

Guide to Compensation Packages

Compensation Package: Refers to salary & fringe benefits offered. Varies by company.

Salary: Yearly gross wages. (pre-tax)

Bonus: Generally contingent on performance. Company will highlight a salary % cap.

Fringe Benefits: Additional benefits that hold monetary value.

Paid time off (PTO): Any paid vacation or sick days. Some companies require that you work a certain amount of time at the company to earn paid time off.

Unpaid time off: Any unpaid vacation/sick days.

Medical Insurance: One of the largest parts of your compensation package—sometimes accounts for 25% of its value.

Vision/Dental Insurance: Does the company offer supplemental insurance, or do you need to find your own provider?

Retirement Plans: 401(k) [for-profit companies], 401(b) [not-for-profit companies]. It is important to pay yourself first and start saving for your retirement as soon as you start your working career.

Employer Matching: Employer's will match a % of the money you contribute to your retirement account.

Flex Work Hours: This means you have an added benefit of being flexible about the time you spend in the office. For some people this means being remote part of the week and being the office for the other part of the week.

Tuition Reimbursement: Repayment of fees associated with schooling during your time at the company, cannot be applied retroactively.

Childcare: Some employers offer discounted or free childcare for their workers allowing them to have ease of finding care.

Be sure to look at the **offer expiration date** to ensure you reply in a timely fashion regardless of whether the answer is yes or no—you don't want to leave a bad impression. In the offer letter/compensation packages they will enclose the information of a contact person who you will call or email about accepting the offer, or if you have any additional questions about the offer.

Comparing Job Offers

When comparing two or more jobs it's important to consider your *values* (intangible) along with the *monetary* (tangible) side of things. Weigh out how the job aligns with your personal and financial needs/goal

Job 1

\$65,000 Base salary

1% Contribution match

$[(65,000 * .25) = 16,250 (*.01) = \underline{\$162}$

employer contribution]

1-week paid vacation

1 hour commute (40 mi one way) (40 mi

*.56 cents/mile) (*2 drives *260 workdays) =

\$11,648

Bonus up to 2%

$(65,000 * .02) = \underline{\$1,300}$

Longer hours

Lacking healthcare plan

Grand Total: \$54,814

Job 2

\$57,000 Base salary

3% Contribution match

$(57,000 * .25) = 14,250 (*.03) = \underline{\$427}$

employer contribution

2 weeks paid vacation

15 min commute (10 mi one way) (10

mi * .56 cents/mile) (*2 drives *260 workdays)

= \$2,912

Bonus up to 4%

$(57,000 * .04) = \underline{\$2,280}$

Regular 8-hour workday

Grand Total: \$56,795