

Examples of Incentive/Bonus Arrangements

Use the following examples of incentive programs only as guides. Adapt them to your situation. Tie them to work responsibilities carried out by the employee over which he/she has some control.

Suggested incentives	TYPE OF EMPLOYEE STATUS		
	Semi-Skilled	Skilled	Supervisory/Management
Normal incentive should be equal to:	5-10 percent of cash wages	10-15 percent of cash wages	15-25 percent of cash wages
Whole farm (adjust for size and type of farm)	1/2-1 percent of Gross Farm Receipts		2-4 percent of net returns after cash operating expenses, or 5-10 percent of taxable income (Schedule F)
	End of year bonus = \$400-\$800 per year plus \$100 for each year of service	End of year bonus = \$600-\$1200 per year plus \$150 for each year of service	End of year bonus = \$1,000-\$2,000 per year plus \$200 for each year of service
Crop farm	\$4-\$6/hour tractor driven after 7 p.m. (paid weekly)	\$4-\$8/hour tractor or combine driven after 7 p.m. (paid weekly)	15-20¢/bu. of corn produced over county average or long-term farm average
	\$6-\$8/hour tractor driven after 11 p.m. (paid weekly)	\$8-\$10/hour tractor or combine driven after 11 p.m. (paid weekly)	30-40¢/bu. of soybeans produced over county average or long-term farm average
	1/4 -1 percent of gross crop sales		
Dairy	\$5-\$8 for each cow detected in heat	<u>Calving interval</u> \$275 = 13.5 months \$450 = 13 months \$750 = 12.5 months	<u>Herd milk production avg.</u> 14,000# = \$750/year 16,000# = \$1,500/year 18,000# = \$3,000/year
Hogs	\$2.00-\$3.00 for each sow detected in heat	<u>Pigs saved per litter/50 sows</u> 7.5 = \$300 8.0 = \$600 8.5 = \$1,000 9.0 = \$1,500 9.5 = \$2,000	<u>Feed conversion farrow-to-finish/50 sows</u> 425# = \$250/year 400# = \$450/year 375# = \$750/year 350# = \$1,000/year 325# = \$1,500/year 300# = \$2,000/year
		1/2-1 percent of hog sales less cost of feeder pigs \$2.00-\$3.00 per feeder pig bought and fed out	
Beef	\$15-\$20 for each feeder detected sick, treated and recovered	<u>Calf crop sold/75-100 head</u> 85% = \$450 90% = \$900 95% = \$1,500 100% = \$2,000	Same as other two categories

... and justice for all

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