

PRO-TAX

Tax Salary Survey 2010



UPDATED SURVEY 2010

In updating this survey, we didn't expect the basic salaries to change much from their position last year, 2009, which in turn were broadly similar to 2008 and this is the case. In the downturn and subsequent recession, staff costs were early casualties and whilst in last years survey we were keen to reflect how and where such cuts affect employees working in tax teams, this year we have been looking for any contrary trends. It should be pointed out that the following relates to taxation professionals and not the wider workforce.

We spoke with the majority of the FTSE 100 and 250 organisations and their foreign equivalents operating in the UK and the Big 4, medium sized and large independent practices. Given that in the last 2 years we have seen an almost universal freeze on increases, there is now an increased incidence of small rises in basic salaries with a maximum increase of 3% within a grade. This is by no means universal and there are just as many occurrences where pay freezes are still in place. In 2008, infrequent exceptions to this included much larger increases in line with outstanding performance or to bring an employee in line with the market rate. The same is envisaged for 2010 and we have come across a couple of cases with increases of up to 8%. For 2009/2010 this year we are seeing a return to increased use of bonuses, in line with personal and corporate performances to reward good performance. There is still an almost universal block on movements in salaries for senior management staff.

With respect to other measures taken within tax teams to reduce costs, many headcount freezes are still in place. We are seeing less use of reduced working weeks and increased use of temporary staff in place of permanent hires. Many organisations have maintained a reduction on consultancy spend, which has either led to tax projects being shelved in some cases and in extreme cases even where there is a proven benefit, through to situations where such project work is thrown back on the tax teams further increasing the work load of remaining staff. We spoke to many frustrated Heads of Tax running extremely busy tax teams who would like to be able to recruit "tomorrow". Any potential recruitment exercise is put under intense scrutiny and a strong business case established before going to the market.

In professional practices the latter part of 2009 saw a slow down in the number of staff being made redundant. This coincided with an increase in M&A type work to the extent that underutilised teams found themselves in a situation where there was full utilisation and now, (January 2010) we are seeing a slow return of the larger firms to recruitment seeking such individuals and hearing that this is mirrored in mid sized and specialist firms.

Our intention with this report is to give an overview and in most cases some of following measures were imposed in 2009 and remain in place for 2010:

- Pay freeze applied for 2009 still in place for 2010 in many cases but with some 2/3% increases in basic figures reported.
- Bonus freezes maintained for the same period, but some variance in this with good performances being rewarded with bonuses but only when corporate performance allowed.
- In some cases blocks or reductions in bonuses for 2009/2010 maintained, even where objectives have been met or exceeded.
- Some return to the use of temporary staff to cover busy periods or for specific exercises.
- Head count freezes maintained for 2009/10, but with many heads of tax saying this is now beginning to cause problems.
- Freezes on promotion maintained, usually for management grade employees.
- Decreased incidence in the use of shorter working weeks and career sabbaticals.
- Clampdown on consultancy spend.

- Maintenance of a ban on all non-essential travel, entertaining and business conventions in some cases and ongoing deferment of annual conferences.
- Increased use of video conferencing / phone call conferencing to limit travel expenditure.
- A proactive approach in the management of training budgets and consultancy spend.

Last year saw an effort being made to look at smarter ways of using staff resources elsewhere in the business. This takes the form of permanent transfers or carrying out short term secondments which are zero-cost to business unit and can also free up staff to undertake necessary projects. In several cases we came across situations where good quality accounting staff were given and took the opportunity to be redeployed in tax teams as opposed to taking redundancy from their former roles.

It should be pointed out that most tax teams continue to maintain a high profile within their respective organisations and as already stated, the majority of tax departments are incredibly busy. We spoke to numerous heads of tax who would “recruit staff tomorrow”. In many cases there was a feeling this would have a positive cost effect on the corporate position, but was still politically difficult if operational staff were being laid off elsewhere.

These clampdowns have so far lasted about 12 months and whilst there is still no sign of a return to volume recruitment in any sector, there seems to be an almost universal view that 2010 will see a relaxation of many of the above measures. In line with this, whilst Q1 and Q2 are likely to remain difficult in terms of recruiting tax staff, there is a prevailing view from many tax teams that they will almost certainly need to enhance both staff numbers and tax skill sets in the latter half of the year.

If you have any comments or would like to discuss the survey in more detail or if you would like to take advantage of our free bespoke salary survey, please contact:



Pat Keogh – Practice, 020 3008 4487 or pat.keogh@pro-tax.co.uk



Jim Halstead – Commerce, 020 3008 4486 or jim.halstead@pro-tax.co.uk

Commerce, Industry & Banking

	London	Home Counties	Midlands	North East	North West
Tax Assistant	£29 - £38,000	£26 - £33,000	£24 - £30,000	£22-£24,000	£21 - £25,000
Tax Accountant	£48 - £62,000	£43 - £58,000	£37 - £49,000	£32 - £44,000	£30 - £42,000
Tax Manager	£55 - £80,000	£50 - £75,000	£45- £65,000	£42 - £60,000	£42 - £61,000
Group Tax Manager	£80 - £120,000	£75 - £95,000	£65 - £80,000	£62 - £78,000	£58 - £80,000
Head of Tax	£120-£140,000	£110,000+	£98,000+	£85,000+	£85,000+

The above figures include all disciplines within tax and are base salaries and do not include benefits and bonus. Benefits in the main apply to Manager grade and above.

Big4 Public Practice - Corporate Tax

	London	Home Counties	Midlands	North East	Northwest
Tax Assistant	£28 - £36,000	£25 - £35,000	£22 - £32,000	£20 - £26,000	£20 - £28,000
Tax Consultant	£38-£53,000	£35 - £44,000	£33 - £43,000	£29 - £38,000	£28 - £38,000
Tax Manager	£52 - £80,000	£50 - £70,000	£47 - £55,000	£50 - £62,000	£50 - £61,000
Tax Senior Manager	£70-£120,000	£60 - £100,000	£55 - £75,000	£55 - £68,000	£56 - £80,000
Tax Director	£100 - £220,000	£100,000+	£90,000+	£80,000+	£85,000+
Tax Partner	£300,000+	£250,000+	£200,000+	£180,000+	£200,000+

The above are base salaries and do not include benefits or bonus and cover all corporate taxes to include transfer pricing, investigations, VAT and Private Equity. Significant benefits such as car (circa £5,000) typically start at Manager grade and above, together with PHI and 'bonus' where applicable.

Big 4 Public Practice – Personal Tax

	London	Home Counties	Midlands	North East	North West
Tax Assistant	£23-£32,000	£21 -£30,000	£19-£25,000	£17-£24,000	£18-£25,000
Tax Consultant	£34 - £50,000	£30 - £45,000	£26-£36,000	£25-£34,000	£25-£37,000
Tax Manager	£50 -£68,000	£48-£63,000	£43-£55,000	£49 - £58,000	£48-£58,000
Tax Senior Manager	£65-£120,000	£60-£100,000	£55 - £70,000	£55-£68,000	£54 - £65,000
Tax Director	£100-£150.000	£80,000+	£70,000+	£65,000+	£70,000+
Tax Partner	£300,000+	£250,000+	£180,000+	£175,000-	£175,000+

The above are base salaries and do not include benefits or bonus and cover all personal taxes to include income tax, Capital Taxes. Trusts and wealth planning. Significant benefits such as car (circa £5,000) typically start at Manager grade and above, together with PHI.

Mid Tier Public Practice - Corporate Tax

	London	Home Counties	Midlands	North East	North West
Tax Assistant	£24-£38,000	£22 - £28,000	£18-£25,000	£17 - £23,000	£17- £23,000
Tax Consultant	£36-£48,000	£32-£42,000	£27-£38,000	£25-£34,000	£25- £34,000
Tax Manager	£50-£68,000	£48-£60,000	£45-£58,000	£42-£55,000	£42-£54,000
Tax Senior Manager	£65-£85,000	£60-£80,000	£58 - £75,000	£55-£75,000	£52-£75,000
Tax Director	£95,000+	£85,000+	£75,000+	£70,000+	£75,000+
Tax Partner	£140,000+	£110,000+	£100,000+	£90,000+	£100,000+

Mid Tier Public Practice - Personal Tax

	London	Home Counties	Midlands	North East	Northwest
Tax Assistant	£21 - £30,000	£18-£24,000	£17-£23,000	£16-£22,000	£17-£23,000
Tax Consultant	£30-£40,000	£26-£36,000	£23-£28,000	£21-£26,000	£23 - £28,000
Tax Manager	£42-£58,000	£40-£55,000	£38-£52,000	£35-£50,000	£35-£50,000
Tax Senior Manager	£60-£75,000	£55-£70,000	£52-£68,000	£50 - £65,000	£52 - £68,000
Tax Director	£75,000+	£70,000+	£68,000+	£65,000+	£68,000+
Tax Partner	£110,000	£90,000+	£80,000+	£80,000+	£80,000+