

# 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.

