



Goodman Masson
SALARY GUIDE 2010



INTRODUCTION

Goodman Masson is the largest independent financial recruiter in the UK and has been recruiting professionally qualified accountants and other finance professionals for over 16 years.

We recognise it's our people that make us a market leader, which is why we invest heavily to attract and retain the best recruiters from across the industry. With a team of over 90 and annual revenues exceeding £15m, this makes us perfectly positioned to advise our clients and candidates on employment, resourcing and salary trends.

Goodman Masson covers all levels of recruitment from non-qualified to the mid and senior level executive recruitment markets. Our main area of specialism is Finance which includes separate teams operating within Accountancy, Tax, Internal Audit and Treasury disciplines. In addition we have specialist business areas concentrating on Actuarial, Interim, In House Legal and Management Consultancy. Our teams are split across the Financial Services, Commerce, Public Sector and Not for Profit and Public Practice markets.

Our continued growth and success is based on our experience and the importance we place on the relationships that we have developed with our clients and candidates. It's essential as part of this relationship that we are able to provide our partners with meaningful and useful documentation that will assist you in making solid recruitment and business decisions throughout the year. This has led us to create the **2010 Goodman Masson Salary Guide**, which is an in-depth study on salaries across all sectors based on current and live data.

This document is to be viewed as guide on the current market and is based on the data that our team have collated. We have taken a look back at the changes that have occurred across the markets over the last 18 months and looked to the year ahead, to determine what could be expected for clients and candidates.

In the current economic climate, the parameters for gauging bonuses are so wide that Goodman Masson is unable to give target ranges as you would have seen in past documents. We have given an overview of expectations, but your specialist consultant will be able to give you a more detailed and case-by-case discussion.

SPECIALIST DIVISIONS

The background of the slide is a solid orange color. In the bottom right corner, there is a decorative pattern of various organic, rounded shapes in a lighter shade of orange, resembling leaves or water droplets. The text 'SPECIALIST DIVISIONS' is centered on the left side of the slide in a white, sans-serif font.



TAX IN-HOUSE MARKET

Like other parts of the financial arena the tax market was hit hard with redundancies throughout 2009, although most surplus tax specialists were found coming out of the Big 4 rather than from in-house teams. The biggest challenge from an in-house perspective was the lack of volume recruitment at all levels.

Positively, we can report a marked increase in the number of roles that we have been instructed to work on. It must be remembered that this 'marked' increase is relative and is set against a static first half of the year. Since the turn of the year the tax recruitment market has continued to show signs of recovery although there is still a backdrop of further consolidation of headcount and limited expansion in terms of numbers

These roles are a combination of additional headcount and of backfilling roles that have been vacated by a departure. Where there has been the budget to recruit additional headcount (across both the Financial Services and Commerce & Industry in-house teams) the most noticeable trend has been the need to plug very specific skill gaps otherwise known as luxury hires and this is the advantage of recruiting in a market where there is a greater spectrum of candidates available. There has been an upward trend in recruiting professionals with very strong Compliance and Reporting or Transfer Pricing or VAT systems experience to work on very specific projects. Apart from the potential cost savings and the importance of non-compliance in the current climate, in-house tax advisors working alongside the financial management team can respond quickly to differing market conditions and corporate plans. They can also develop a holistic understanding of a business and contribute

TAX– COMMERCE & INDUSTRY

Whilst the general theme within Commerce & Industry has tended to mirror that seen within Financial Services in that there has been a need to plug skill gaps, there has also been a greater need to backfill jobs where an individual has left. This really is due to the size and dynamic of group tax functions which are comparatively small when compared to the bulge bracket and large retail banking organisations.

Interestingly 27% of the FTSE 100 have recruited tax professionals over the last 12 months and whilst most of that activity took place in Q4 of 2009 and early 2010 it does show encouraging signs.

One of the most noticeable omissions in the current climate has been the lack of roles within Greenfield sites amongst the smaller FTSE organisations. The correction in the market back in 2002-03 saw a number of cost cutting exercises amongst AIM listed and lower FTSE firms; by bringing tax in house for the first time the burgeoning costs of outsourcing compliance work to the Big 4 firms could be cut dramatically. In addition future tax planning would further add to the bottom line.

Over the last 12-18 months there has been a lack in these types of opportunities and Group and local FD's have been happy to outsource work to the Big 4 firms given the dramatic reduction in hourly charge out rates.

Furthermore, large US multinationals looking to set up European subsidiaries have targeted Switzerland as a base; in years gone by such organisations would have laid their foundations in the UK but given the current tax regimes it has been more cost effective to do so outside of UK shores.

The overall effect that this has had is that the lack of opportunities and the relatively large spectrum of candidates that have happened to have been looking has meant that whilst clients will pay commensurate with experience salaries have remained static at all levels.

COMMERCE & INDUSTRY

Role	London	Home Counties
Newly Qualified Tax Specialist	£38,000 – £42,000	£35,000 – £38,000
Assistant Tax Manager	£42,000 – £48,000	£38,000 – £44,000
UK Tax Accountant	£48,000 – £55,000	£44,000 – £50,000
UK Tax Manager	£55,000 – £60,000	£48,000 – £55,000
European Tax Accountant	£58,000 – £65,000	£52,000 – £59,000
European Tax Manager	£64,000 – £75,000	£60,000 – £70,000
VAT Accountant	£30,000 – £45,000	£30,000 – £40,000
VAT Manager	£50,000 – £65,000	£45,000 – £55,000
International Tax Manager	£70,000 – £85,000	£65,000 – £75,000
Transfer Pricing Analyst	£35,000 – £50,000	£35,000 – £45,000
Transfer Pricing Manager	£50,000 – £70,000	£40,000 – £65,000
Head of Transfer Pricing	£80,000 – £110,000	£70,000 – £90,000
Group Tax Manager	£70,000 – £90,000	£60,000 – £80,000
Group VAT Manager	£65,000 – £90,000	£60,000 – £75,000
Head of Tax	£90,000 – £140,000	£70,000 – £100,000
Director of Tax	£120,000 – £200,000	£90,000 – £140,000

TAX– FINANCIAL SERVICES

The Financial Services sector has been actively recruiting across the retail, investment and custodian banks as well as the insurance and re-insurance businesses. Whilst the last 18 months have witnessed some of the biggest detrimental changes ever in this sector some organisations have come through prospering.

Given the size and nature of many of the banking teams there hasn't always been the need to backfill jobs especially where the outgoing member of staffs work can be spread internally. However, we have noticed that the general theme in terms of tax recruitment has been to plug very specific skill gaps. Coupled with this is the fact that in terms of level, organisations have tended to recruit experienced individuals within these specialism. There have been limited opportunities within this sector for individuals at the lower end of the spectrum.

Specifically throughout 2009 we saw a raft of changes to many International Assignment and Rewards teams. 2010 will be a year of even greater change with the execution of plans across many Financial Service institutions organisation to tackle the ramifications of the recent PBR and other circumstances. With a focus on seeing real value from associated International Mobility costs we have advised on developing International Mobility teams and have been instructed to work on a range of specialist vacancies (from International Assignment VPs within the HR tax function to Global Mobility Technology specialists) to help stream-line the current International Mobility process. In addition, Global Rewards appears to be a really hot topic at this

present time with organisations looking to retain the top talent across the business at a time when traditional methods of reward are subject to intense public and political scrutiny. Indeed many Financial Institutions which fall into this category are looking to strengthen their teams in this area and have focussed on recruiting individuals who have significant off-shore trusts and share schemes experience.

FINANCIAL SERVICES

	Retail Banks	US Investment Banks	Insurance
Newly Qualified	£45,000 – £55,000	£50,000 – £55,000	£45,000 – £50,000
Manager	£55,000 – £65,000	£55,000 – £70,000	£55,000 – £65,000
EMEA Manager	£65,000 – £75,000	£70,000 – £85,000	£65,000 – £75,000
VAT Manager	£55,000 – £65,000	£55,000 – £70,000	£55,000 – £65,000
Transfer Pricing Analyst	£40,000 – £50,000	£45,000 – £55,000	£40,000 – £50,000
Transfer Pricing Manager	£60,000 – £80,000	£60,000 – £80,000	£60,000 – £80,000
Senior Transfer Pricing Manager	£80,000 – £100,000	£85,000 – £110,000	£80,000 – £90,000
Transfer Pricing Head	£100,000 – £130,000	£100,000 – £150,000	£90,000 – £110,000
Head of Tax	£150,000+	£200,000+	£140,000+

FRONT OFFICE SUPPORT

	US Investment Banks
Tax Product Manager	£70,000 – £90,000
Vice President – Tax Products	£90,000 – £110,000
Director	£110,000 – £150,000
Managing Director	£150,000+



SPECIALIST DIVISIONS

Tax

Despite the general increase in activity it is still difficult for the majority of in house tax teams, whether in industry or back and middle office tax teams within FS, that are below critical mass, to get sign of to recruit business critical roles particularly where there have been redundancy programmes in other parts of the business.

Where additional workloads can't be spread out internally, Group FDs are more than happy to outsource work given the very favorable rates on offer from the Big 4 accountancy firms and it is likely that this will continue through the course of 2010.

THE IMPACT ON SALARIES

Our outlook is that as recruitment remains steady rather than dramatic so will increases in pay.

In-house tax recruitment will improve in terms of hires at all levels, but that is only relative to the very difficult year we experienced in 2009. Budgets being set at the end of Q1 are still conservative in the figure being committed to headcount increases.

Throughout 2010 we expect to see year end commitments creating a number of opportunities leading to short term compliance and reporting contracts through to April. There is likely to be some movement between the banks post bonus round although given the limited number of opportunities available we will see significantly less movement than has happened in previous years. As the banks start lending again towards the latter stages of 2010 so we expect financial services tax experience to be in demand at this point. However during the course of 2010 there will be an increase in demand for tax professionals in fee generating areas in particular the front office tax product arena which will push up salaries in the area.

There is likely to be increments in pay as people move jobs but there are unlikely to be exponential pay increases to attract people especially in the core areas. Where there will be greater movement however will be in the aforementioned specialist areas -Transfer Pricing, VAT systems and ERP.

Whilst moving jobs will provide an uplift on basic pay and increase in overall packages increases will be based on significantly smaller percentage than previous years and this is likely to continue until the end of 2010 / beginning of 2011. Internal pay rises will also remain weak as companies still battle reduced output in a weaker economic climate.

However as the market continues to pick up so will the charge out rates of external advisors so there is likely to be a need to backfill jobs that have been vacated as it will become more cost effective (and hence easier to get sign off) to recruit vacant roles on a permanent (or contract) basis than outsourcing surplus work. It doesn't take long in a niche market like tax for it to become candidate driven once more and for that dynamic to start pushing up salaries again.



TAX-PRACTICE

The trend in salaries for last year was to freeze at 2008 levels for all professional staff.

In addition to this, the chances of promotion was slim and the amount of suitable candidates for promotion in 2010 who feel their promotion is now 'overdue' means that we will still see a number of people held at their current level for an elongated period. Those who are promoted may find that the entry level salary for the next grade up is actually slightly lower than their predecessors received, however in most cases it will be at 2008/9 levels.

In H1 this year, the focus in tax will still be on niche taxes or specific sectors, for example Expatriate Tax (not least for US and Japanese clients), Indirect Tax or Transfer Pricing and in terms of sectors, Financial Services is the clear front runner. On the other hand, there will not be any volume in the market until confidence returns which means a lack of mainstream corporate tax roles in Big 4, Tier A or smaller firms. Sectors which previously drove growth but will continue to be quiet include real estate and retail.

One area that continues to grow almost as a result of

2007-2009 in professional firms is Tax Management Consulting, i.e. process, controls, risk assessment and efficiency reviews of finance departments. The demand for this detailed level of knowledge has given the Big 4 the confidence to re-enter the consulting field they abandoned in the wake of the Andersen/Enron event.

Everything is relative to 2009, but there is already a lot more interest and activity in the mergers and acquisitions field. If this discipline builds up in H1 then H2 could see a great opportunity for people to move from risk based roles to transactions and cross border planning.

SPECIALIST DIVISIONS
Tax – Practice

PUBLIC PRACTICE

Role	Organisation	Corporate Tax		Personal Tax		Indirect Tax		People Services	
		London	Home Counties	London	Home Counties	London	Home Counties	London	Home Counties
Tax Assistant (c. 2 years experience)	Big 4	£32,000 – £40,000	£22,000 – £40,000	£27,000 – £39,000	£24,000 – £35,000	£28,000 – £39,000	£24,000 – £35,000	£29,000 – £39,000	£24,000 – £35,000
	Mid Tier	£30,000 – £34,000	£25,000 – £32,000	£25,000 – £36,000	£22,000 – £30,000	£26,000 – £34,000	£22,000 – £30,000	£28,000 – £36,000	£22,000 – £30,000
	Small Firms	£20,000 – £27,000	£20,000 – £25,000	£16,000 – £28,000	£16,000 – £26,000	£16,000 – £32,000	£16,000 – £26,000	£27,000 – £33,000	£16,000 – £26,000
Tax Assistant Manager	Big 4	£40,000 – £48,000	£40,000 – £48,000	£39,000 – £46,000	£36,000 – £42,000	£39,000 – £52,000	£36,000 – £42,000	£39,000 – £48,000	£36,000 – £42,000
	Mid Tier	£38,000 – £42,000	£34,000 – £42,000	£36,000 – £45,000	£34,000 – £40,000	£32,000 – £42,000	£34,000 – £40,000	£36,000 – £45,000	£34,000 – £40,000
	Small Firms	£25,000 – £40,000	£22,000 – £35,000	£34,000 – £42,000	£32,000 – £42,000	£28,000 – £40,000	£32,000 – £42,000	£40,000 – £48,000	£32,000 – £42,000
Tax Manager *	Big 4	£52,000 – £66,000	£50,000 – £60,000	£52,000 – £65,000	£48,000 – £60,000	£52,000 – £65,000	£48,000 – £60,000	£50,000 – £75,000	£48,000 – £65,000
	Mid Tier	£45,000 – £55,000	£48,000 – £57,000	£48,000 – £58,000	£44,000 – £56,000	£48,000 – £58,000	£44,000 – £56,000	£47,000 – £55,000	£45,000 – £62,000
	Small Firms **	£35,000 – £75,000	£30,000 – £65,000	£36,000 – £54,000	£38,000 – £50,000	£36,000 – £54,000	£38,000 – £50,000	£48,000 – £58,000	£45,000 – £54,000
Tax Senior Manager ***	Big 4	£63,000 – £110,000	£62,000 – £95,000	£65,000 – £120,000	£60,000 – £90,000	£65,000 – £120,000	£60,000 – £90,000	£72,000 – £100,000	£65,000 – £95,000
	Mid Tier	£60,000 – £90,000	£60,000 – £90,000	£60,000 – £95,000	£58,000 – £72,000	£60,000 – £95,000	£58,000 – £72,000	£60,000 – £78,000	£60,000 – £72,000
	Small Firms	n/a	n/a	n/a	n/a	n/a	n/a	£58,000 – £90,000	n/a
Tax Director	Big 4	£105,000 – £170,000	£95,000 – £140,000	£82,000 – £120,000	£76,000 – £105,000	£82,000 – £120,000	£76,000 – £105,000	£105,000 – £140,000	£76,000 – £105,000
	Mid Tier	£90,000 – £110,000	£85,000 – £110,000	£75,000 – £95,000	£70,000 – £90,000	£75,000 – £95,000	£70,000 – £90,000	£82,000 – £110,000	£70,000 – £90,000
	Small Firms	n/a	n/a	n/a	n/a	n/a	n/a	£90,000 – £115,000	£68,000 – £85,000
Tax Principal	Big 4	£130,000 – £200,000	£110,000 – £160,000	n/a	n/a	n/a	n/a	£130,000 – £200,000	£130,000 – £160,000
	Mid Tier	£120,000 – £140,000	£110,000 – £130,000	n/a	n/a	n/a	n/a	£105,000 – £160,000	£95,000 – £120,000
	Small Firms	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tax Associate Partner	Big 4	£150,000 – £250,000	n/a	£145,000 – £220,000	n/a	£145,000 – £220,000	n/a	£120,000 – £220,000	n/a
	Mid Tier	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Small Firms	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tax Partner	Big 4	£350,000+	£300,000 – £650,000	£350,000+	£300,000 – £600,000	£350,000+	£300,000 – £600,000	£330,000+	£280,000 – £600,000
	Mid Tier	£105,000 – £600,000	£100,000 – £450,000	£110,000 – £750,000	£100,000 – £420,000	£110,000 – £750,000	£100,000 – £420,000	£140,000 – £550,000	£115,000 – £280,000
	Small Firms	£90,000 – £300,000	£80,000 – £175,000	£85,000 – £180,000	£85,000 – £165,000	£85,000 – £180,000	£85,000 – £165,000	£140,000 – £380,000	£85,000 – £220,000

* Plus 'Car Allowance' of £4,000 – £5,500

** Manager is a much broader term in the small firms and boutiques and the successive senior titles either do not exist or hold little relevance in the context of this survey, hence they are omitted. Often the Tax Manager is a PA to partner and so much more

*** Plus 'Car Allowance' of £5,500 – £7,500; Senior Manager in the Big 4 and Mid Tier is the first level where one finds a broad range of experience, hence the greater range of salaries. Similarly Senior Managers are expected to specialise in an area of tax

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