

How to Evaluate an Offer

Just like an interview, a job offer can tell you a great deal about a potential employer. An offer can reveal how serious the employer is about the offer, how valuable you are to the company, and most importantly, whether you should make the move.

Jobs are customarily offered over the telephone or in person. The employer should offer more than just, "Congratulations, you've got the job." He or she should explain the offer in detail and answer your questions.

It is appropriate to respond to a job offer within two to four days. Rarely would an employer expect you to accept a position on the spot. While you're thinking it over, here's what to look for.

Titles

The most basic information is your title. Titles are more than names; they are a short, strategic, and functional explanation of your job and its responsibilities. You need to be clear on your duties so that you know what is expected of you, which can help minimize surprises after you start working.

The names and titles of your immediate supervisors also should be mentioned in the offer. Most likely, you have already met your supervisors during your interview and have gotten acquainted with them. You'll be working with your supervisors every day, so it's important to feel comfortable around them. Knowing how many supervisors you have also will give you a better idea of the amount of work involved in your job.

Salary

Understanding the salary information - the most important piece of the job offer - can help you reach an educated career decision. Find out your base pay, which can be stated annually, monthly, or both. Make sure you know how frequently you will receive a paycheck. Most employers pay biweekly (26 times a year) or twice a month (24 times a year). If you are a nonexempt employee, you should be paid at least twice a month.

Be sure to ask about the timing of your salary review - in other words, when will you be eligible for a raise. Your salary review sometimes is tied to your performance review and is a chance for the employer to recognize and reward you for your accomplishments. Generally, the review will take place one year from your start date. Some companies conduct six-month salary reviews as well.

Bonuses

Bonuses can add money to your total compensation package. Employers should tell you about the different bonuses offered, which can be based on personal performance or be relative to the company's profit. Sometimes a bonus simply will be a set percentage of your base pay. If you

were offered a signing bonus, be sure to ask about the details, such as the date you will receive the pay.

If an employee referred you to the company, then he or she may receive a referral bonus, which is contingent upon your employment. This means you may have to be employed at the company for a specified period before the bonus is granted.

Benefits

Compensation isn't just the cash, it's also the benefits. The most important benefits are health and dental insurance. You should find out the name of the provider and the types of coverage you will receive. You should also be aware how much your insurance will cost each week, and how much your employer will cover. Companies offer different kinds of coverage, and if your company makes you pay more for health coverage, you have an incentive to negotiate.

Medical plans sometimes take more than a week to process, so find out whether your new medical plan will take effect on the day you start working. Your health insurance plan at your current job expires on the day you leave, but under federal COBRA laws you have the right to continue to purchase health insurance under your old plan for 18 or 36 months, depending on the plan.

If your new plan will not take effect right away and you elect to purchase your old plan, you may want to ask your new employer to pay part or all of the plan's costs until the new one kicks in.

Remember, you want an offer that matches your current employment status. A good starting point is to use the list of benefits from your current job as a checklist for your new job. If you currently have short-term and long-term disability insurance coverage, find out whether the new employer offers comparable programs. Some other common financial benefits are pension plans, retirement plans, life insurance, travel insurance, and severance packages.

Some companies, both public and private, offer stock options as part of the compensation package. If you are offered stocks, find out how many shares you'll receive and when they vest. Vesting in this context is the period over which an employee has the right to realize the right to exercise options (purchase and sell shares of stock). Vesting schedules vary from company to company. Be sure to ask when the vesting period begins. You may, for example, become vested in 25 percent of your stock options after each six months of employment. It's also in your best interest to know your exercise price, the current price of public stock, and the number of shares outstanding to calculate the value of your options and get a better idea of your total package.

Perks

Traditionally, companies offer added perks to executives and some senior managers. Today, some companies also offer the same high-end incentives to other employees. These benefits could include daycare, reimbursement for parking or commuting fees, and health club memberships. Not all companies offer these services, and not all employees are granted these perks.

Employers also offer training programs, and often every employee is sent to at least one training session, regardless of industry or job title. An employer that values its staff wants to help them grow and develop professionally. Ask about the types of training you would receive. Some companies also offer tuition reimbursement to encourage employees to pursue higher education.

Vacation time

Don't forget to ask about the all-important vacation time. Always ask when you are in doubt - and never assume - because policies differ from company to company. Generally, every employee receives two weeks of vacation time each year; the number is usually higher for senior-level positions. Vacation time also is negotiable if you are offered less time compared with what you have at your current job.

Two benefits often overlooked when evaluating a job offer are sick days and personal days (sometimes called floating holidays). These benefits should be stated in the offer letter, and you should clarify when you can access these benefits. Usually, you must wait three months before you can take a vacation day or a personal day, so if you know ahead of time about an upcoming engagement, negotiate now so that there will be no surprises later. Plus, this is proper business etiquette.

Start date

An employer will discuss your start date, which should be stated in the offer letter. If you are currently employed, the start date will be at least two weeks later, giving you enough time to notify your current employer. It could be as long as four weeks if you hold a management position or if it takes longer to find a replacement for your current position. Negotiate for more time if you feel it's necessary to help you make a smoother transition into your new career.

- *Leslie Tebbe, Salary.com contributor*