

How are salary packages calculated?

If you're not 100% sure what an employer means when they talk about a salary package, never fear, here is our straightforward guide to salary packages.

What's the difference between salary and a salary package?

When employers are talking about a salary, they are referring to your base starting salary.

Salary packages typically include your base salary as well as additional benefits, incentives or rewards, such as superannuation, annual and sick leave, car allowance or bonuses.

It is up to the individual employer whether they advertise the salary or the salary package in job ads, however, Andrew Brushfield, Director of [Robert Half](#), says it is more common for a salary package to be advertised.

The factors that employers use to determine what salary to pay for a role

Employers tend to take both external and internal factors into account when considering salary for any particular position. Examples of external factors may be the current economic situation, location or skills shortages within an industry.

"Internally, employers typically benchmark starting salaries against the candidate's experience and qualifications, as well as the complexity of their role," says Brushfield.

For any given role the salary range, an employer is willing to pay will be determined on a couple of factors, says Karen Gately, a founder of HR consultancy Ryan Gately. "That range will be reflective of the market value for the position and the simple reality is, the higher the standard of your past performance the more an employer is [likely to be willing to pay.](#)"

How to weigh up your salary offer

1. Decide which aspects are most important for you

"The point is that you must know during the job hunt which aspects of the compensation and benefits package are most important to you," says Brushfield. "For some, a higher starting salary may be more important, whereas for others flexibility and lifestyle benefits rank higher on their list of priorities."

Brushfield says that while salary is a prime motivator and the main incentive of a remuneration package, it is only one component. "Flexibility is increasingly becoming one of the most in-demand workplace benefits," he says. "People are actively seeking out job

opportunities that not only satisfy their monetary ambitions but also their lifestyle needs, such as flexible working hours, the ability to work from home or additional holidays.”

Brushfield says it’s a good sign if all these elements are present when you get a salary package offer, but if not, he recommends talking to your potential employer. “Speak to them about what’s missing and why an aspect of the salary package might be a deal breaker for you,” he advises. “There’s always room to negotiate on salary and benefits when job applicants are considering a job offer.”

2. **Research what you’re worth**

While it’s important to hold reasonable expectations of your earning potential, so too is asking for what you are worth. “Do your research and understand what employers typically offer for a similar role in your industry,” says Gately. “Talk to recruiters, industry colleagues and mentors about the offer made and how that reflects your capabilities, experience and performance.”

[Viewing job ads on SEEK for similar positions](#) is another good way to see what other organisations are paying for comparable roles.

3. **Accept that negotiation is part of the process**

“Knowing how much you’re worth and being prepared to negotiate a salary package with prospective employers or managers is an important part of developing and growing your career,” says Brushfield.

Most employers expect you to [negotiate your salary package](#). If you have skills that are in demand and can clearly articulate your value to an organisation, you are in a good position to provide compelling reasons for the package you want. “Confidently knowing what average industry salaries look like, the economic climate in which you operate and the hiring trends that affect your role are essential to successfully calculating the salary you’re worth,” says Brushfield.

Brushfield says that you can never be over-informed when it comes to knowing about the salary package on offer from a prospective employer. However, it’s important to keep in mind that job satisfaction depends on much more than the benefits and perks you receive. A company’s values, ethics and culture are all crucial elements of whether you’re going to have a happy working life at an organisation.

Find out [the latest salary trends](#) for your role and industry, so you can negotiate your next salary confidently.

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