Why Many Companies Are Giving Bonuses – Not Raises – After the New Tax Cuts

Companies like Apple, American Airlines, Bank of America and AT&T have been giving bonuses to their workers in the wake of the new U.S. tax law, but fewer employers are putting their tax savings into a boost in base pay, points out **Jena McGregor** for ***The Washington Post***.

“A number of companies, including Walmart and many banks, have announced increases to their minimum wage or other adjustments to salaries. But the number of companies offering bonuses – or who say they may do so – are thus far higher,” she writes.

She quotes Ken Abosch, the North American compensation practice leader for Aon: “Salaries represent the single largest percentage of direct labor costs [for employers]. Any time you give someone an increase in their salary, it’s an annuity. It’s not a one-time event like a bonus. It’s additive and it compounds.”

Read the *Post* article.