

FOR IMMEDIATE RELEASE**Bonus Plans for 2010 Remain Strong While Salary Levels Gradually Rebound: Buck Consultants Survey**

NEW YORK: March 10, 2010 – The majority of employers report their bonus payments in 2010 will be similar to what they paid last year, according to a [Buck Consultants](#) survey released today.

Buck's survey, "[Recovery, Restoration and Retention: 2010 Compensation Trends](#)," found that 58 percent of organizations expect to award bonuses that are within five percent of last year's amounts. More than one in five respondents (21 percent) plans to make bonus payments that are five percent or greater than 2009 payments.

"Although these results may appear surprising, there are plausible explanations," said Tom Burke, director at Buck Consultants. "Companies may have ended the year with earnings performance that was strong enough to meet or exceed their targets. And those targets may have been at levels that were the same as, or even less than, prior targets."

"There are two other factors to consider," said Burke. "First, companies may be rewarding those employees – especially top performers – who made it through downsizing and have been asked to do more. Second, companies may be more inclined to award bonuses, which are variable costs, rather than to increase base salaries, which drive up fixed costs including benefits that are tied to salaries."

Buck Consultants, a leading human resources consulting firm, completed its survey in January 2010. The survey includes responses from 180 employers, representing virtually every sector of the U.S. economy. It examines bonus payments, salary increase budgets, and related workforce practices that have a significant impact on labor costs.

Buck's survey found that pay increases for 2010 average 2.2 percent. This is greater than last year's average, but slightly less than the 2010 projections made by companies in a prior survey Buck conducted in July 2009.

"Overall, economic conditions appear to be improving slowly," said Burke. "We're seeing a gradual lifting of pay freezes and hiring freezes. Companies that implemented salary cuts are restoring salaries in most cases. Employers realize the importance of reinvesting in their workforces as the economy shows signs of recovery. At the same time, they are being cautious so they are in sync with business performance."

Other key survey findings include:

- One-third of survey participants report making changes to the way they measure or reward the performance of their employees.
- Thirty percent of the survey participants indicate they plan to use market-based salary adjustments to retain their top performers.
- More than 95 percent of survey participants say they have no plans to expand or implement bonuses for attracting and retaining employees despite widespread reports about growing worker dissatisfaction.

Buck Consultants is a leader in [human resource](#) and [benefits consulting](#) with more than 1,500 professionals worldwide. Founded in 1916 to advise clients in establishing and funding some of the nation's first public and private retirement programs, Buck is an innovator in the areas of retirement benefits, health and welfare programs, human capital management, compensation, and employee communication. News and other information about Buck Consultants are available at www.buckconsultants.com. Buck is an independent subsidiary of [ACS, A Xerox Company](#).

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Buck's survey report, "Recovery, Restoration and Retention: 2010 Compensation Trends," is available at no cost to the media by contacting Ed Gadowski at 201-902-2825. It is available at no cost to other interested parties from Buck's Global Survey Resources, 500 Plaza Drive, Secaucus, NJ, 07096-1533. Telephone 1-800-887-0509. It can also be ordered online at www.bucksurveys.com.

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