

Percentage-Based Stepped Bonus Plan Hourly Billing Attorneys

Form 10.01

In the bonus plan below, monthly production targets are established with an increased bonus percentage accompanying each additional jump in hours billed. Depending on the situation (whether or not the hourly biller has any control over collection of the fees), the real goal should be hours billed and collected. The example below shows an attorney billing at \$100 an hour, with 100% collected (in reality, your firm's realization rate will be lower – use your actual rate when calculating).

Bonus Plan Sample:

Monthly Production Goal	Bonus %	Bonus Paid to Producer	Revenue to Firm @ \$100/hr 100% Realization Rate
75 Hours/Month (17 Hours/Week)	1%	\$75	\$7500
76 --100 Hours/Month (up to 23.2 Hours/Week)	2%	\$200	\$10,000
101 -- 125 Hours/Month (up to 29 Hours/Week)	3%	\$375	\$12,500
126-- 150 Hours/Month (up to 34.8 Hours/Week)	4%	\$600	\$15,000

Bonus Plan Worksheet: To suit your situation, establish the following variables: monthly production goals, bonus percentage, hourly rate and realization rate. Then create your own plan, below.

Monthly Production Goal	Bonus %	Bonus Paid to Producer	Revenue to Firm @ _____/hr _____ % Realization Rate