



**amidon research**

## TOTAL REWARDS CHECKLIST

### **Market Models**

- ❑ Price theory
- ❑ Surveys, sampling and distributions
- ❑ Relative and absolute values
- ❑ Cost to employer and benefit to employee
- ❑ Learning curve
- ❑ Regression analysis

### **Compensation Mix**

- ❑ Basic benefits
- ❑ Salaries
- ❑ Bonuses and commissions
- ❑ Long-term incentives
- ❑ Supplemental benefits
- Perquisites
- ❑ Total Rewards and “Pay Philosophy”

### **Compensation Factors**

- ❑ Job content variables
- ❑ Job qualification variables
- ❑ Organization structure variables
- ❑ Organization or unit size variables
- ❑ Marketplace setting variables
- ❑ Documentation: job descriptions, organization charts, payroll records, *etc.*

### **Performance Measures**

- ❑ Organization, division and job performance variables
- ❑ Size of outcomes
- ❑ Change in outcomes
- ❑ Financial ratios
- ❑ “Leading” and “lagging” indicators
- ❑ Scope of results
- ❑ Short-term and long-term measures
- ❑ Job-group focus
- ❑ Performance “trade offs”

### **Salary Program Design**

- ❑ Marketplace surveys and market position
- ❑ Job evaluation plans: skills, effort, responsibilities, working conditions
- ❑ Regression models
- ❑ Salary structures: starting pay rates, pay grades or bands, pay rate progression, pay ranges, overtime premiums
- ❑ Salary budgeting: compa-ratios, general increases, merit increase matrices
- ❑ Equity and bias: job value matrix, tests for inter-rater bias, EEO/AAP

### **Non-Cash Compensation Program Design: Benefits and Perquisites**

- ❑ Unemployment insurance and workers' compensation

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- Paid time off: holidays, vacation, personal days, sick leave, other leave
- Health and welfare plans: Medicare, health and dental insurance, AD&D and life insurance, short-term and long-term disability insurance, Social Security disability benefits
- Retirement income funding: Social Security, defined benefit (pension) plans, defined contribution (401k) plans, non-qualified deferred compensation plans and SERPs
- Claims, costs and benefit values
- Perquisites: expense accounts, corporate credit cards, car or car allowance, cellular phone, personal computer, professional dues, continuing education, legal services, financial counseling, club memberships, spouse travel, *etc.*

### **Short-Term Incentive Plan Design: Bonuses and Commissions**

- Marketplace practice and internal job value hierarchy
- Marketplace distribution of compensation
- First dollar or threshold and cap
- Continuous or stepped increments
- Constant, progressive or regressive pay lines
- Specific or shared performance schedules
- Team or individual awards

**Long-Term Incentive Plan Design: Stock Options and Other LTI**

- ❑ Multiplicity of forms
- ❑ Options multiple
- ❑ Equity or cash
- ❑ Stock indices and long-term trends
- ❑ Beginning value or future appreciation
- ❑ Performance before and after grant
- ❑ Dividend policy
- ❑ Total return to shareholders
- ❑ “Market price” of privately held stock
- ❑ Equating awards
- ❑ Leverage
- ❑ Expensing stock options
- ❑ Dilution and impact on income
- ❑ Tax and accounting treatment
- ❑ Proxy statement projections
- ❑ Mathematical models
- ❑ Multiple-year bonus programs

*For information about any component of a  
Total Rewards Program, please email  
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