

**H.R. 1188, Greater Accountability in Pay Act of 2021**

As ordered reported by the House Committee on Financial Services on May 12, 2021

By Fiscal Year, Millions of Dollars	2021	2021-2026	2021-2031
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Statutory pay-as-you-go procedures apply?	No	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	<b>Yes, Under Threshold</b>
* = between zero and \$500,000.			

H.R. 1188 would require public companies to annually disclose the percentage increase in pay for the median compensation of its executives and all other employees over the past year and to compare those increases with each other and with the percentage change in annual inflation. Emerging growth companies would be exempt from those requirements.

Using information from the Securities and Exchange Commission (SEC), CBO estimates that issuing rules to implement the bill would cost the SEC \$1 million over fiscal years 2021 and 2022 for three employees at an average cost of \$280,000 each. However, because the SEC is authorized to collect fees sufficient to offset its annual appropriation, CBO expects that the net effect on discretionary spending would be negligible, assuming appropriation actions consistent with that authority.

By requiring public companies to annually disclose salary information to the SEC, H.R. 1188 would impose private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The incremental cost of the mandate would be small because the mandated entities generally already possess or collect the information to be reported under the bill. CBO estimates that the cost of the mandates would fall below the threshold established in UMRA (170 million in 2021, adjusted annually for inflation).



If the SEC increased fees to offset the costs associated with implementing the bill, H.R. 1188 would increase the cost of an existing mandate on private entities required to pay those assessments. CBO estimates that the incremental cost of that mandate would be small.

H.R. 1188 contains no intergovernmental mandates as defined in UMRA.

The CBO staff contact for this estimate is Sofia Guo (for federal costs) and Fiona Forrester (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.