



## Sweet severance packages go to CEOs: study

**71 % of CEOs eligible for severance pay, 82 % eligible for 'change in control' payments if company is taken over.**

June 29 2007: 4:00 PM EDT

NEW YORK (Reuters) -- When chief executives at big U.S. companies lose their jobs, they usually have hefty severance packages waiting for them, a new study has found.

More than 71 percent of CEOs are eligible for severance payments when their jobs are terminated without cause, with the median potential payout about \$21 million, according to the study of 137 U.S. companies in the Fortune 200.

Even more CEOs - nearly 82 percent - are in line to receive so-called "change in control" payments should their employment be terminated following a corporate change, such as a takeover of the company, the study by executive compensation research firm Equilar Inc. found.

The median potential change-in-control payment is about \$28.6 million, Equilar said.

The study looked at CEOs at Fortune 200 corporations that filed 2006 compensation data under new Securities and Exchange Commission disclosure rules.

Under the new rules that went into effect this year, companies must provide more detail on executive pay, including information on severance arrangements. The size of potential severance and change-in-control payments were generally not disclosed in annual regulatory filings before.

The potential payouts include lump-sum cash payments, the value of accelerated stock and benefits (such as retirement plans) and deferred compensation, and tax gross-up payments, Equilar said.

The analysis was based on corporate proxy filings as of early June, Equilar said. Equilar provided the study to clients in its monthly *Executive Compensation Trends* newsletter released on Thursday.