

# TABLE OF CONTENTS

Introduction .....	13		
Methodology .....	15		
<b>Salary &amp; Inter-Country Relative Wealth Comparisons</b>			
<b>Exchange Rates</b> .....	22		
<b>Regional Analysis</b> .....	23		
<b>Capsule Job Descriptions</b> .....	27		
<b>Dealing with Uncertainty – Global Overview (October 2008)</b> .....	53		
<b>◆ Asia Pacific</b>			
1. Australia .....	57		
2. Hong Kong .....	65		
3. India .....	73		
4. Indonesia .....	81		
5. Japan .....	89		
6. Malaysia .....	97		
7. People's Republic of China .....	105		
8. Philippines .....	113		
9. Singapore .....	121		
10. South Korea .....	129		
11. Taiwan .....	137		
12. Thailand .....	145		
13. Vietnam .....	153		
<b>◆ Western Europe</b>			
14. Austria .....	163		
15. Belgium .....	171		
16. Denmark .....	179		
17. Finland .....	187		
18. France .....	195		
19. Germany .....	205		
20. Greece .....	213		
21. Ireland .....	221		
22. Italy .....	229		
23. Luxembourg .....	237		
24. Netherlands .....	245		
25. Norway .....	253		
26. Portugal .....	261		
27. Spain .....	269		
28. Sweden .....	277		
29. Switzerland .....	287		
30. United Kingdom .....	295		
<b>◆ Central &amp; Eastern Europe</b>			
31. Czech Republic .....	305		
32. Hungary .....	313		
33. Kazakhstan .....	321		
34. Poland .....	329		
35. Russia .....	337		
36. Slovakia .....	345		
37. Slovenia .....	353		
38. Ukraine .....	361		
<b>◆ South Eastern Europe</b>			
39. Bulgaria .....	371		
40. Israel .....	379		
41. Romania .....	387		
42. Turkey .....	395		
<b>◆ Middle East &amp; Africa</b>			
43. Egypt .....	405		
44. Morocco .....	413		
45. Saudi Arabia .....	421		
46. South Africa .....	429		
47. Tunisia .....	437		
48. United Arab Emirates .....	445		
<b>◆ North America</b>			
49. Canada .....	455		
50. United States .....	463		
<b>◆ Central &amp; South America</b>			
51. Argentina .....	473		
52. Brazil .....	481		
53. Chile .....	489		
54. Colombia .....	497		
55. Mexico .....	505		
56. Puerto Rico .....	513		
57. Venezuela .....	521		



# INTRODUCTION

**W**ELCOME to the thirteenth edition of the “Global 50” Remuneration Planning Report.

This report is widely recognised as the premier global planning tool, an invaluable reference for companies operating worldwide. It is designed to generate consistent global benchmarking, making cross-country comparisons easier than ever before.

Indeed, to operate successfully in a competitive international environment, senior executives and human resources practitioners need a comprehensive, yet succinct and manageable, overview of the diverse range of compensation and benefits practices, multi-cultural markets and legislative contexts around the globe.

As usual, this publication contains the latest pay and benefits information for 50 benchmark positions from a range of industries and sub-sectors.

The report presents paylines and policy information in a standard format across 57 countries.

Each country chapter includes, in addition to the payline based on Watson Wyatt Global Grades, the most up-to-date information on statutory employment and benefits programmes, combined with actual market practices, mandatory and supplemental benefits, and commentary on reward trends and the current economic environment.

For the second time this year, the report is complemented with a comparison of net base salaries and relative buying power for 3 selected Global Grades across the 57 countries presented in this report.

We are grateful for the continued support of all companies supplying valuable, accurate and timely data for our databases. We would also like to take the opportunity to thank the Watson Wyatt consultants in each country and our partners in Australia (CSi) and in South Africa (LMO) for their assistance and expertise in pulling this report together.

Watson Wyatt, as a prime source of reward and research intelligence, is committed to assist the business community with the best information available on employment practices around the world.

We are constantly looking at ways to improve our reports and services. Your questions, comments and suggestions are therefore most appreciated. We look forward to hearing from you.

**Marc McBrearty**  
Regional Director,  
Watson Wyatt Data Services  
North America

**Jeric Ramos**  
Regional Director,  
Watson Wyatt Data Services  
Asia Pacific

**Graham Shaw**  
Regional Director,  
Watson Wyatt Data Services  
Europe, Middle East & Africa

**Marcos Morales**  
Regional Director,  
Watson Wyatt Data Services  
Latin America

## BENEFITS

The following describes the employee benefit situation as it applies at 1 July 2008.

Only a condensed summary of the employee benefit situation is provided, with the focus being on both mandatory and non-mandatory employee benefits, covering retirement, death, disability and health care.

### GENERAL

The currently applicable social security system, known as JAMSOSTEK, applies since 1993, and covers all of the following benefits: retirement, death, disability, healthcare, occupational accident and injury.

All companies with 10 employees or more, or which have a payroll of at least IDR 1 million per month, are obliged to insure their employees under JAMSOSTEK. Employers can contract-out for the healthcare benefits. Therefore the JAMSOSTEK healthcare programme will not apply when an employer has a medical care plan in place providing at least the same benefits.

### SOCIAL SECURITY CONTRIBUTIONS

#### Social Security Contributions as a Percentage of Earnings

Type of Benefits	Employer Contribution	Employee Contribution	Maximum Monthly Earnings Subject to Contributions
Retirement	3.7%	2.0%	None
Survivor	0.3%	None	None
Health Care	6.0% / 3.0% <sup>(1)</sup>	None	IDR 1 000 000
Work Injury	0.24% - 1.74% <sup>(2)</sup>	None	None

<sup>(1)</sup> 6% for married employees, 3% for single employees.  
<sup>(2)</sup> Depending on the employer's industrial classification.

### RETIREMENT AND TERMINATION/ END OF SERVICE GRATUITY

#### Social Security

A retirement benefit is payable to men and women who reach the age of 55, live permanently in Indonesia, as well as to those suffering from total and permanent disability. The retirement age can be deferred beyond the age of 55. The retirement benefit takes form of a lump sum equal to the accumulated amount of employer and employee contributions increased with the investment return on these contributions, if the amount is less than IDR 3 million; otherwise payment is spread over a period that cannot exceed five years.

#### Retirement Termination Indemnity

Payment of a retirement termination indemnity only applies in case an employer does not have an occupational pension plan or does neither have a plan that provides for at least a benefit that an individual would receive as severance and service pay when leaving the company. In such case, an individual can claim a retirement termination indemnity of which the amount is determined in exactly the same way as severance and service pay when leaving the company, based on the individual's years of service.

#### Company Practice

The majority of multinational companies with a significant presence in Indonesia now provide some form of retirement plan, with both defined benefit or defined contribution plans applying. Nowadays, however, the defined contribution arrangements (provident funds) are gaining importance.

Local companies' practices vary, but the larger companies generally provide a defined benefit plan. The public and semi-public sector traditionally provide defined benefit plans. Where a pension plan is in place, it is common practice for an employee to contribute to such pension plan.

### DEATH

#### Social Security

On death-in-service and provided the deceased was younger than age 55, beneficiaries (defined as the spouse or the dependent children) will be entitled to all of the following survivor benefits:

<b>From JAMSOSTEK</b>	<ul style="list-style-type: none"> <li>the accrued retirement savings from the 3.7% employer and the 2.0% employee contributions</li> <li>a life insurance benefit of IDR 6 million</li> <li>a burial allowance of IDR 1.5 million</li> <li>a periodic allowance of IDR 200 000 per month paid during 24 months</li> </ul>
<b>Statutory requirement outside JAMSOSTEK</b>	The proceeds of the accrued retirement termination indemnity, referred to above, are paid to the beneficiaries of the deceased.

#### Company Practice

Where a pension plan is in place, there is a legal obligation to include a provision of payment of 60% of the retirement pension to surviving dependants, in case benefit payment is not in the form of a lump sum but rather as a pension.

For death due to natural causes, benefits are generally paid by the retirement plan. These often include a minimum or additional life insurance death-in-service benefit that, on average, equals 24 months of salary.

## BACKGROUND INFORMATION

The following information describes the economic situation and reward environment in Japan, and provides salary and bonus data for selected jobs as at 1 July 2008.

### SOCIO-ECONOMIC BACKGROUND

Up to 2007, recovery of the Japanese economy exceeded the post-war boom in terms of its duration, and corporate profits had continued to perform well. The global credit crunch has caused a slight slowing of growth. The corporate sector is also showing signs of a slowdown. Inflation, which has been historically low, hit its highest levels in more than a decade at the beginning of 2008, due to rising energy and food costs. Some economists fear that there is a risk of stagflation, or a combination of economic stagnation and inflation.

Japan is facing a number of important HR challenges: robust GDP growth has encouraged an economic turnaround and there are now more jobs in Japan than applicants. The employment rate among 2008 university graduates was 96.9% - the highest since 1996. The mass retirement of the first baby-boomer generation has started, which means an exodus of some of the most skilled managers. In addition, Japan has one of the lowest birth rates, coupled with a very rapidly aging society. Some Japanese corporations are already suffering from labour shortages. There are a growing number of non-regular or part-time employees. Companies are responding to the challenges by trying to lure back or to hire older workers or young married women as well as implementing a policy of active retention of new graduates. Many companies propose preliminary offers to students in their last year of university studies.

In response to the rapid aging of the population (about one in five Japanese is over the age of 65), and the sustained employment of aged workers, the revised Law of Stabilization of Employment of the Aged was introduced in 2006. Companies need to adopt one or other of the recommended measures, which include abolishing the mandatory retirement age, raising the retirement age, or introducing continued employment. Among these alternatives, the majority of companies have chosen to adopt continued employment, which involves continuing to employ the eligible employee if he or she so wishes. Few companies have chosen to abolish or raise the mandatory retirement age.

### REWARD ENVIRONMENT

Japanese wages have traditionally been composed of a base salary, guaranteed (non-statutory) bonuses and additional cash amounts such as housing, family, commuting, overtime and retirement allowance, among others.

Base salaries are paid in equal instalments over 12 months, with many employers providing "quasi-guaranteed" summer and winter bonuses normally equivalent to three to six months of base salaries. The amount of the bonus is calculated on basic wages and performance evaluation. The summer bonuses of major Japanese companies will increase slightly from last year with the lowest percentage of gain since 2003, in the face of a slowing economy and rising raw materials prices.

Performance-related bonuses or profit-sharing have recently become a more common practice. In the past, the degree of pay differentiation between good and poor performers was not highly distinctive in Japan. In recent years, however, a considerable number of Japanese employers have shifted from a seniority-based to a more "performance-oriented" compensation system.

Common company benefits are retirement and life insurance. Typical perquisites in Japan include training or educational subsidies, company resort house/sports club/social club memberships, supplementary health care check-ups as well as congratulatory and condolence allowances.

## KEY DATA

	2007 (*)	2008 (*)	2009 (*)
Population (millions)	127.5	127.4	127.3
Unemployment rate (%)	3.8	4.1	4.2
Consumer prices (% change per annum, average)	0.1	1.8	1.4
GDP (% real change per annum)	2.1	0.8	0.8
Tax rate on the highest taxable personal income bracket (%)	40.0	40.0	40.0
Compensation breakpoint for the above personal income tax rate	JPY 18 000 000	JPY 18 000 000	JPY 18 000 000

(\*) Sources: Economist Intelligence Unit – September 2008, National Tax Agency.

## COMPENSATION TRENDS

### TYPE OF SALARY REVIEW

Method used	Market Practice (%)
Fixed date only	94.0
Rolling or anniversary of hire basis only	2.0
Varying by employee category	4.0

### TYPES OF SALARY INCREASES GRANTED

All companies provide a combination of general and merit-based salary increases.

### TOTAL SALARY INCREASES (%)

The percentages reported in the table(s) below are total increases, including merit/performance-based increases as well as general increases (typically resulting from cost-of-living, inflation, currency devaluation adjustments or provided by virtue of collective agreements) and other increases (e.g. market adjustments). Promotional increases are excluded.

	2008 (Actual)				2009 (Projected)			
	First Quartile	Median	Third Quartile	Average	First Quartile	Median	Third Quartile	Average
Chief Executive	7.0	8.0	10.0	9.1	8.0	9.0	10.0	9.3
Top Management	7.8	8.0	10.0	8.4	8.0	9.0	10.0	9.6
Middle Management	7.0	8.0	9.9	8.5	8.0	9.0	10.0	9.7
Employees	7.2	8.0	9.6	8.7	8.0	9.0	10.0	9.7

### PERFORMANCE-BASED INCENTIVES AND EQUITY/SHARE PARTICIPATION

In response to the current economic situation, both globally and locally, companies in the Philippines are increasingly introducing variable "incentives" or pay-at-risk. Typically, companies employ a variety of performance-based incentive models applicable across all employee levels and which are closely linked to corporate, group and individual performance objectives.

Local stock plans are slowly gaining popularity in the Philippines, especially among multinational corporations. Stock plans offered to local managers, executives as well as high-performing employees are used as a means of reward and retention.

## VIETNAM GLOBAL SALARY STRUCTURE

(in thousands of VIETNAMESE DONG - VND - per annum)

Exchange rate: VND 1.00 = USD 0.000058 ; USD 1.00 = VND 17100.380228

Global Grade	Range of Annual Guaranteed Base Pay (Data Effective 1 July 2008)			Average Actual Bonus % Profit - Sharing as a Percent of Base Pay (All Companies Non-Sales jobs only)
	25th Percentile	Median	75th Percentile	
16	393 816	515 943	622 122	9.5%
15	349 924	425 466	497 990	9.0%
14	226 593	283 452	347 250	8.6%
13	179 195	205 363	262 732	8.2%
12	135 973	178 459	217 778	7.8%
11	110 876	146 445	176 414	7.4%
10	90 091	120 776	148 526	7.1%
9	71 819	88 285	114 887	6.7%
8	57 909	78 310	102 938	6.4%
7	49 767	64 198	95 663	6.1%
6	42 671	57 115	78 130	5.8%
5	38 784	48 672	67 764	5.5%
4	33 744	43 120	59 976	5.2%
3	29 099	40 005	47 971	5.0%

**Notes:** Please note that as more and more foreign companies are included in the survey, higher pay levels are reported for the highest positions as well as for starting positions. Due to more manufacturing positions, pay levels are affected downwards at Global Grades 7 to 9.

### INCENTIVES FOR SALES JOBS\*

Global Grade	% Incumbents Receiving Incentive	Average Actual Incentive as a Percent of Base Pay (those receiving)
16	82%	17.0%
15	79%	15.0%
14	75%	14.0%
13	72%	13.0%
12	69%	12.0%
11	66%	11.0%
10	64%	10.0%
9	61%	9.0%

\* Actual variable pay, i.e. sales commission and/or bonus and/or profit-sharing