

OFPP Establishes Executive Compensation Ceiling for FY 2009

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The OMB's Office of Federal Procurement Policy (OFPP) has published its annual Executive Compensation Benchmark in the Federal Register. The 2009 Executive Compensation Benchmark (\$684,181) establishes the FY 2009 ceiling for Executive Compensation for those contractors subject to the allowability requirements of the FAR 31.205-6 (Compensation) Cost Principle. Compensation amounts (as calculated pursuant to the Cost Principle) in excess of the OFPP Benchmark are unallowable for the top 5 highest-paid executives of the corporation and each of its segments. It is important to note, however, that compensation amounts below the ceiling value are still subject to the "reasonableness" test of allowability. View the full notice [here](#)