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# Imminent Shift: Preparing for the T+1 Settlement Impact on Equity-Based Compensation

## The Consumer Finance Podcast

### SPEAKERS

[Sheri P. Adler](#) | [Chris Willis](#)

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In this episode of *The Consumer Finance Podcast*, Chris Willis is joined by Sheri Adler to discuss the implications of the upcoming change in securities law that shortens the settlement period for broker-dealer transactions from T+2 (two business days after the trade date) to T+1 (one business day after the trade date). This change, effective May 28, 2024, has significant implications for employers who offer equity-based compensation to their employees. Adler provides an overview of the history of the settlement cycle, the reasons behind the shift to T+1, and the impact on tax withholding obligations for equity awards. She also offers practical advice for companies to prepare for this change, including potential adjustments to the calculation of fair market value for withholding purposes.

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