

Step toe Launches Innovative Compensation Model for Associates

Step toe

Step toe LLP, a prominent BigLaw firm, is set to implement a new, flexible compensation system in 2025 that offers associates the choice of one of three different compensation tracks based on annual billable-hour targets. This new approach marks a significant shift in the firm's compensation structure and aims to provide more tailored work-life balance options for its legal staff.

New Compensation Tracks Introduced

Under this revised system, Step toe associates will have the option to choose among three distinct billable-hour goals, each linked to different salary scales:

- 1. Track One: 1,800 Billable Hours**
 - Associates who opt for this track will receive their current base salary, which starts at \$215,000 annually for first-year associates. This option provides a balance between workload and compensation without an increase in salary but allows associates to maintain their existing pay structure.
- 2. Track Two: 2,000 Billable Hours**
 - This mid-tier option raises the starting annual salary to \$225,000 for first-year associates. For more experienced attorneys, the pay scale scales up significantly, reaching \$502,500 for eighth-year associates. This track is intended for those who are prepared to work additional hours in exchange for a higher salary.
- 3. Track Three: 2,200 Billable Hours**
 - The highest tier sets the starting pay at \$236,250 for first-year associates, with an impressive salary increase up to \$581,750 for eighth-year associates. This track caters to associates who are willing to commit to the highest level of billable hours and are seeking substantial financial compensation.

Equal Opportunities Across Compensation Tracks

One of the most significant aspects of this new compensation model is that all three tracks come with identical opportunities for career advancement. Regardless of the chosen billable-hour goal, associates will be eligible for promotions under the same criteria, ensuring that their professional growth is not hindered by their selection of a particular compensation track.

Moreover, each of the three options includes an allowance for 200 hours of pro bono and nonbillable work. This integration reflects Step toe's commitment to encouraging a well-rounded practice that extends beyond billable client work.

Additional Incentives and Bonuses

Gwen Renigar, Step toe's chair, explained in a communication to associates that the firm plans to offer bonuses as part of this new model. Associates will be rewarded not only for meeting their chosen billable-hour targets but also for exceeding them. These performance-based bonuses are designed to incentivize higher productivity and recognize exceptional contributions.

Additionally, there will be opportunities for associates to earn bonuses for bringing new business to the firm. This provision underscores Step toe's emphasis on fostering an entrepreneurial spirit among its legal team and encouraging proactive efforts in business development.

The Firm's Vision for Flexibility and Adaptability

Step toe's new system aims to balance the competing demands of professional excellence and personal well-being. By offering different paths for compensation, the firm is empowering associates to align their professional objectives with their personal priorities, whether they are looking for a demanding, high-reward trajectory or a more moderate workload with a consistent income.

The introduction of these options reflects a growing trend in the legal industry towards more flexible and individualized work arrangements. It also highlights Step toe's responsiveness to evolving expectations within the legal profession, where the importance of flexibility, compensation, and work-life balance are becoming increasingly pivotal to recruitment and retention.

In summary, Step toe's innovative approach positions the firm as a leader in adapting to the evolving needs of its associates while maintaining high standards of service and performance. The new compensation tracks ensure that every associate can choose the path that best suits their career goals and personal needs, promoting a more dynamic and supportive work environment.