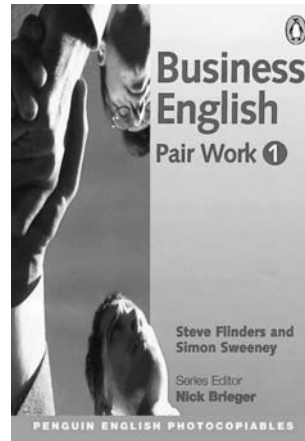


#8 Pay versus Benefits

Level:	Upper Intermediate – Advanced
Time:	40 minutes
Activity Type:	Role-play
Focus:	Negotiating
Taken from:	Business English Pairwork 1
Visit:	www.penguinenglish.com



Method

- 1 Ask students how companies they know remunerate their employees
- 2 Put students into pairs and hand out Student A/ Student B worksheets accordingly
- 3 Before starting the role-play, go through the worksheets with them clarifying vocabulary and checking they understand the current package

Notes:

- PRB – The manager earned a *performance-related bonus* of £10,650 out of a possible maximum of £20,000 last year
 - Long-term disability cover - This is a form of insurance, which provides the manager with an income in the event of he/ she being unable to work for an extended period through accident or illness. This cover will not be provided automatically by the state government.
 - Parking – The company currently pays for the manager to park in a city centre car park everyday when he/ she comes to work. The company does not have its own car park and cheap parking is impossible to find.
 - Annual health screening - A detailed medical examination.
- 4 When the role-play has finished, get feedback on the results of the negotiation
 - 5 Ask if any students have had experience of performance related pay and how they feel about it.

(Negotiating; declining/rejecting; urging)

Most employees get some benefits from their employer in addition to their basic pay. Some senior managers receive very generous fringe benefits from their companies, which together are worth much more than the salary alone. Some people prefer to receive just money for the work they do; others prefer to receive pay plus other kinds of benefit. The total of what you receive is called your remuneration package.

In this exercise, you play the role of a personnel manager talking to your partner who is an executive in the company where you both work. Until now, the company has offered its more senior managers a wide range of benefits in addition to basic salary. Now, however, the company wants to cut the range of benefits being offered and wants to bring earnings under tighter control. Look at the information below and discuss with your partner how his or her remuneration package can be altered.

Current package per annum

Base salary	£20,000
Performance-related bonus last year	£10,650
(Note: maximum possible PRB was	£20,000)
Company car and private use of petrol	£3,600
Long-term disability cover	£1,500
Subsidized lunches	£1,250
Employer contributions to company pension fund	£1,200
Private medical insurance	£1,200
Parking	£950
Life assurance	£300
Annual health screening	£200
Financial planning	£200
Health club membership	£150
Total	£41,200

YOU:

- want to keep the new package as close to £40,000 as possible, and preferably below it, unless justified by performance
- are empowered to increase the performance-related element of the package according to your judgement, but you cannot increase basic salary by more than 25%
- want to reduce your administration costs and therefore want to minimize the number of fringe benefits you offer
- want to keep your managers happy.

YOU START.

(Negotiating; declining/rejecting; urging)

Most employees get some benefits from their employer in addition to their basic pay. Some senior managers receive very generous fringe benefits from their companies, which together are worth much more than the salary alone. Some people prefer to receive just money for the work they do; others prefer to receive pay plus other kinds of benefit. The total of what you receive is called your remuneration package.

In this exercise, you play the role of an executive talking to your partner who is a personnel manager in the company where you both work. Until now, the company has offered its more senior managers a wide range of benefits in addition to basic salary. Now, however, the company wants to cut the range of benefits being offered and wants to bring earnings under tighter control. Look at the information below and discuss with your partner how your remuneration package can be altered.

Current package per annum

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Life assurance	£300
Annual health screening	£200
Financial planning	£200
Health club membership	£150
Total	£41,200

YOU:

- want to increase the overall value of your new package
- are not very happy with the way the performance-related element of your pay is assessed and you do not want this part of the package to be more important than in the past
- appreciate and enjoy the range of fringe benefits you currently receive and do not want to lose too many of them. Some of them will be more expensive if you have to pay for them yourself.
- are aware that the company is currently reducing its workforce and several of your colleagues have recently been made redundant. So you do not want to appear to be too uncooperative.

YOUR PARTNER WILL START.