5 Pay and benefits

A Wages, salary and benefits

My name's Luigi and I'm a hotel manager in Venice. I get paid a **salary** every month. In summer we're very busy, so we work a lot of extra hours, or **overtime**; the money for this is quite good. Working in a hotel, we also get nice **perks**, for example free meals!

I'm Ivan and I work as a waiter in Prague. I like my job even if I don't **earn** very much: I get paid **wages** every week by the restaurant. We get the **minimum wage**: the lowest amount allowed by law. But we also get **tips**, money that customers leave for us in addition to the bill. Some tourists are very generous!

I'm Catherine and I'm a saleswoman based in Paris. I get a **basic salary**, plus **commission**: a percentage on everything I sell. If I sell more than a particular amount in a year, I also get extra money – a **bonus**, which is nice. There are some good **fringe benefits** with this job: I get a **company car**, and they make payments for my **pension**, money that I'll get regularly after I stop working. All that makes a good **benefits package**.

B Compensation 1

My name's Alan. I'm a specialist in **pay** and **benefits**. **Compensation** and **remuneration** are formal words used to talk about pay and benefits, especially those of senior managers. **Compensation package** and **remuneration package** are used especially in the US to talk about all the pay and benefits that employees receive. For a senior executive, this may include **share options** (BrE) or **stock options** (AmE): the right to buy the company's shares at low prices. (See Unit 36) There may be **performance-related bonuses** if the manager reaches particular objectives for the company.

C Compensation 2

Compensation is also used to talk about money and other benefits that a senior manager (or any employee) receives if they are forced to leave the organization, perhaps after a **boardroom row**. This money is in the form of a **compensation payment**, or **severance payment**. If the manager also receives benefits, the payment and the benefits form a **severance package**.

In Britain, executives with very high pay and good benefits may be referred to as **fat cats**, implying that they do not deserve this level of remuneration.

5.1 Xavier and Yvonne are talking about Xavier's new job as a photocopier salesman. Complete the conversation, using words from A opposite.

1 X: I get paid every month.
Y: I see. You get a *salary*, not wages.

2 X: I usually have to work late: I don't get paid for it, but I get a percentage for every photocopier I sell.
Y: So you don't get .... , but you do get .... That's good.

3 X: The people in production get a .... if they reach their targets.
Y: Oh right. They get an extra payment for producing a certain amount.

4 X: The company pays for medical treatment too, and the company restaurant is fantastic.
Y: Wow! The .... sound very nice.

5 X: And they've given me a .... to go and visit clients.
Y: So you don't have to buy a car, then.

6 X: What's more, the company pays in money for us to get when we don't work any more.
Y: Yes, it's important to get a good ....

7 X: The total .... is brilliant.
Y: Yes, all that extra stuff is really worth having.

5.2 Which expressions from B and C opposite could be used to continue each of these newspaper extracts?

1

FAILED AIRLINE BOSS GETS MASSIVE PAYOUT

Shareholders are angry that despite very poor results, Blighty Airlines' CEO, Mr Rob Herring, is leaving with £3 million in his pocket. They say it is ridiculous to 'reward' bad performance with this sort of ...

(2 possible expressions)

2

MULTILEVER'S EXECUTIVE PAY

It was today revealed that Mr Carl Lang, head of consumer foods giant Multilever, earns a basic salary of $22 million with stock options potentially worth an additional $10 million. Other payments bring to $35 million his total ...

(2 possible expressions)

3

MEGAFONE CEO GETS £10 MILLION 'THANK YOU' AFTER TAKEOVER

The directors of Megafone, the world's largest mobile phone company, yesterday voted to give Mr Chris Ladyman, its chief executive, a special payment of £10 million for negotiating the company's takeover of Minnemann. The directors referred to this as a ...

(1 possible expression)

4

ANGRY SHAREHOLDERS ATTACK EXECUTIVE PAY

National Energy's shareholders yesterday attacked the directors of the company for paying themselves too much. Profits fell by 30 per cent last year, but directors are being paid 30 per cent more. 'They should be paid 30 per cent less,' said one shareholder. 'These people are just ...'

(1 possible expression)

Over to you

Do you think top executives are too highly paid? Or do they deserve what they earn?