Abstract: When employers are trying to motivate employees, Bernard Schoen of Johnson & Higgins and Joel Culmone of Orion Group advise a provision of benefits that reward workers annually according to objective performance standards. This reward should be separated to remind employees that they are receiving a special benefit. One strategy involves providing a universal base benefit plan and offering incremental benefits as incentives. For example, a medical plan deductible could be eliminated or an additional percentage of salary could be added to life insurance. Culmone advises that, while employees should always be given the option to take cash, it should be given in equal installments throughout the year for maximum impact on incentives. Incentive options can include new and existing benefits, and decisions regarding an incentive benefit program involve the level of coverage to add to core benefits and the development of unit and individual performance targets. Well-designed incentives do not raise a firm's annual costs as raises in base pay would. Good communication also is required to implement an innovative incentive program.