

Hogan Lovells and Perkins Coie Reverse Course, Announce Special Bonuses for Associates



Hogan Lovells and Perkins Coie have announced market-rate special bonuses for their associates, reversing earlier decisions not to provide the payouts as standard practice. The special bonuses range from \$6,000 to \$25,000, in addition to already generous year-end bonuses.

Revisions Prompted by Industry Dynamics and Feedback

Initially, both firms had indicated they would not provide special bonuses across the board. Hogan Lovells stated that additional bonuses would be available only for associates who exceeded minimum billable hour requirements. Perkins Coie had similarly refrained from committing to market-rate special bonuses. However, feedback from associates, internal discussions with partners, and the competitive pressure of peer firms led to a change in strategy for both firms.

According to legal industry experts, it's not uncommon for firms to revise their bonus policies after facing backlash or concerns about talent retention. "It's a reflection of the industry's competitive nature," said a legal observer quoted by Law.com.

Details of the Bonuses

Both firms now plan to align with market expectations:

- **Hogan Lovells:** Associates qualifying for hours-based bonuses will receive payouts that exceed the announced scale of many top firms. A firm spokesperson emphasized that this decision was made after consulting with associates, partners, and other stakeholders. "Listening is a core part of our culture, and we aim to reward our team competitively," the spokesperson added.
- **Perkins Coie:** The firm tied its decision to its strong financial performance and a commitment to offering market-competitive compensation. A spokesperson highlighted that rewarding associates in line with industry standards reflects the firm's commitment to retaining top talent.

The special bonuses will be paid alongside year-end bonuses, which range from \$20,000 for the most junior associates (class of 2023) to \$115,000 for the most senior associates.

Competitive Pressures Drive Policy Shifts

In recent years, associate compensation has become a key battleground for top law firms seeking to attract and retain talent. Special bonuses, often paid in response to strong financial performance or increased workloads, have become a standard expectation among associates at leading firms.

Legal industry insiders note that firms are increasingly responsive to associate sentiment, especially in a competitive hiring market. The willingness to adjust bonus policies demonstrates a firm's commitment to its workforce and its recognition of the value associates bring to its success.

Looking Ahead

The decision by Hogan Lovells and Perkins Coie to match market-rate bonuses signals a broader trend in the legal industry, where competitive compensation packages remain crucial for talent retention and recruitment. As the financial health of firms continues to improve, it's likely that similar announcements will follow from other major players in the sector.

