

## Dear All,

The fall season is upon us and before we know it the holidays will be here! We at L&A are excited to see what 2019 will hold as we prepare for the end of the year.

We have some great reads to share with you all in this month's L-Blast edition. The first piece is an L&A original article on long-term incentives in which we share our recommendations on the timing of these awards to establish a more effective compensation strategy that fosters shareholder support during Say on Pay voting.

The second piece from our partners at NFP is on the Excise Tax and the effects of the Tax Cuts and Jobs Act on Executive Compensation. We think this piece is very informative as it explains what the Excise Tax is, what exceptions there are, and ways to develop a compensation structure that avoid negative tax consequences.

The next article is from our friends at WorldatWork. I have worked with WaW for almost 30 years now – as a teacher, author and curriculum designer – so, this is a nice piece on a much more personal level. It was my pleasure to work with the editors of WorldatWork's Workspan magazine and share a little about me and my passions. It's an honor to be featured in their publication and hope you enjoy the read!

Lastly, we are pleased to share some of the highlights from our Midstream and Upstream survey results. We hope these insights will be helpful to you in developing competitive compensation programs. As always, let us know if there is a particular subject you'd like to learn more about.

Sincerely,



Brent Longnecker and the L&A Team  
Chairman and CEO  
Longnecker & Associates

## Timing Long-Term Incentives

We are now in the 8th year of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank"). Among other things, the implementation of Dodd-Frank meant the majority of public issuers had to learn to navigate the waters of shareholder advisory votes on executive compensation, better known as "Say on Pay".

[READ MORE](#)

## What's New With the Excise Tax?

EFFECTS OF THE TAX CUTS AND JOBS ACT ON EXECUTIVE COMPENSATION

Much has been written about how the 2017 Tax Cuts and Jobs Act changed the tax rate for C corporations and created a deduction for S corporations. But all this attention to corporations meant that other impactful provisions went into effect without much notice.

[READ MORE](#)

## Workspan Feature: Renaissance Man with an Appetite for Competition

Our own Brent Longnecker was featured in the September issue of WorldatWork's Workspan magazine. In case you missed it, we would like to share the piece with you. In this Q&A style feature we get up close and personal as Brent shares some of his favorite hobbies and interests and offers a peek into his family life.

[READ MORE](#)

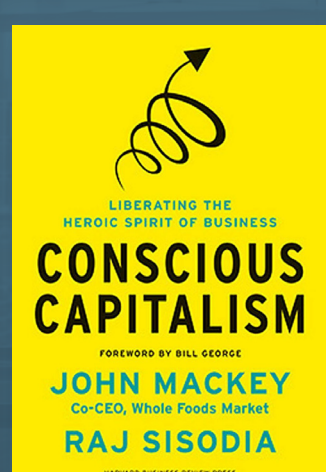
## 2018 Upstream & Midstream Survey Results Highlights

- Actual 2018 salary increases were lower than projected for larger midstream companies. Conversely, actual 2018 salary increases were consistently higher than projected for upstream companies.
- The utilization of a formulaic approach to determine annual bonus awards is much more prevalent compared to midstream companies who rely heavily upon the use of discretionary metrics.
- More than half (52%) of upstream companies reported their entire employee population is eligible to receive equity, while only 13% of midstream companies employ this practice.
- Qualifying retirement age occurs 5 – 8 years earlier at midstream companies compared to upstream companies; however, upstream companies require fewer years of service in their retirement plans compared to midstream companies.

**QUESTIONS ABOUT THE 2018 UPSTREAM & MIDSTREAM SURVEYS?  
INTERESTED IN PARTICIPATING NEXT YEAR?**

[CONTACT US](#)

## JOIN US AT OUR UPCOMING EVENTS



### NACD Networking Event Sponsored by L&A

In Conversation with Raj Sisodia on Conscious Capitalism

**Thursday, October 11  
4:30 p.m. – 7:00 p.m.**

JW Marriott  
110 E 2nd St  
Austin, TX 78701

As part of our continued support of NACD, L&A is the proud book sponsor for this event. The first 70 attendees will receive a copy of the best-selling book *Conscious Capitalism* by Raj Sisodia and John Mackey.

[REGISTER](#)

NACD Houston - The Board's Role in Overseeing Complex, Atypical Risks

**Thursday, November 1  
7:00 a.m. – 9:15 a.m.**

Junior League of Houston  
1811 Briar Oaks  
Houston, TX 77057

Join us and a 2-speaker panel as we discuss the complex risks facing Boards and how they can be better equipped to deal with these issues.

[REGISTER](#)

NACD Austin - In Conversation with Jason Schenker: The Promise of Blockchain - Hope and Hype

**Thursday, November 8  
11:00 a.m. – 1:00 p.m.**

Vinson & Elkins  
2801 Via Fortuna 100  
Austin, TX 78746

Join us as we hear from author Jason Schenker share his thoughts on the potential as well as risks associated with blockchain technology.

[REGISTER](#)

NACD San Antonio - The San Antonio Economy: What's Coming?

**Thursday, November 29  
4:00 p.m. – 7:00 p.m.**

The Argyle  
934 Patterson Ave  
San Antonio, TX 78209

Join us as we discuss future trends in the San Antonio economy.

[REGISTER](#)

## Let's Work Together

We know what it takes to attract, retain and motivate key talent. Contact us to develop a plan that works for your business.

[GET IN TOUCH](#)

281.378.1350

Compensation Services  
Incentive Plan Design  
Litigation Support  
Strategic & Governance Advisory  
Restructuring Services

## Get to Know Us

**Connie Simmons**

OPERATIONS COORDINATOR

**How long have you been with L&A?** 10 years. I look forward to what happens at L&A in the next 10 years!

**What's your key to success?** Always have a positive attitude, even through difficult situations.

**Do you have an ideal super power?** Yes... being a mom... what's yours?

**Favorite Movie:** *The Sound of Music* because it is the one movie I always watched with my sister.

**Favorite Book:** *The Pioneer Woman: Black Heels to Tractor Wheels* by Ree Drummond. I have read it 3 times! Love it so much I made the 8 hour drive to Pawhuska last year to see her Mercantile.

