### The Current Mix of Long-Term Incentive Plan Awards

Virtually all public companies and even many private and start-up companies utilize long-term incentive (LTI) awards as a third leg of executive compensation, complementing cash salary and annual bonus payouts. The value of such awards represents a significant portion of the compensation paid to senior corporate executives.

We recently reviewed the long-term incentive award practices of 350 Ayco corporate clients, updating a similar study conducted two years ago. We are continuing to see a shift in the types of grants being awarded.

Data is derived from information we maintain regarding LTI grants to executives, as well as disclosures made in 2016/2017 proxy statements. We specifically focus on the different types of long-term incentives now being awarded (excluding special awards and retention grants). Most companies provide a different allocation of awards to executives at different levels. For example, Named Executive Officers (NEOs) including the CEO, are more likely to receive awards that qualify for the performance exception under IRC §162(m). While some companies make LTI awards to a wide range of employees, for purposes of this analysis, we will focus on the awards made to senior executives at the companies in our survey group.

#### Changes in the Mix of LTI Awards

A generation ago, stock options were the primary long-term incentive award granted to executives. Part of the reason was the more favorable accounting treatment that stock options enjoyed over full-value awards until rule changes that took place in 2004. Since then, we have seen a rejuvenation of restricted stock and restricted stock units (RSUs) which were generally perceived as less risky during periods of market turmoil. More recently, we have seen the significant expansion of performance-based awards, including performance units, shares or share units and performance RSUs, as the primary LTI awards.

Here are the different types of awards made to eligible executives within the past 12-18 months with an indication as to how the mix has changed over the past decade:

<table>
<thead>
<tr>
<th>Type of Award</th>
<th>2016/17 (350 cos.)</th>
<th>2007/08 (200 cos.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock Options</td>
<td>83%</td>
<td>66%</td>
</tr>
<tr>
<td>SARs</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Time-Vesting Restricted Stock</td>
<td>30%</td>
<td>27%</td>
</tr>
<tr>
<td>Time-Vesting RSUs</td>
<td>51%</td>
<td>42%</td>
</tr>
<tr>
<td>Performance Vesting RSUs</td>
<td>55%</td>
<td>21%</td>
</tr>
<tr>
<td>Shares/Share Units</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>Performance Cash Units</td>
<td>22%</td>
<td>11%</td>
</tr>
<tr>
<td>Market Stock Units</td>
<td>24%</td>
<td>19%</td>
</tr>
</tbody>
</table>
The days of a single LTI award are long gone at a large majority of companies. This makes corporate communications more challenging as it is usually necessary to provide recipients with an explanation comparing features of awards. This chart illustrates the number of different types of long-term award vehicles granted to senior executives in our survey group within the past 18 months:

![Number of Different LTI Awards Chart]

Stock options remain a popular LTI award, although significantly less so than ten or even five years ago. We now count a bit over one-half (55%) of the survey group granting nonqualified and/or incentive stock options to key executives. In addition, around 6% of the survey group (including most foreign companies) now utilize stock appreciation rights (SARs) rather than stock options. Stock options and SARs are a "pay for performance" compensation device if stock price increase alone is the performance measure - although, the stock market volatility of 2008/09 illustrated the inherent risk associated with an award tied exclusively to share price appreciation.

Here is the percentage of the total LTI made up of stock options or SARs currently compared to nearly 10 years ago:

<table>
<thead>
<tr>
<th>Stock Options and SARs (as % of total LTI award)</th>
<th>Percent Today</th>
<th>Percent 2007/08</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>37%</td>
<td>25%</td>
</tr>
<tr>
<td>10% - 25%</td>
<td>7%</td>
<td>29%</td>
</tr>
<tr>
<td>25% - 33%</td>
<td>24%</td>
<td>10%</td>
</tr>
<tr>
<td>40%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>50%</td>
<td>18%</td>
<td>30%</td>
</tr>
<tr>
<td>60% - 85%</td>
<td>3%</td>
<td>18%</td>
</tr>
<tr>
<td>100%</td>
<td>1%</td>
<td>5%</td>
</tr>
</tbody>
</table>

For more details as to the structure and design of stock options being granted currently, including types of options, when options are granted, vesting schedules, and periods to exercise following certain events, see the June 2016 Digest.

Out of the Mix

More than a decade or so ago, most large U.S. companies used stock options as their primary and, in some cases, exclusive long-term incentive award for executives. There were a number of reasons for this, not the least of which was the accounting advantage that stock options offered to companies at that time, but since eliminated. Most companies subsequently revised their mix of LTI awards and continue to do so, on a periodic basis. Part of the rationale for this is the preference expressed by corporate governance groups for more “pay-for-performance”, plus meeting the challenges of stock market volatility, and the elimination of the accounting advantage of stock options. Most companies now utilize a mosaic of awards that provide a diversification of long-term incentives, which can add to the complexity of an executive’s understanding and planning a LTI strategy.

The proliferation of performance-based long-term awards has led to a reduction and sometimes elimination of heritage LTI grants. This illustrates which types of awards are no longer part of the mix among our survey group:

<table>
<thead>
<tr>
<th>Award Type</th>
<th>Do Not Currently Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock Options/SARs</td>
<td>37% of companies</td>
</tr>
<tr>
<td>Time-Vesting Restricted Stock/RSUs</td>
<td>15% of companies</td>
</tr>
</tbody>
</table>

Restricted stock units are now being utilized by many more companies than their economic equivalent – restricted stock. While the value can be similar or the same, there are a number of important differences. For example, an §83(b) election can usually be made for restricted stock allowing appreciation following grant to be eligible for capital gains treatment, while this election cannot be made for RSUs. This election also then changes the tax treatment of any dividends payable with respect to the restricted stock received prior to vesting.

The timing of income and FICA taxation can differ for each. Both taxes are due at vesting for restricted stock (assuming no §83(b) election is made), while RSUs are subject to FICA at vesting but income tax only when distributed. A number of companies distribute RSUs in the year after vesting.

Finally, restricted stock is not considered deferred compensation subject to IRC §409. In contrast, RSUs are generally subject to §409A rules. This means that payment following a separation from service may be delayed by six months to avoid the potential of a 20% penalty.
The IRS Office of Chief Counsel issued guidance confirming that if an employer recognizes that the terms of a plan or agreement are not in compliance with §409A rules and makes a correction after an award is made, but prior to when it is no longer subject to a substantial risk of forfeiture, the 20% penalty tax may still be payable (CCA 201518013). In the case in question, the terms of an agreement had a 3-year vesting period and subsequent two-year payment period, but allowed the company discretion to pay the award in a lump sum. This violates §409A rules by allowing for an acceleration in payment. The company corrected the agreement, but the IRS ruling stated that the executive still was subject to the penalty tax for the year the correction was made.

**Equity Choice Programs**

These programs offer eligible executives a choice as to which LTI award they would like to receive – most commonly a choice between NQ stock options and restricted stock or RSUs. These programs blossomed about a decade ago when we counted 25 companies offering employees a choice as to their LTI award. Due to a number of issues, including having to communicate and explain the differences to employees, the proliferation of performance-based awards (which can be more difficult to value), and potential §409A timing issues if RSUs were offered, we have seen equity choice programs decrease in utilization. We currently see them in place at ten companies in our survey group. However, they remain popular with employees. If you’d like to receive a summary of the design and communications for an equity choice program, contact us at Rfriedman@ayco.com.

**Proxy Advisory Firms**

Companies seeking shareholder approval for a new LTI plan or an amendment to an existing plan will need to keep in mind the positions of proxy advisory firms, including Institutional Shareholder Services (ISS) and Glass Lewis. ISS has an evaluation tool it calls its Equity Plan Scorecard. Based on plan features, ISS either will recommend shareholders vote “for” or “against” the plan. However, certain “egregious” plan features could, in and of themselves, lead to a “no” recommendation. These include: (1) too liberal CIC definition (single trigger) for acceleration in vesting of awards; (2) permitting the repricing or cash buyout of underwater options; (3) pay-for-performance misalignment; (4) any other feature deemed detrimental to shareholder interests, such as a reload option feature or any tax gross-up.

**Methods of Describing LTI for Proxy Reporting**

Some companies report in their proxy statements the value of LTI awards as “realizable pay”. This is a supplement to the value of equity awards reported in the Summary Compensation Table (SCT), which generally will be the “fair value” at the grant date. Realizable pay replaces this value with an intrinsic value as of a defined date - such as year-end – based on the stock price as of that date. Thus, realizable value for a stock option is the “spread” as of a defined measurement date rather than a projected future value. For restricted stock and stock units, this usually is the value at the scheduled vesting date. For performance awards it is the target value at the end of the performance period, as opposed to the grant date fair value in the SCT.

Tally sheets are used by Compensation Committees at some companies to illustrate various components of compensation paid to each named NEO. These summarize the number and value of all LTI awards, as well as the current value of benefit and compensation plans as of a stated date, plus what would be payable at retirement, other termination or upon a change-in-control of the company. This can be used to compare and align total compensation paid to top executives with market data or for peer group comparisons.

The SEC has provided guidance as to the proper proxy reporting for equity awards granted to a NEO who is retirement eligible where the award would become vested at the earlier of the executive’s actual retirement or is normal vesting date. In this situation, the SEC confirmed that the company should disregard any retirement acceleration vesting provision and report the value of the award in the compensation tables based on its “normal” vesting schedule, along with a footnote or other supplemental disclosure describing the accelerated vesting.

The SEC also clarified that when a restricted stock unit has become vested, but payment to a “specified employee” is delayed for six months following retirement or other separation from service to ensure compliance with IRC §409A, it would be permissible to report in the proxy the value of the award for the year in which vesting occurs, even if the actual payment (and the year of income taxation) would be the following year.
What Type of Educational Assistance Do You Offer?

Most companies of all sizes, public and private, offer some type of educational assistance to employees, and sometimes even their family members. Student loan repayment assistance is a relatively new benefit that is expanding through some segments of Corporate America as employers seek to attract and retain Millennials and Gen-X employees. Qualified educational assistance can be provided on a tax-free basis within certain parameters. We thought we would briefly outline a few of the different types of educational assistance we are seeing and some of the current tax rules.

 Qualified Educational Assistance

A qualified educational assistance program is considered a tax-free fringe benefit. Such a program must be provided under a written plan that provides educational assistance only to employees and certain former employees. The program cannot favor highly compensated employees, defined as employees receiving more than $120,000 in pay for the preceding year (unless the employee wasn’t also in the top 20% of employees). Educational expenses include tuition, the cost of books, equipment, fees and supplies, but not the cost of items (other than text books) that an employee is allowed to keep at the end of the course. It also does not include the cost of lodging, transportation or meals. An employee must be able to provide substantiation to the employer that the amount provided was used for qualifying education expenses.

While an employer can provide any amount of educational assistance, only up to $5,250 can be excludible from the employee’s wages annually under a qualified program (per IRC §127). However, payments or reimbursements that exceed $5,250 could still qualify as an excludible “working condition fringe benefit” under IRC §132 to the extent that if the employee paid for it, the amount would be deductible as a business or depreciation expense.

Before taking advantage of this potentially valuable benefit, employees should review whether other tax benefits could be utilized instead. For example, any qualified education assistance reduces expenses allowed in calculating certain education tax credits that may be able to be claimed on the individual’s tax return – including the American Opportunity Credit and the Lifetime Learning Credit.

Finally, qualified education assistance cannot be part of a §125 cafeteria plan in order to be excludible from income. In addition, a qualified program cannot allow employees to choose to receive cash or other benefits instead of the qualified educational assistance. Reasonable notice about the program must be provided to all eligible employees.

 §529 Plans

§529 college savings plans are named for the Internal Revenue Code section enacted in 1996. The concept originated about a decade before in the state of Michigan which designed the first pre-paid tuition program allowing residents to pay in advance the cost for a state college or university. In general, contributions made to §529 plans are not excludible from income or deductible for federal tax purposes, but earnings on contributions will not be taxed if used to pay for eligible college or grad school expenses. For state tax purposes, over 30 states offer a full or partial deduction or credit for contributions. Most states require that a contribution be made by December 31 to get a tax break for that year. Seven states allow a contribution up to the individual’s tax filing deadline.

Coverdell Education Savings Accounts (which allow funding to pay for elementary and secondary schools for designated beneficiaries under age 18 or with special needs, but only if the donor’s income is below specified limits), have similar features to §529 plans. But with a §529 plan, there are no income or age limits as to who can contribute. They allow individuals to save for higher education expenses which they or any family member may incur. The donor controls the account and can withdraw funds at any time for any reason. But if not used for education expenses, a 10% penalty tax can apply to the earnings. Assets in these plans are considered parental assets for purposes of the Free Application for Federal Student Aid (FAFSA).

There are two different types of §529 plans – (1) traditional college savings plans for future qualified expenses, and (2) pre-paid tuition plans. (Currently, only ten states have a pre-paid tuition plan.) Some states offer tax incentives to anyone who participates in their §529 savings plan, while others offer them only to state residents. Most provide that distributions, including earnings, are not taxable if used to pay for qualified education expenses.

Fees and expenses vary tremendously among state plans. This cost, as well as available investment options, goes to the ranking of 529 plans. (Forbes Magazine provides a “Guide to the Best §529 Plans”.)
A number of employers have made it easier for employees to contribute to a §529 plan by including it as a voluntary employee benefit. This could allow payroll deductions to fund an employee’s chosen §529 plan or certain pre-approved plans. A few employers match contributions to a §529 plan or one-time contributions based on a special occasion, such as the birth of a child. Some employers simply provide information about §529 plans.

In our last informal survey of voluntary benefits offered among Ayco corporate partners, 12% of companies either provided information or allowed payroll deduction to such plan. In our 2015 Executive Benefits Survey, 14% of survey participants indicated that they offer §529 benefits to their employees. Company contributions for §529 plans should be reported as taxable income to the employee, unless it qualifies under the educational assistance exclusion.

➢ **Student Loan Repayment Benefit**
With the amount of student debt having exploded over the past several years, a number of employers have added a student loan reimbursement program as a broad-based employee benefit. According to statistics provided by the Society for Human Resource Management, only about 3% of employers currently offer this benefit. However, we are seeing more companies consider it as a means of attracting and retaining younger workers. A recent survey issued by American Student Assistance, a private non-profit, reported that three out of five young workers would prioritize paying off their student loans over savings for retirement and a large majority would commit to stay with an employer for a five year period in return for such help.

There is no formal standard set of rules at this point. We have seen some programs that pay an annual amount for a period of years, while others that will pay a lump sum to employees who have been employed for a stated period, such as five years. However, this payment generally will not qualify as a tuition reimbursement under a company’s educational assistance program. Thus, any payments generally will be taxable to the employee. However, there are certain student loan repayments that can be made tax-free if paid under the National Health Service Core Loan Repayment Program, a state repayment program eligible for funds under the Public Health Services Act, or any other state loan repayment or loan forgiveness program intended to provide for the increased availability of health services in underserved areas.

➢ **Proposed Legislation on Student Loans**
Last month, a bipartisan bill was introduced into Congress that would expand IRC §127, which covers employer-provided tuition assistance. The proposed legislation would add student loan reimbursements paid to an employee or to a lender as eligible for the current $5,250 educational assistance allowed to be excluded from an employee’s taxable income each year. It remains to be seen whether this bill will be enacted into law.

➢ **Using IRAs For Education Expenses**
While most consider IRAs to be primarily a retirement savings vehicle, they can serve other purposes. For example, Roth IRAs can act as a tax effective means of saving for college expenses. And, while loans cannot be taken from IRAs, distributions can be taken at any time. There is a 10% penalty tax associated with most distributions prior to age 59½; however, there is an exception for distributions taken to pay for qualified higher education expenses of the IRA owner or any family member. This exception does not apply to early distributions from 401(k) plans.

**Enforceability of Non-Compete Clause Tested**
Non-compete clauses and restrictive covenants have become fairly common in executive employment agreements, as well as executive compensation plans. However, the enforceability of a non-compete provision can be a matter of state law. While a majority of states recognize and enforce non-competes, a few states, including California, will not enforce them, except in limited situations. Other states have certain limitations – and an example is described below.

A non-compete provision generally prohibits an individual from going to work for a competitor of the employer for a defined period of time. To be enforceable, however, it usually requires that the employee receive consideration (something of value) and not be overly broad and restrictive. Otherwise, it may act as a deterrent to what the employer considers to be bad behavior; but with no intention of seeking to enforce.

While an employer can unilaterally define non-compete terms, in most cases today, an executive will be asked to consent to the restriction in order to receive a LTI. Some awards are still provided in paper form with a recipient asked to consent by signing the paper form. Increasingly, compensation awards are being provided electronically and recipients are asked to check a box on a computer screen
agreeing to the award terms. Still, when an individual does go to work for a competitor in violation of a restrictive covenant, there can be a disagreement between the parties that can lead to litigation. Here’s a recent example where restrictive covenants were tied to the electronic acceptance of a stock award.

John Halpin and Jordan Lynch received stock awards while employed at ADP. Their award agreements were delivered electronically. The webpage indicated that a recipient must click on a box to indicate that he/she had read all associated documents, including the incentive plan, award agreement, and a non-compete agreement before accepting the award. Halpin and Lynch each received awards on five separate occasions and each award was conditioned on agreeing to a non-compete clause. After checking the box that they had read all the documents, employees entered a personal password and then either accept the grant or reject it. Under the non-compete provision, employees were prohibited from joining a competitor for 12 months and from soliciting any business from current or perspective clients for the same period of time.

Halpin and Lynch each resigned from ADP, started working a competitor and allegedly solicited ADP clients. Seeking to enforce the non-compete, the company sued both of them. A federal district court granted ADP a partial preliminary injunction barring Halpin and Lynch from soliciting ADP customers for one year, but did not require they leave their new employment. That decision was recently upheld by the 3rd Circuit Federal Court of Appeals. However, an interesting aspect of the court’s opinion relates to an argument the former employees made concerning the electronic acceptance procedure.

They argued that the click-through screens only asked them to confirm that they had read the documents, not that they had agreed to or accepted the terms provided. As a result, they argued that they were not bound by the non-compete provisions. However, the lower federal court, as well as the appeals court, agreed with ADP that by accepting the award, employees agreed to the non-compete provisions. The court allowed Halpin and Lynch to continue working for their new employer, but restricted them from soliciting ADP’s current clients and any perspective clients for one year. *(ADP, LLC vs Lynch and Halpin).*

Another recent federal court decision relates to Georgia’s non-compete law. In 2011, the Georgia legislature passed a law which, for the first time, gave courts the discretion to modify a non-compete or other restrictive covenant that might otherwise void or unenforceable, so long as the modification does not render the clause more restrictive than as originally agreed to by the parties. Prior to this time, courts could either uphold the terms or find them entirely unenforceable, but could not modify the terms of an agreement. Recently, a Georgia federal court addressed this law. *(Lifebrite Labs, LLC vs Cooksey).*

Ms. Cooksey was hired by Lifebrite Labs as a sales representative to sell toxicology tests to doctors. Under an employment agreement she signed, there were several restrictive covenants including a non-compete and non-solicitation of clients for as long as she was employed and for a period of one year thereafter. Cooksey worked for the company for a few months and then accepted an offer from a competing lab. Her former employer sued her to enforce the restrictive covenants. Cooksey claimed that they were unenforceable because they lacked geographic limitations. The federal court in Georgia concluded that the rules for non-compete and non-solicitation clauses were treated differently under Georgia law. Whereas non-compete clauses were generally enforceable so long as reasonable in time, geographic area, and scope of prohibited activities, non-solicitation clauses were not required to have a geographic limitation. While the court found that the non-solicitation clause was overly broad, it used its discretion to modify the agreement to make that provision to be enforceable. However, with regard to the non-compete clause, the court determined that limiting it would completely reform the terms of the original agreement. It held that it could not rewrite the contract to supply a geographical limitation and thus, found the non-compete provision to be void and unenforceable.

These two federal decisions illustrate the care that employers must take in both drafting and getting consents from employees as to various restrictive covenants.

**IRS Closes Window On Correcting FICA Errors**

The IRS recently issued a Chief Counsel Memorandum (AM2017-01) closing a window for employers who fail to take advantage of the “special timing rule” available in determining when FICA taxes are payable for nonqualified deferred compensation (NQDC). This relates to an employer requesting a formal “closing agreement” with the IRS. For this purpose, FICA taxes include the 6.2% Social Security tax, as well as the 1.45% Medicare tax and the 0.9% Additional Medicare tax.
Unlike wages and other compensation where FICA taxes are generally due when the compensation is paid, NQDC is subject to a number of different tax timing rules. There are also distinct rules for account balance plans and “non-account balance plans” (i.e., nonqualified defined benefit plans). Under the special timing rule, NQDC plans can be subject to FICA taxes once amounts become vested. This can be many years prior to when amounts are paid and subject to income taxes.

One significant potential advantage of the special timing rule is that it is associated with the “non-duplication rule”. This insulates the deferred compensation and subsequent earnings from any additional FICA taxes when it is later paid to the participant. (There are slightly different rules that apply if the earnings are credited at an “above market” fixed income interest rate).

If an employer fails to take advantage of the special timing rule and does not withhold FICA taxes upon vesting of the NQDC, then the non-duplication rule does not apply. Instead, the deferred compensation would be subject to FICA taxation under the general timing rule that applies to wages – which means the full amount, including any accrued earnings, are subject to tax upon receipt. This usually would greatly increase the amount of FICA payable (by both the employee and employer). There have been several instances in which this has occurred – in most cases, as an inadvertent error – which has led to litigation by executives impacted. An example is a class action lawsuit filed against Henkel Corp. by executives claiming their nonqualified benefits effectively were reduced by the additional FICA taxes they had to pay when the company failed to comply with the special timing rule. A federal court in Michigan (Davidson vs. Henkel) concluded that while utilizing the special timing rule was not mandatory, the employees had been negatively impacted and were entitled to recompense from their former employer for the additional FICA tax they had to pay.

There had been two distinct options available to an employer which failed to take advantage of the special timing rule. One of these options was for the employer to ask the IRS for permission to make a retroactive payment of FICA taxes under the special timing rule. The employer had to negotiate a Closing Agreement between the parties under which the employer would agree to pay all FICA taxes as if the special timing rule had been in effect. The employer would have to waive the right to argue that the assessment of such tax is barred by the three-year statute of limitations, as well as agree to comply with the special timing rule prospectively. However, this would mean that the non-duplication rule would now apply and any earnings and appreciation would not be subject to FICA tax when the plan benefits were paid.

The recent Chief Counsel Memorandum has eliminated this option for correcting a failure to take advantage of the special timing rule, at least for situations in which the statute of limitations has expired. The rationale for this is that one condition for the IRS to enter into closing agreements is that there be no disadvantage to the U.S. (i.e., loss of tax revenue) by entering into the agreement. It is the new position of the IRS that entering into such a closing agreement would result in significantly less FICA tax collection from both the employee and employer. As a result, the IRS now has effectively closed this window.

However, one other correction option remains available, at least for those situations in which the three-year statute of limitations remains open. IRS Regulations under §3121(v)(2) specifically allow an employer to file an amended FICA tax return on Form 941-X for any years within the three-year statute of limitations, retroactively applying the special timing rule for those years. Thus, this option remains available if employers are able to uncover a mistake on a timely basis. This includes FICA payable for both the employee’s deferral amount as well as any company contributions. The timing of such taxation can be different for employer matching or other contributions if its vesting schedule is distinct from when any employee deferrals vest.

Employers may want to review their process and procedure for how and when they determine and collect FICA tax for all nonqualified deferred compensation in light of this recent guidance.

**Ayco’s 2017 Executive Benefits Survey**

We invite you to participate in our 2017 Survey of Select Executive and Broad-Based Benefits. An interactive survey form is attached to the homepage of this month’s edition. Representatives of all organizations that participate in this survey will receive complimentary copies of the survey results when published and can also request a “special cut” by industry or peer group participants.

We are hoping to receive responses within the next month – so please submit your response before Easter Sunday, which closely corresponds to this year’s tax filing deadline.
Did You Know...

- While restraints on trade have been unenforceable under English common law since 1414, this general prohibition was modified in 1621 if a restriction was limited to a specific geographic location. Then, in 1711, an English court established the modern framework for the enforceability of non-compete agreements (*Mitchel vs. Reynolds*). Today, in the United Kingdom, “restraints on trade” (non-compete) clauses may only be used if the employer can prove a legitimate business interest to protect – and mere competition alone will not meet that standard. In Canada, non-compete and non-solicitation agreements will be enforced by Canadian courts only if the restrictions are limited in time, business scope and geographic scope to what is reasonably required to protect a company’s proprietary rights.

- According to the College Board, the average cost of tuition and fees (but excluding the cost of room and board, books at supplies) at colleges and universities for the 2016/2017 school year was:
  
  - $33,480 at private colleges/universities
  - $9,650 for in-state residents at public universities
  - $24,930 for out-of-state residents at public universities

  A moderate annual total budget including all costs at a private school was reported as $49,320 or $24,610 for in-state residents at a public university. (Do you recall what you – or your parents – paid for your college costs?)

- The largest §529 Plans ranked by assets are in the following states: (1) Virginia; (2) New York; (3) Nevada; (4) New Hampshire; (5) Utah; (6) Maine.