

Marginal vs Retroactive Commission

Comparison of marginal and retroactive sales commission tiers.

<https://accountexecutivejobs.com/blog/sales-compensation/sales-commission-tiers-cliffs-accelerators>

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Account Executive Jobs

Tier mechanics

Same attainment. Different check.

Marginal vs Retroactive Commission

Ask which revenue the new rate reprices.

Rate stays inside each band

Marginal

01 Earlier revenue keeps its earlier rate

02 The effective rate blends across tiers

03 \$1.25M example pays \$137,500

04 Every band should be shown separately

Ending tier reprices revenue

Retroactive

01 Some or all earlier revenue changes rate

02 Threshold crossings create bigger jumps

03 \$1.25M example can pay \$250,000

04 The written plan must define the scope

At \$1.25M credited revenue, the method can matter more than the headline multiplier.

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Use this reference

Read the full guide for the context behind this visual. The original illustration and its source belong together when you share it.

Notes