



*Global HR & Relocation Solutions*  
**Example**

July 2012

***EMPLOYMENT IN THE U.S.***  
***COMPONSEATION AND BENEFITS SURVEY***  
***BOSTON, MA***  
**SR. DIRECTOR OF MARKETING COMMUNICATION**



*Global HR & Relocation Solutions*  
**Example**  
**Cash Compensation Survey**

**Survey Highlights**

1. The survey is based on a salary surveys conducted by Advanced HR and was validated with our local partner in the US.
2. The survey focus group is SW companies with annual turnover of \$2M to \$20M.
3. The salary information includes base salary and target variable components (bonus & commission).
4. The salary information does not include Social Benefits.
5. The range does not take into account exceptional numbers (both directions).
6. Salary data has been aged effective July 2012. Salary increases forecast for H2-12 average 1.7%.
7. All figures are annual.

**Definitions:**

**Annual Base Salary:** Monthly basic salary X 12 + any legally mandated or guaranteed payments.

**Target Variable Salary:** Performance based bonus/incentive and commissions. Based on 100% goals achievement and/or 100% quota attainment.

**Total Cash Compensation:** The annual base salary + target variable salary. It excludes items such as perquisites or car allowances and benefits.

**Range:** Minimum value to Maximum value (excluding exceptional values).

**25% (Q1):** The point of a range of data for each survey item at which 75% of cases are above it, and 25% of cases are below it.

**Median:** The value in the middle of a range of data for each survey item, i.e. the point at which 50% of cases are below it and 50% of cases are above it.

**75% (Q3):** The point of a range of data for each Survey Item at which 25% of cases are above it, and 75% of cases are below it.



*Global HR & Relocation Solutions*  
**Example**

**Job Description**

<b><u>Senior Director of Marketing Communication</u></b>	
<b>Experience</b>	At least 15 years of relevant marketing experience
<b>Educational Background</b>	A graduate degree in marketing or a related field would be desirable. MBA – an advantage
<b>Reporting Level</b>	VP of Marketing/General manager/CEO
<b>Scope of Position</b>	<b><u>Territory:</u></b> North America
	<b><u>Functions reporting directly:</u></b> - <b><u>In matrix:</u></b> -
	<b><u>Number of employees reporting directly:</u></b> - <b><u>In matrix:</u></b> -
	<b><u>Budget:</u></b> -
	<b><u>Annual Target Revenues:</u></b> -
<b>Job Description</b>	<p>Responsible for implementing the company marketing communication programs. Responsible for assessment of existing and potential markets, definition of promotional activities and product launch. Activities include sales support, product advertising and promotion, trade shows, and implementing multiple channel programs. Responsible for managing the development, implementation and coordination of public relations activities with the goal of establishing and maintaining a favorable image of the company through researching, writing and editing press releases and other related documents</p> <p>Receives assignments in the form of objectives with goals and process to meet goals outlined. Provides direction to employees according to established policies and management guidance. Recommends and implements changes to unit/function unit policies. Frequently interacts with outside customers and functional peer groups at management levels. Interaction normally requires the ability to gain cooperation of others, conducting presentations of technical information concerning specific projects/schedules.</p>



## *Global HR & Relocation Solutions*

### **Example**

#### **Cash Compensation Information**

- The following table provides the annual total cash compensation as derived from the salary surveys for the above job description:

	<b><u>Range</u></b>	<b><u>25% (Q1)</u></b>	<b><u>Median</u></b>	<b><u>75% (Q3)</u></b>
<b>Base Salary</b>	\$117,500 - \$192,800	\$140,000	\$160,000	\$183,500
<b>Target Variable Salary</b>	\$17,300 - \$52,500	\$23,800	\$28,700	\$38,300
<b>Total Target Cash Compensation</b>	\$140,000 - \$230,500	\$163,000	\$186,000	\$217,900
<b>Equity (% of Total Equity)</b>	0.050% - 0.432%	0.098%	0.169%	0.271%

#### **Variable Salary Structure**

- 90% of the surveyed companies award this level of position a bonus with a range of 9% - 29% and an average of 16.1% of the Total Target Cash Compensation. Those bonuses are dependent on 100% achievement of objectives by the employee/group.

#### **Variable Salary Target**

<b>% of Total Cash Compensation</b>	<b>No Bonus</b>	<b>Up to 10%</b>	<b>10% to 15%</b>	<b>15% to 20%</b>	<b>Above 20%</b>
<b>% Of Companies</b>	10%	5%	37%	33%	15%

- 70% of the companies pay a bonus of 10% to 20% of the Total Target Cash Compensation.

#### **Types of Bonus**

<b>Bonus Type</b>	<b>Any Bonus Type</b>	<b>Individual Bonus</b>	<b>Group Bonus</b>
<b>% Of Companies Using Bonus Type</b>	90%	40%	65%

- 65% of the companies provide a group-based bonus.
- 40% of the companies also provide an individual-based bonus.

#### **Variable Salary Goals**

<b>Goals Type</b>	<b>Individual</b>	<b>Company/Group</b>
<b>% In Variable Salary</b>	37%	63%

- 37% of the bonus is being paid according to individual goals.
- 63% of the bonus is being paid according to company/group goals.



## *Global HR & Relocation Solutions* **Example**

### **US: Statutory and Market Practice Benefits**

#### **General**

- In General, the whole area of social benefits is less developed in the US than in most of the other developed countries. US employers and employees focus more on cash and the equity components and less to the benefits components. Accordingly, only 27% of the overall payroll costs are allocated to benefits. Most of the benefits budget is allocated to government mandated plans (FICA, Medicare, etc) and to health insurance plans (which is central to employees because of lack of public health program).

#### **Social Security (Statutory)**

- Social Security payments are mandatory. Following are the Social Security payments in Massachusetts:
  - 10.4% (employee – 4.2%, employer – 6.2%) of the annual income up to a ceiling of \$110,100 for pension, survivors and long-term disability insurance (FICA).
  - 2.9% (employee – 1.45%, employer – 1.45%) of the annual income (with no ceiling) for medical insurance (Medicare).
  - 1.26% to 12.27% (all employers) of the annual income up to a ceiling of \$14,000 for unemployment insurance. The tax rate for new employers is 2.83% of income.
  - 1.7% (all employers) of the annual income for Workers' Compensation.

#### **Health Insurance Plan**

- Almost all of the companies provide Health insurance to the employees and their families.
- 91% of companies offer Preferred Provider Organizations (PPOs) plans and Health Maintenance Organizations (HMOs) plans. These types of health plans are considered managed care plans and are considerably less costly than many of the other indemnity plans available.
- With these types of services, the insured individual must choose from a network of doctors and hospitals supplied by the plan for their primary medical care.
- Usually managed programs work on a “co-pay” basis. This means that the individual will only have to pay a minimal fee, from \$5 to \$20, for a visit to one of the doctors participating in the plan. Any services provided outside the specific network of doctors usually requires a referral by a participating network physician or will not be covered by the plan at all. Sometimes a larger deductible is added to the health care costs for a visit to a non-participating doctor.
- 76% of the companies also offer Health Indemnity Plan (EPO), An EPO plan offer more flexibility in choosing medical services and therefore is more expensive and usually used by high-income employees. Such a plan usually has a deductible of \$250 to \$500 per insured person, and reimburses a percentage of covered costs. Most



## *Global HR & Relocation Solutions*

### **Example**

programs offer 80 percent of the health insurance premium covered by the employer with the employee paying the remaining 20 percent.

- The annual cost of annual medical insurance ranges from \$5,100 for a single employee on PPO/HMO plan to \$16,900 for a family on EPO plan.
- Typically companies cover 70% to 90% of the cost and employees cover the rest.

### **Dental Insurance Plan**

- 55% of companies offer an Indemnity Dental Plan with an "Out of Network" option while 37% of companies offer an Indemnity Dental Plan without an "Out of Network" option.
- Dental plans cover 100% of preventive care, 80%-90% of basic care and 50%-60% of major care. Most plans have an annual spending limit of \$1,500 per person.

### **Vision Insurance Plan**

- 72% of companies offer a vision plan.
- The typical vision plan cover vision exam every 12 months and frames, lenses and contacts every 24 months.

### **Long Term Disability Insurance Plan**

- 87% of companies provide an LTD insurance plan.
- Typically such insurance covers 2/3 of the insured salary (with a monthly limit of \$10,000) from the 91<sup>st</sup> day of disability.

### **Short Term Disability Insurance Plan**

- 58% of companies provide STD insurance plan.
- Short Term Disability plan typically covers 2/3 of base salary up to a maximum weekly benefit of \$1,400 for the first 90 days of disability; on the 91st day, Long Term Disability typically becomes effective.

### **Life Insurance Plan**

- 82% of companies provide a life insurance plan.
- Such plans typically pay to the survivors 24 monthly salaries to a maximum of \$150,000.

### **Sick Pay**

- The market practice is an annual sick leave of 5 days.
- Most companies allow one to three months of leave of absence in case of a serious illness.
- 27% of the companies combine the sick leave to the annual vacation and allow the employees who have not used the statutory annual sick leave (5 days) as vacation days.

### **Retirement Plan**



## *Global HR & Relocation Solutions*

### **Example**

- Only 7% of the companies offer a pension plan while 78% of companies offer a 401(k) plan. The 401(k) plan allows a pre-tax salary contribution toward retirement of up to \$17,000 annually.
- 39% of the companies offer a matching contribution to the 401(k) plan. The matching is typically in a 1:1 ratio and requires a vesting period of 4 years.

### **Flexible Benefits Plan**

- 71% of companies offer a Premium Conversion Plan, which allow employees to pay for un-reimbursed health and dependant care expenses with pre-tax dollars.

### **Annual Vacation**

- 57% of companies provide an annual vacation package of 10 days to employees with less than 3 years of service while 39% of the companies provide 11 to 15 vacation days and 4% provide more than 15 vacation days.
- 30% of companies offer a PTO (Personal Time Off) program, which combines the annual sick leave (typically 5 days) and vacation days.

### **Holidays**

- 96% of companies observe 8 holidays annually. The fixed holidays usually are:
  - New Year's Day
  - President's Day
  - Memorial Day
  - Independence Day
  - Labor Day
  - Thanksgiving Day
  - Day after Thanksgiving
  - Christmas Day
- In addition to the 8 fixed holidays, 77% of companies also provide two floating holidays typically to be used according to management discretion.

### **Car Allowance**

- Car Allowance is provided to field positions: sales, field support, etc. The annual range for this allowance is \$4,800 to \$9,000.