99 percent) have implemented an insider

trading compliance program, and the majority (67 percent) require employees subject to the insider trading compliance program to acknowledge their understanding of the policies of the program. Ninety-eight percent of respondents require named executives to clear all transactions, including stock plan transactions (i.e., stock option exercises), in advance.

Almost all respondents subject named executives (90 percent) and employees with access to financial or material non-public information (89 percent) to quarterly window periods. For those that selected “employees with access to financial or material non-public information,” 59 percent responded that the general counsel determines which employees are subject to window periods.



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