

Simpson Thacher Urges Associates to Report to Office or Risk Bonuses: New Policy Announcement



Simpson Thacher, a prominent law firm based on Wall Street, has recently implemented a new policy that has stirred controversy among its associates. The firm is now threatening to withhold bonus money from attorneys who do not meet the requirement of being physically present in the office for at least three days a week. This updated policy, mentioned in the firm's employee handbook, has raised concerns among lawyers as it directly links office attendance to annual and discretionary bonuses distribution.

According to a reliable source familiar with the situation, Simpson Thacher explicitly stated in their revised employee handbook that attorneys who fail to comply with the office attendance policy, as determined by the firm, may either be rendered ineligible for a discretionary bonus or face a reduction in the bonus amount. This announcement comes at a time when major law firms are grappling with how to encourage their lawyers to return to the office amid the waning effects of the pandemic. Particularly for early-career associates, in-person training and development opportunities are vital, and law firms are keen to reinstate a sense of normalcy.

The struggle to attract lawyers back to the office is further compounded by a decrease in demand and the need for firms to tighten their financial belts. Associates who had previously enjoyed increased leverage during a recent surge in recruiting are now witnessing its gradual erosion. Simpson Thacher's policy update follows a similar stance taken by competitor firm Sidley Austin, which also informed associates that office attendance would be a factor considered in bonus allocation. It is customary for large law firms to distribute annual bonuses based on seniority, with last year's maximum bonus reaching an impressive \$115,000.

Rebecca Glatzer, a legal recruiter in Atlanta for Major, Lindsey & Africa, suggests that firm leaders capitalize on associates' diminished leverage to adjust their policies and limit work-from-home options. Some firms are seizing the opportunity to readjust the balance and pull back on remote work arrangements. When approached for comment on the recent policy change, Simpson Thacher declined to provide any official statement. The policy update was initially reported by Above The Law, a legal news publication.

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With nearly \$2.2 billion in gross revenue reported last year, according to data compiled by The American Lawyer, Simpson Thacher ranks among the top 15 largest law firms in the United States. The firm is renowned for its expertise in mergers and acquisitions, frequently serving as an advisor on significant deals. However, associates at various firms are expressing discontentment with being compelled to work from the office, especially when they observe partners who seldom make appearances themselves.

Rebecca Glatzer shares an anecdote, stating that associates often find themselves physically present in the office, only to communicate with partners through calls, emails, or video chats to obtain the necessary guidance. This dissonance between expectations and the reality of partner presence further exacerbates the concerns of associates who feel obligated to comply with the office attendance policy.

Simpson Thacher's recent policy update regarding mandatory office attendance has sparked significant debate within the legal community. Associates are wary of the potential impact on their bonuses while grappling with the shifting dynamics of remote work and its advantages and disadvantages. As law firms navigate the post-pandemic landscape, finding the right balance between in-person and remote work arrangements continues to be a challenge, with each firm adopting its own approach based on its unique circumstances and priorities.