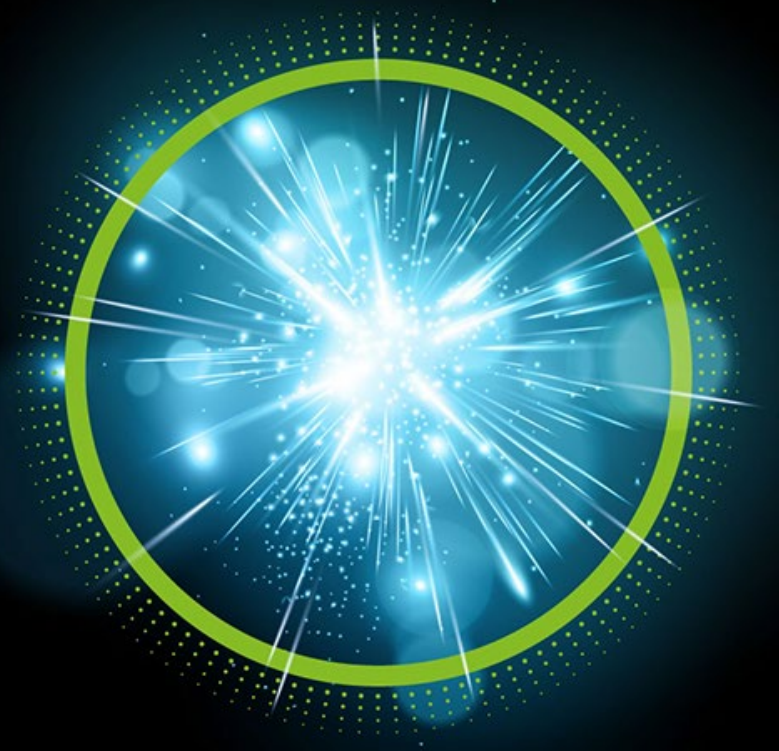


Deloitte.



Top Equity Trends

Select Results from the 2025 Equity Administration Survey

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



Summary

In our continuing quest to stay at the forefront of equity-based compensation program administration, Deloitte Tax LLP (“Deloitte”) and the National Association of Stock Plan Professionals (“NASPP”) conducted the 2025 Equity Administration survey to gather insights on objectives, priorities, and administration features among publicly-traded companies.

- The enclosed materials provide survey highlights from over 360 participants.

Our objective is to spur insights and discussions as organizations look for opportunities to enhance the return on their equity-based compensation investment.

- We are also available to run custom data analyses to help you hone-in on practices based on industry, organizational size, and geography.

Please contact us with questions or comments.

Regards,

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Survey Overview

- The survey provides an in-depth look at equity plan administration features of publicly-traded companies.
- Deloitte and the NASPP have conducted the survey since 2004.
- The survey was originally conducted as two separate surveys, one focused on U.S. headquartered companies and the other on non-U.S. headquartered companies, and was combined into one comprehensive survey starting in 2022.

Survey Background

- Full survey consists of over 150 questions
- Last conducted in 2022

Survey Responses

- Over 360 companies participated
- Responses collected from April 2025 to May 2025
- Respondents represent a broad range of industries
- Located throughout all regions of the US and 13 companies with headquarters outside of the US

About the Respondents

- All respondents are public companies
- 41% are high-tech companies
- 43% have more than 5,000 headquarter-based employees, and 65% have more than 5,000 employees globally



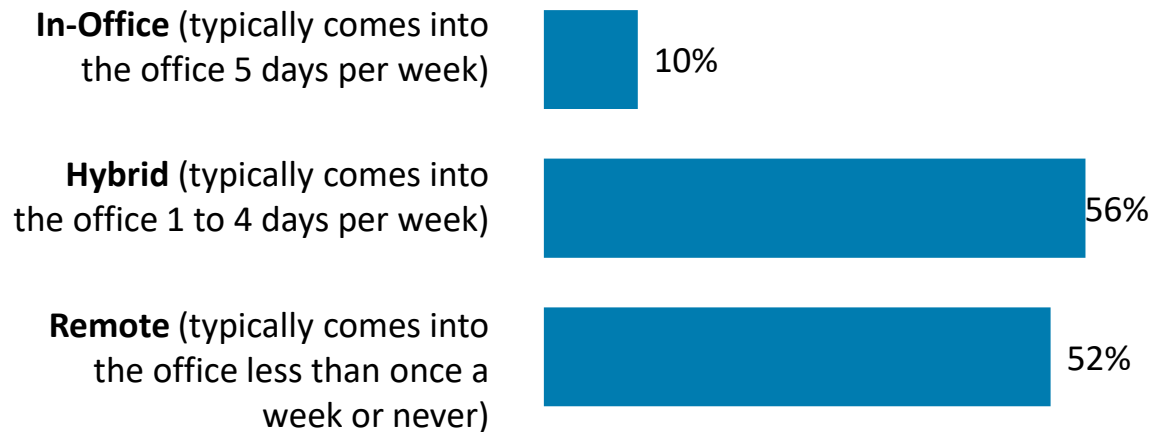
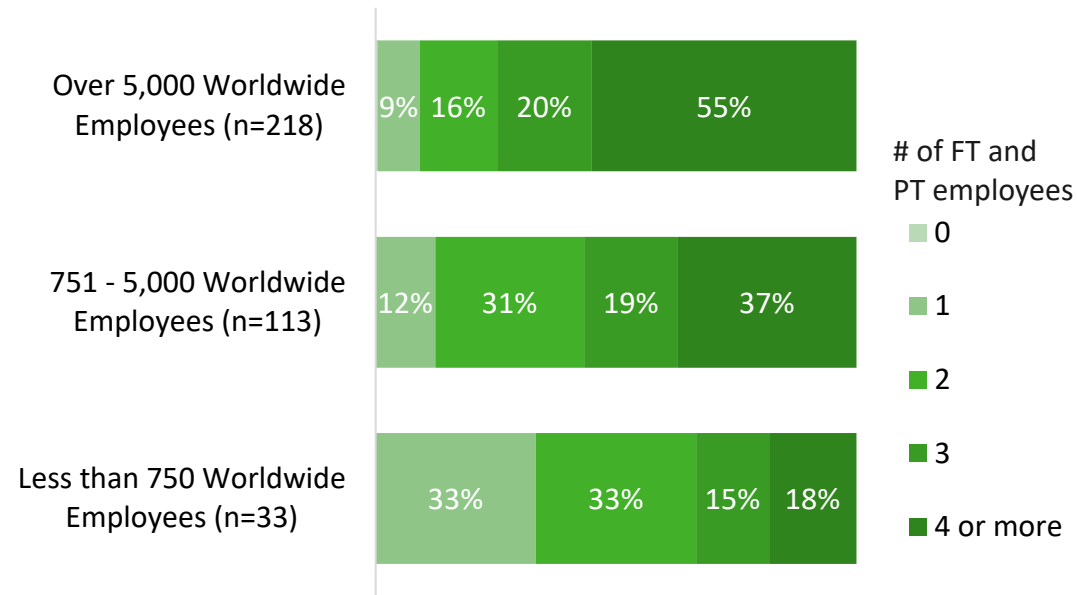
Survey Highlights



Plan Administration Staffing Model

Deloitte Insights: To compete in stock plan administration, based off survey results, some respondents have flexible staffing models, with 56% now working hybrid and 52% remote. This shift post-pandemic may require adaptability and collaboration across dispersed teams. How are you managing your stock plan administration function if your team is dispersed?

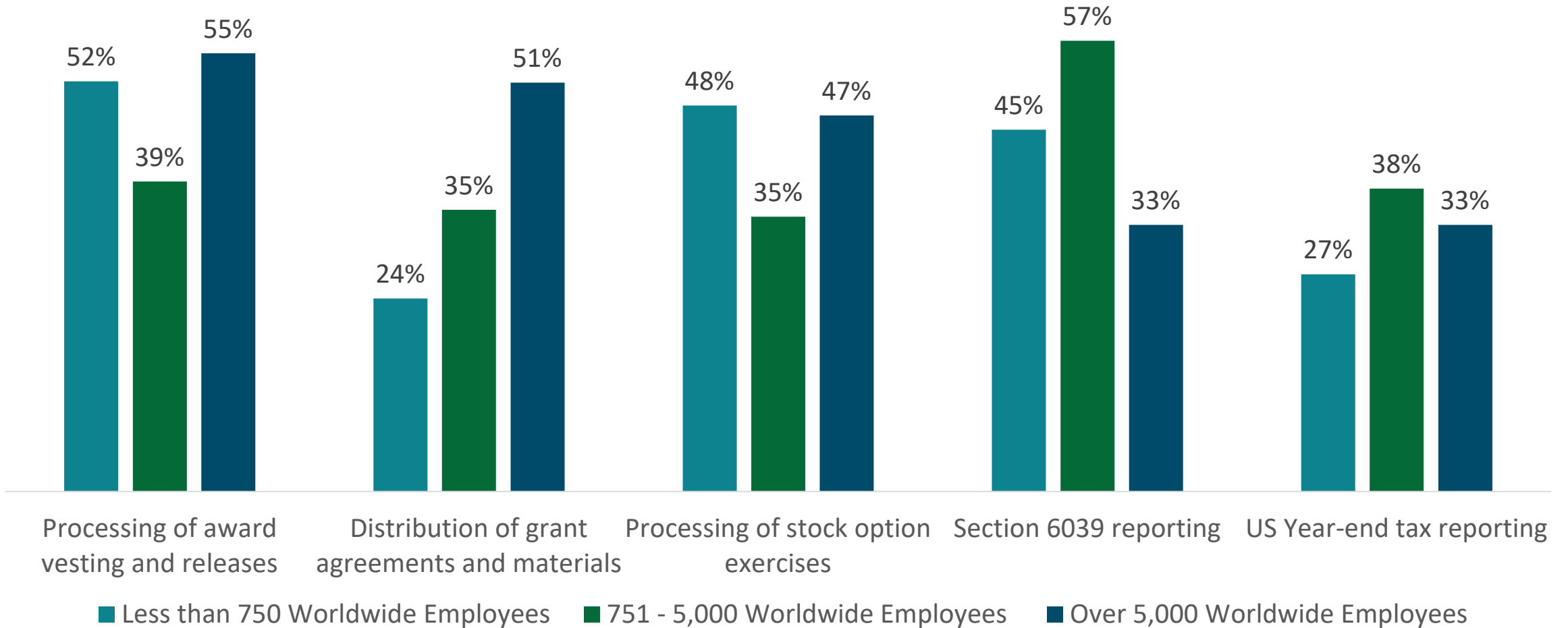
Staffing levels for stock plan administration teams are commensurate with the number of worldwide employees. Individuals who administer equity plans typically have hybrid or remote working arrangements. Prior to the COVID-19 pandemic, less than 10% of respondents reported telework arrangements for stock plan administration personnel, now there is a continuing trend towards hybrid and remote work arrangements.



Plan Administration Outsourcing

Deloitte Insights: By outsourcing processing and compliance, businesses can free up internal teams to focus on plan design, communications, and strategy. What functions should be outsourced for efficiency, and which should remain internal?

Most companies (71%) outsource at least a portion of plan administration, but respondents are divided as to how much of plan administration to outsource. The most common activity to outsource is the processing of award vesting and releases.

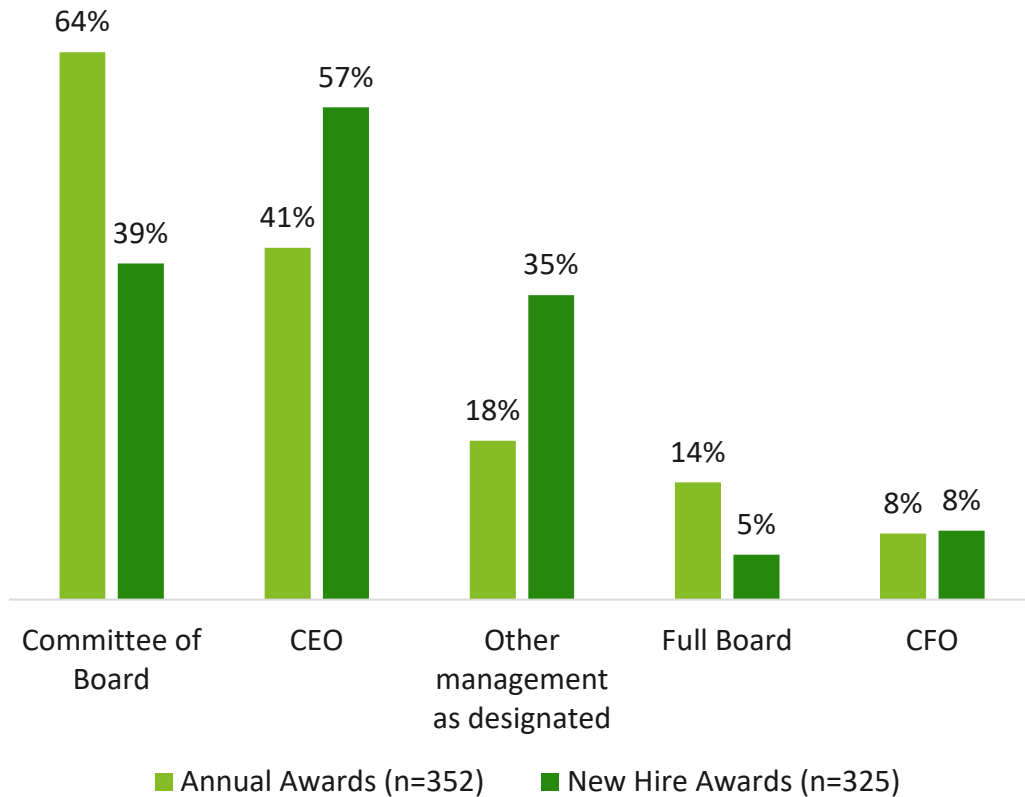


Grant Approval and Minimum Criteria

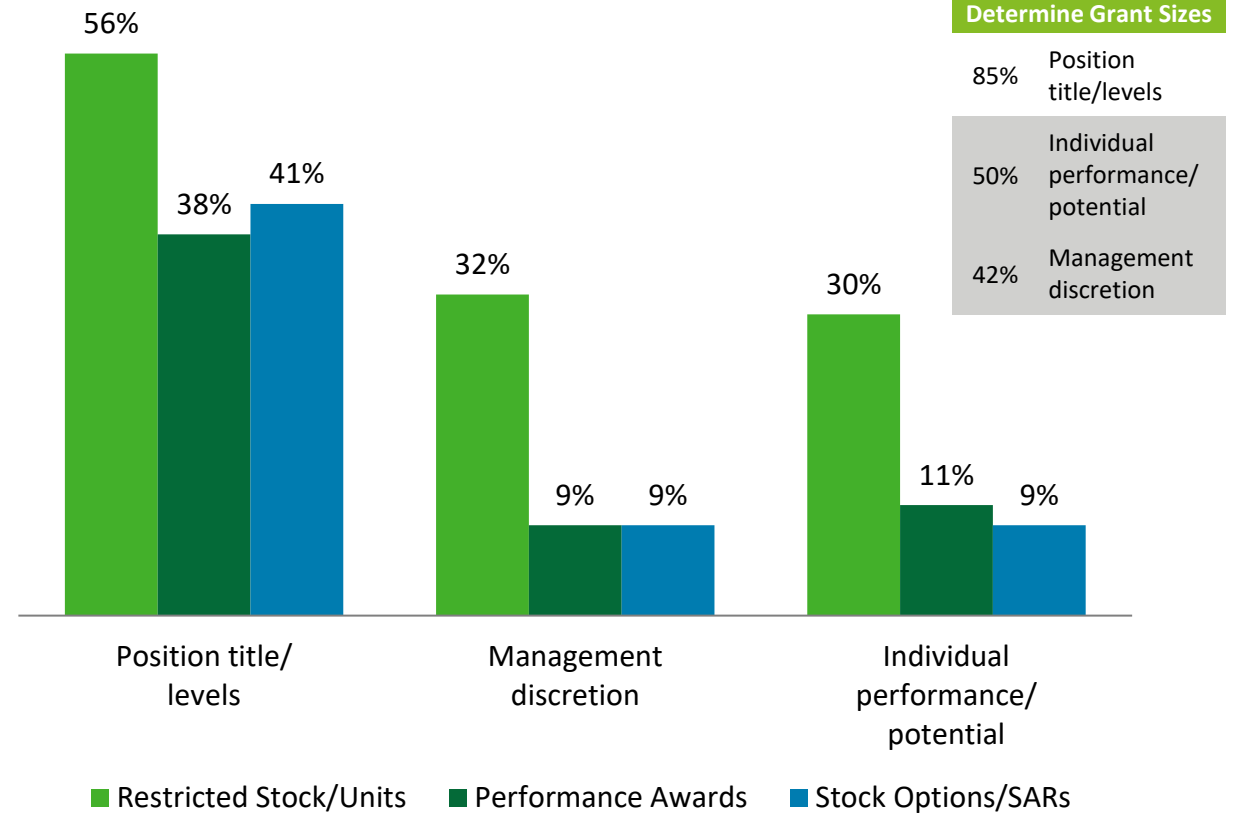
Deloitte Insights: Empowering management with delegated authority for equity awards can streamline approvals, but most companies set clear boundaries to mitigate risk (i.e., limits on award size and recipient types). What limits does your company set on grant approval authority?

Approximately 64% of companies' annual awards are approved by the Board of Directors whereas over 50% of companies' new hire awards are approved by the CEO. Position title/levels are the most commonly used minimum criteria to both determine participation and award sizes for equity incentives.

Grant Approval



Minimum Criteria

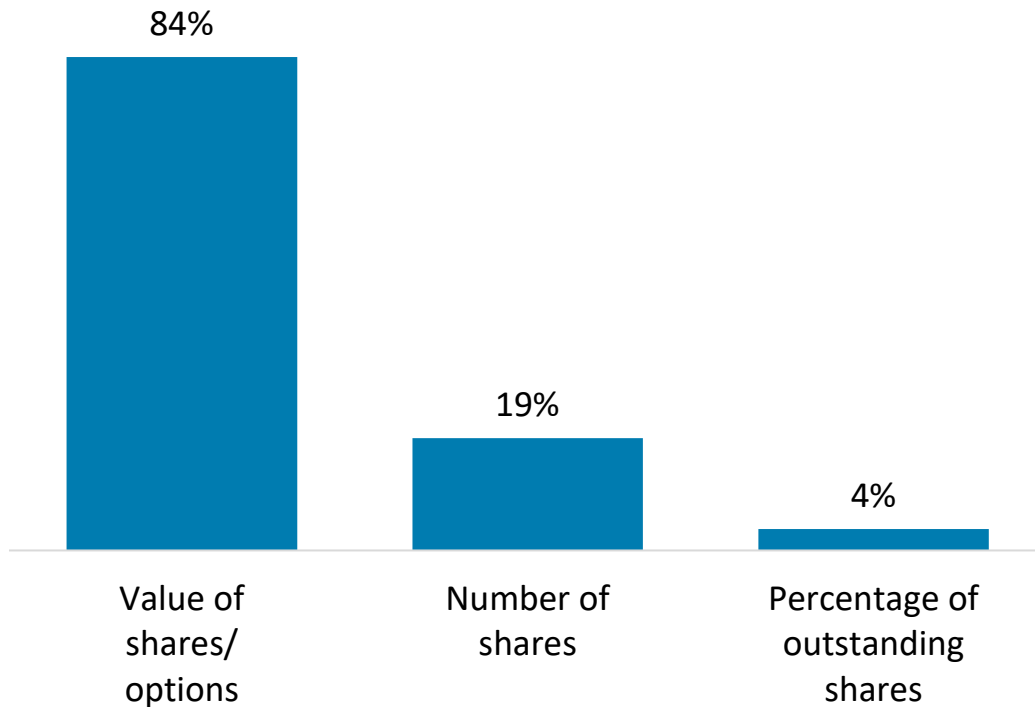


Grant Guidelines Design

Deloitte Insights: Adopting a multi-day average can help smooth volatility and provide more stable equity valuations. While spot price offers simplicity, does it adequately manage volatility risk—or should companies push further toward averaging methods?

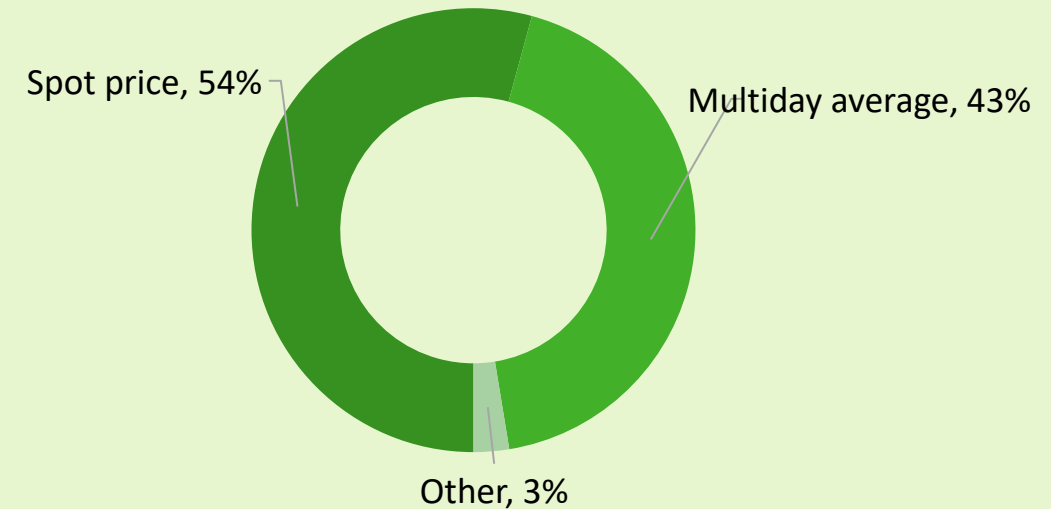
Almost all respondents (94%) have equity grant guidelines. Companies overwhelmingly use a value-based approach (84%) to determine grant size. Based on the survey, there is little difference in company practice between using a spot price versus a multi-day average for grant valuation.

Grant Guideline Approach



Per-Share Value

When sizing grants, just over half of companies use the FMV on the grant date or day before to determine the per-share value.



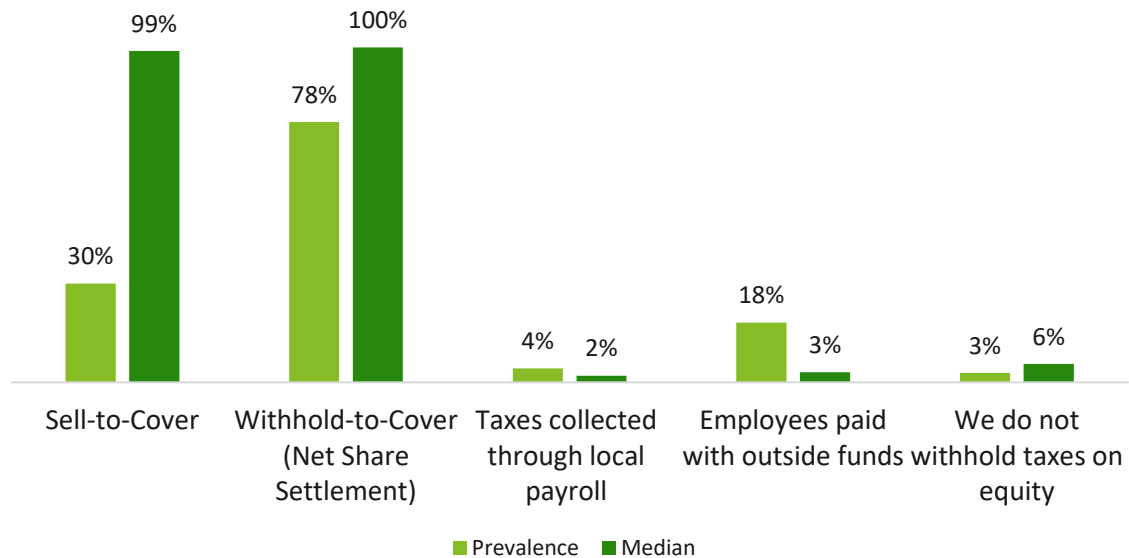
Among companies that use a multiday average, 70% use a 20- to 40-day average price.

Tax Payments for Award Transactions

Deloitte Insights: Withholding at source is a prevalent approach to settle taxes on award transactions. Does your approach adequately balance tax withholding compliance and cash flow for the company and employees?

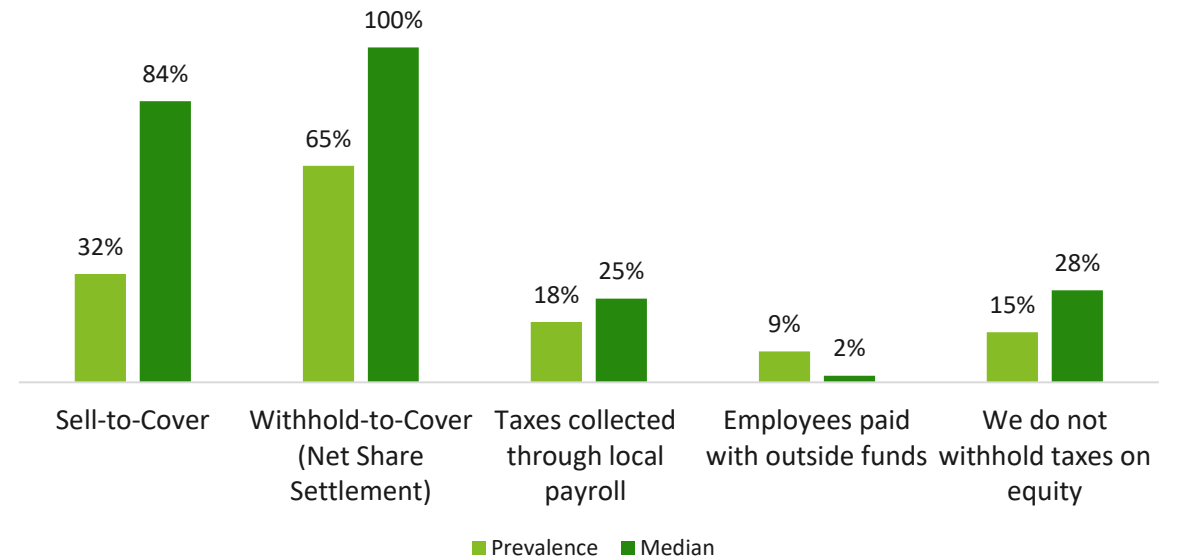
Companies rely on a variety of methods to manage tax payments for equity awards, with Withhold-to-Cover being the primary approach within the U.S. Sell-to-Cover is also widely utilized, while the use of outside funds for tax payments is much less common.

Within US
(n=359)



* Median is for those companies that utilize the tax payment method indicated.

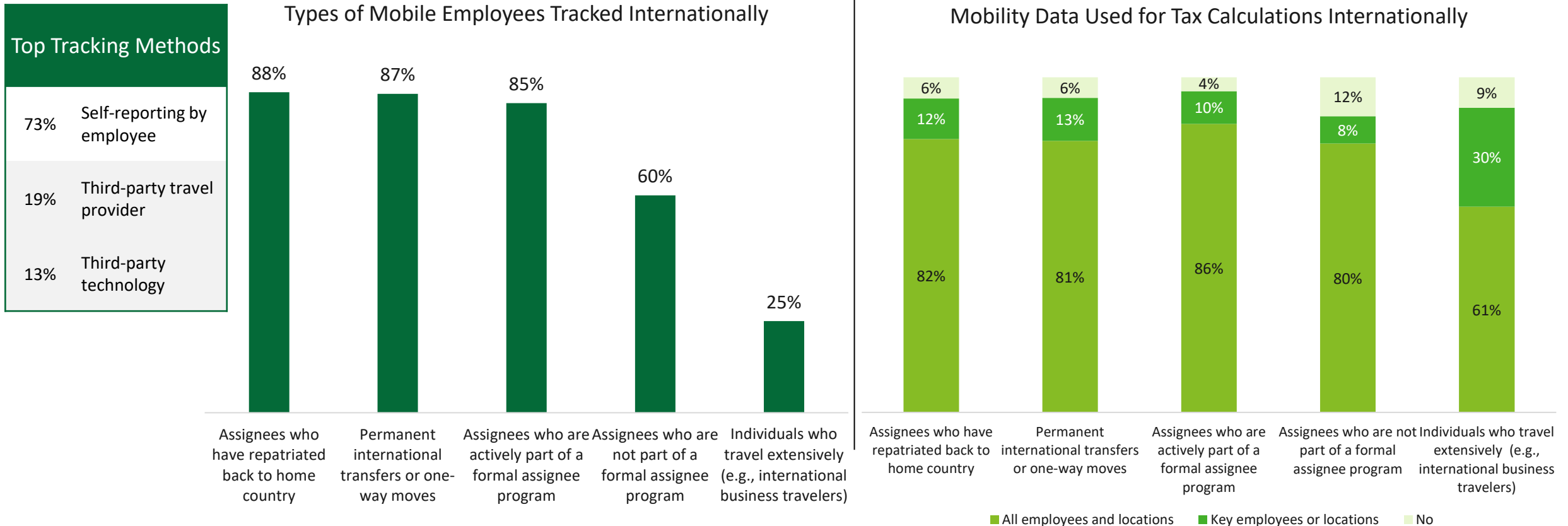
Outside US
(n=294)



Mobility Tracking – International

Deloitte Insights: Tracking mobility and performing tax withholding calculations is common for internationally mobile employees but not for international business travelers. How will organizations address potential tax and regulatory exposure gaps between these two populations?

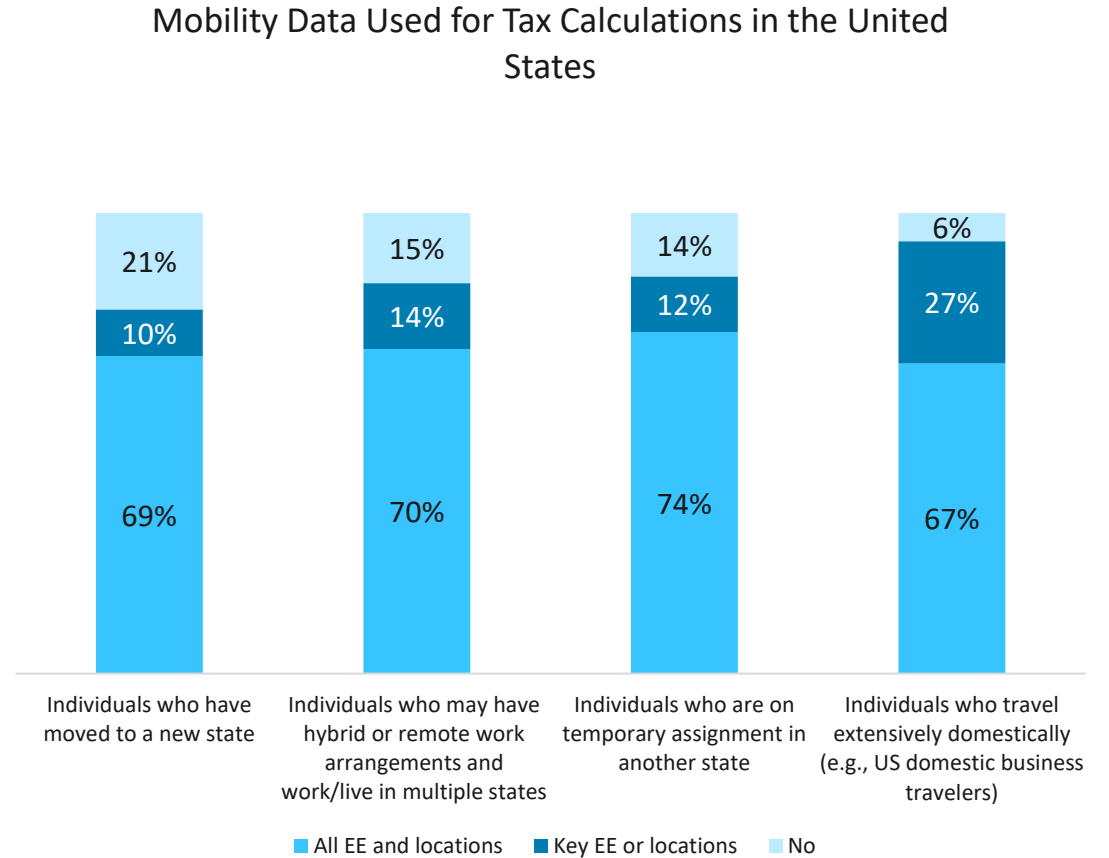
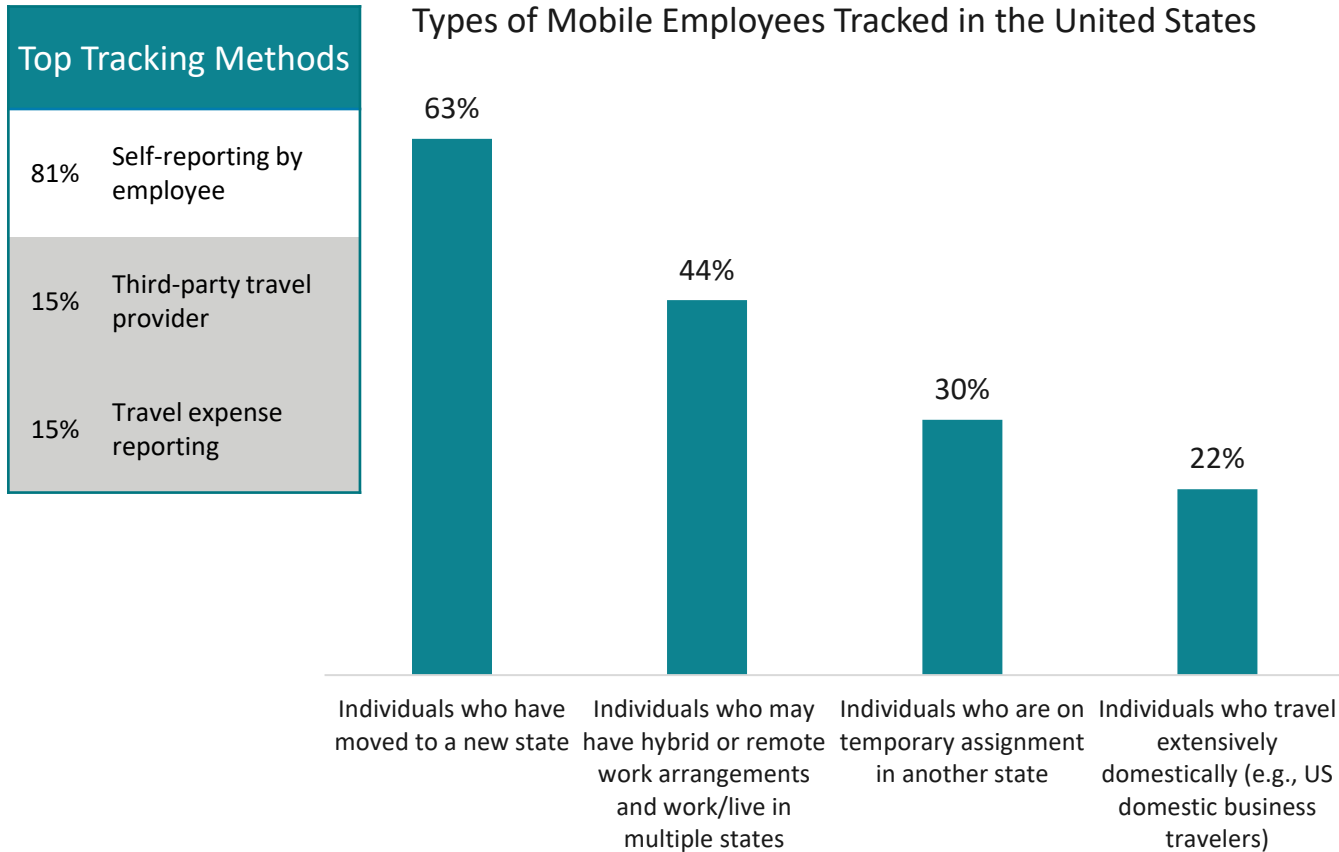
Mobility tracking is prevalent among all types of internationally mobile employees. Most respondents who track mobility data use it to calculate tax withholdings across all groups of internationally mobile employees. Approximately 75% of respondents in the United States and 82% outside the United States do not apply a de minimis limit before income is subject to taxation. For those that do, it is split between: income, days, and tax liability threshold.



Mobility Tracking – United States

Deloitte Insights: Tracking of US business travelers is not common. Will more companies start to implement tracking procedures as a way to address any employment tax exposures?

Mobility tracking is less prevalent for US-only mobile employees. The majority of respondents who track mobility data use it to calculate tax withholdings across all groups of mobile employees, but it is much less commonly used for US only mobility.



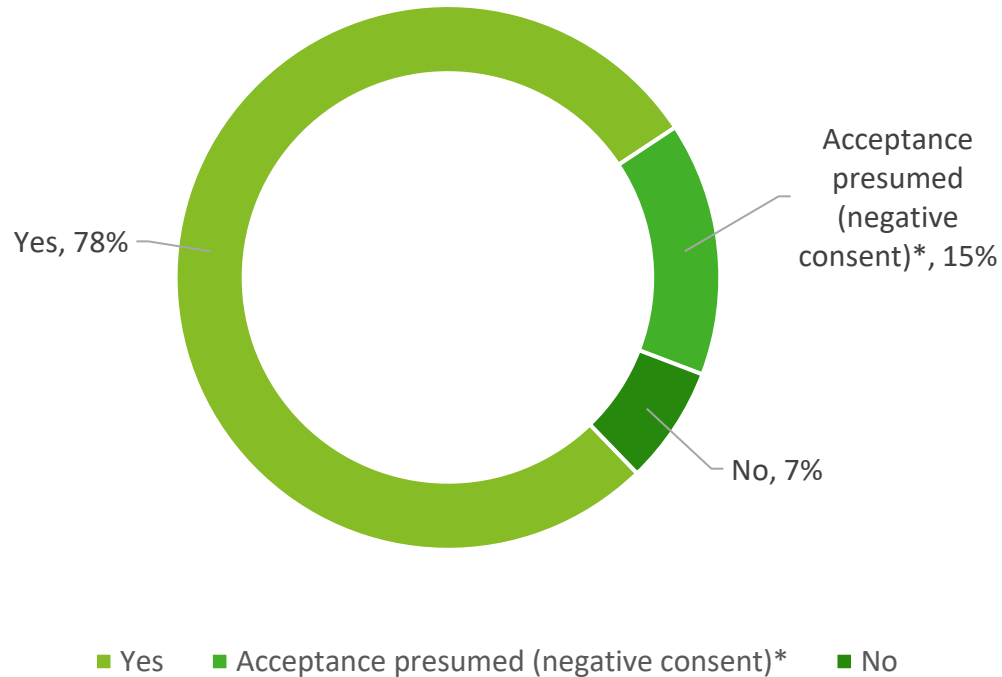
Top Tracking Methods

81%	Self-reporting by employee
15%	Third-party travel provider
15%	Travel expense reporting

Grant Acceptance

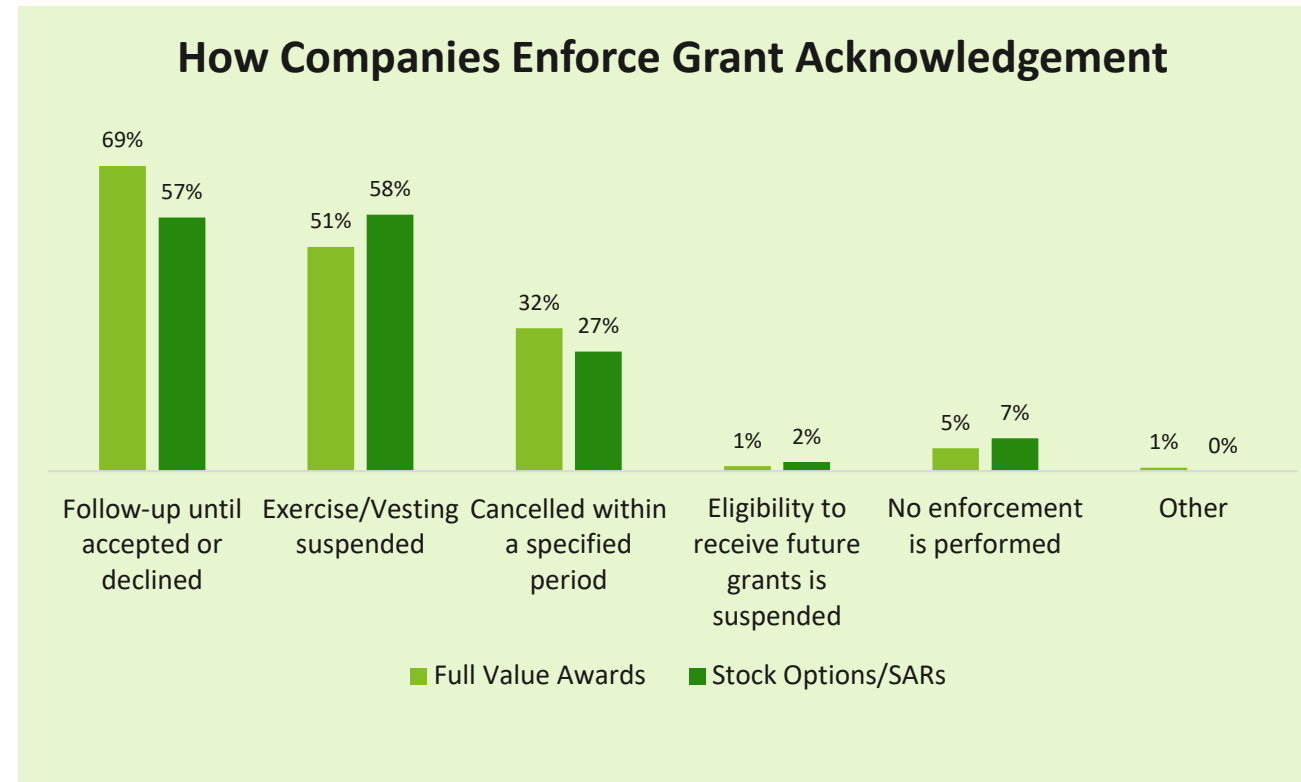
Deloitte Insights: Many organizations are reevaluating their grant acceptance policies to account for varying employee levels, award sizes, and conditional terms like clawback provisions. In an evolving rewards landscape, should you consider reassessing your grant acceptance requirements?

The **predominant policy** is to require employees to separately indicate their acceptance of the terms of their equity grants. This is consistent with past surveys. Over half of respondents follow up with the participant until the agreement is signed or declined and/or suspend option exercise or share vesting.



* Acceptance is presumed if grant is not rejected within a specified period or upon exercise/acceptance of shares at vest

How Companies Enforce Grant Acknowledgement

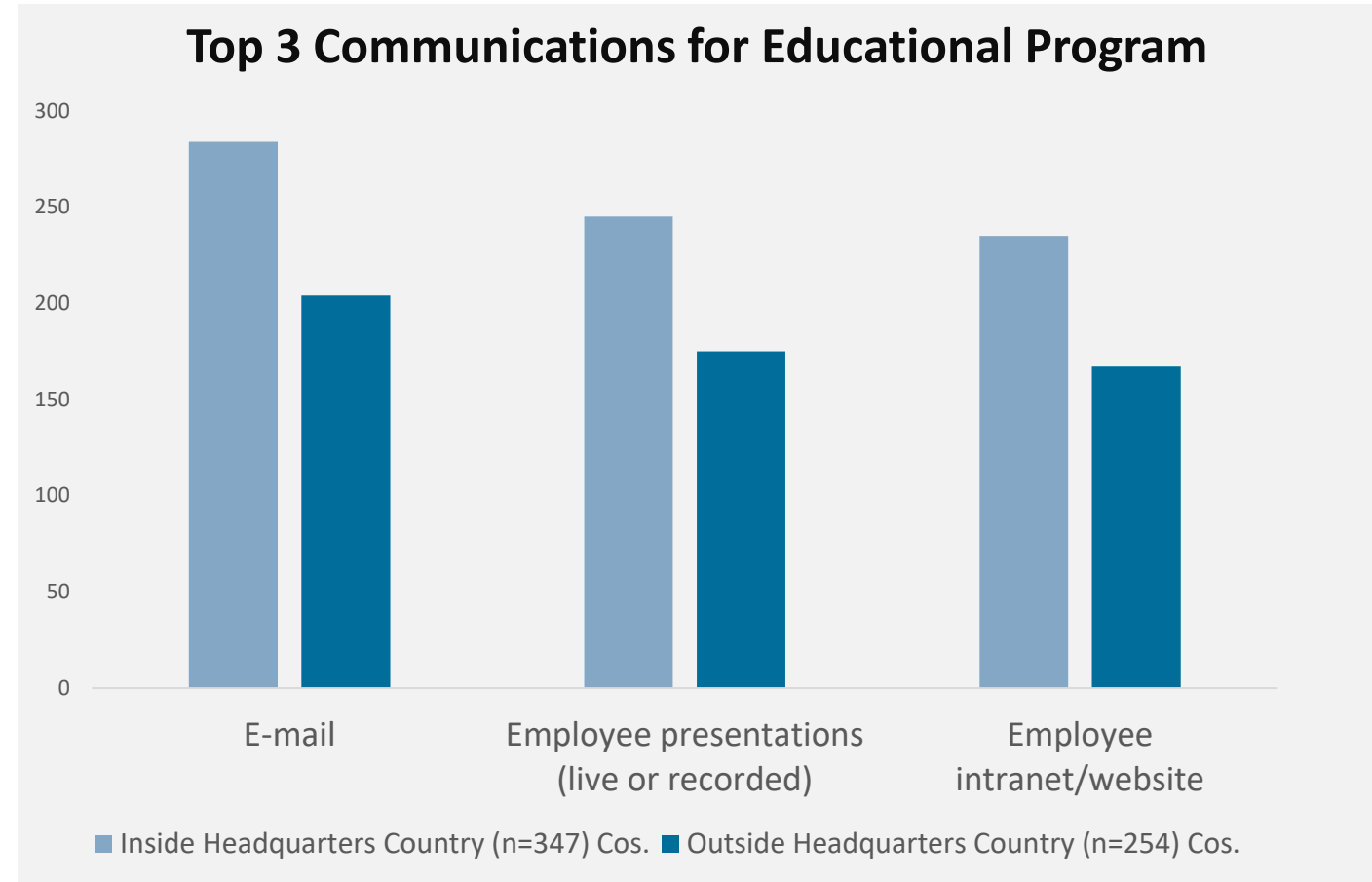
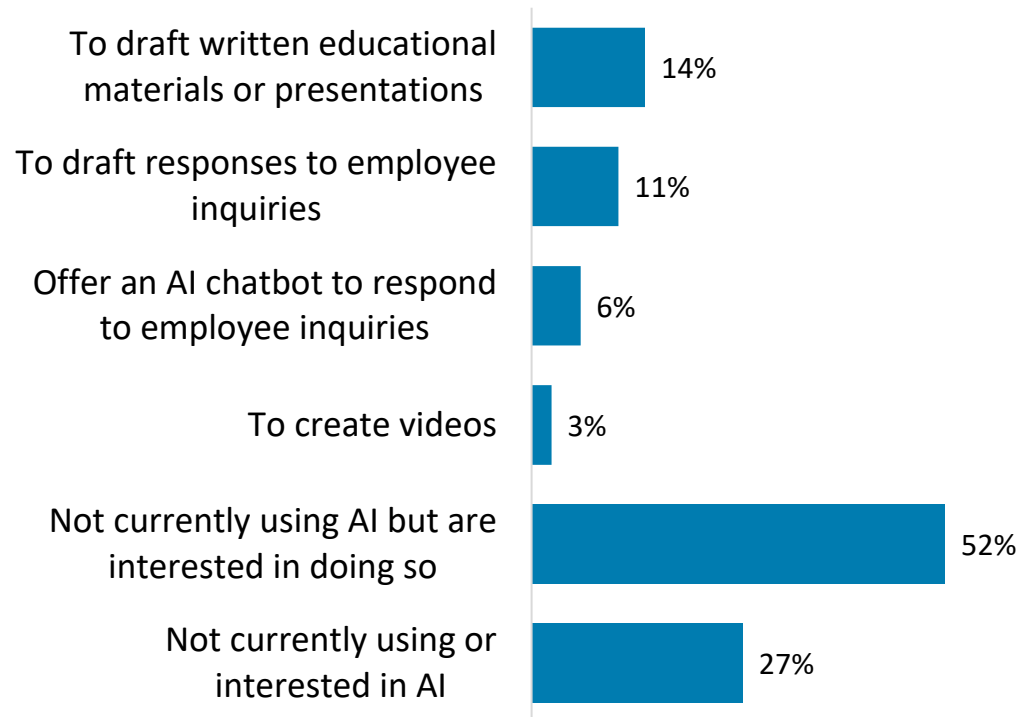


Use of AI in Participant Education



Deloitte Insights: AI-powered participant education leverages personalized learning, adaptive feedback, and intelligent chatbots to potentially drive engagement and smarter decision-making. How can emerging AI solutions redefine participant learning and outcomes?

Only about 20% of companies are currently using AI to assist with participant education, but just over half are interested in doing so. The most common uses of AI are to draft education materials or responses to employee inquiries.

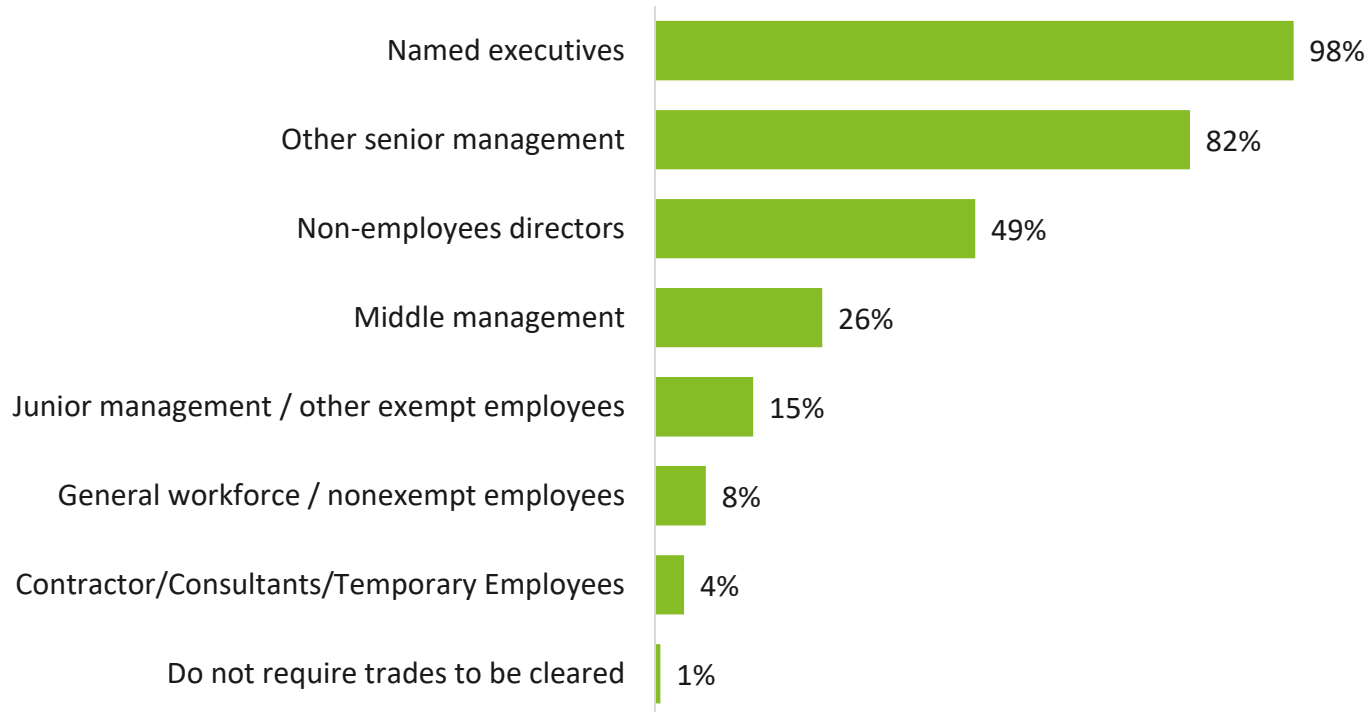


Insider Trading Compliance

Deloitte Insights: Preclearance is required for nearly all named executives, but preclearance requirements taper off significantly for junior employees. Many companies use both preclearance and blackout periods for executives, but for junior staff, requirements are often lighter to balance compliance and efficiency. Does your organization find it effective to simplify compliance controls for less senior employees, or does a unified approach offer more value?

98% of respondents require named executives to clear all transactions in advance.

Individuals Required to Clear All Transactions in Advance (n = 357)



Top 6 Authorized to Provide Approval (n=351)

General Counsel	75%
Corporate Secretary or Assistant Corporate Secretary	44%
Deputy General Counsel	18%
Other Legal Executives	15%
CFO	14%
CEO	10%



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