Dober Partners
Executive Search
& Consultancy

Corporate EU Public Affairs
Compensation & Benefits

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Dober Partners is an Executive Search & Consultancy firm operating in Brussels, Geneva and around Europe, since 2010.

Our specialism is the recruitment of association and corporate affairs executives. We are independent specialists who don't have to support an expensive HQ, costly network and outside shareholders. Our overheads are lower and our focus is clear. We recruit better candidates, faster. We also provide specialist research and consultancy services to European associations.

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Foreword

Corporate and public affairs as a profession has changed significantly in the past years and earned its place in the C-suite across the globe.

Often as a result of mega-fines by European regulators, occasionally triggered by scandals that lead to regulatory backlash, or by Brexit's unpredictability, the corporate world had understood the McKinsey adage that "governments and regulators are second only to customers in their ability to affect companies' economic value".

The European Union, or more broadly, Europe is a difficult market from a public affairs perspective. Despite the EU's undeniable achievements in harmonizing business-facing rules and regulations, the political systems, the diverse cultural context in which advocacy campaigns operate, and the countless national provisions make it difficult to apply a one-size-fits-all approach from Brussels. Senior-level corporate affairs professionals are thus needed in key "local" (national) markets, and while Brussels might be the centre of coordination, it is not necessarily the centre of operations or actions. Understanding Europe's complexity while having a good sense of political trends, knowledge of national legislation, and knowing how to persuade hearts and minds across the continent have become key skills that corporate affairs professionals must possess.

This report builds on the extensive input of Dober Partners clients and partners, and Public Affairs Council members, many of whom work for US-based companies in Europe, while others represent truly European businesses with a global outlook. We hope this can serve as the go-to benchmark study for current stakeholders and future entrants into the corporate affairs, public affairs and advocacy world.

About the Public Affairs Council:
The Public Affairs Council is the leading global association for public affairs professionals with almost 700 companies, trade associations, NGOs and other organizations as members including 8000 individuals. It provides research, roundtables, training and other resources to its members on public affairs, government affairs, stakeholder management, digital advocacy, issue management and related topics. It is non-political and non-profit, based on an annual membership model.

Public Affairs Council

András Baneth
Managing Director,
European Office,
Public Affairs Council

Introduction

Following hot on the heels of our European Association Compensation & Benefits 2020 report, this study is dedicated to the thousands of people who work in EU corporate affairs functions, in Brussels and around Europe.

Generally, a corporate affairs manager or director is responsible for a company's internal and external communications, including government relations, public policy, corporate restructuring, public relations and determination of employee attitudes in a company. The vast majority of EU corporate affairs staff are involved in public affairs and outreach to the EU institutions, anticipating threats and opportunities posed by EU policy, and advocating company positions. This report focuses on EU Corporate Affairs Remuneration particularly for executives working in Belgium. From its offices in Brussels, Dober Partners specializes in the recruitment of EU corporate affairs staff with public affairs, communications or regulatory functions.

> **The rise and rise of the corporate affairs director:**
> "The role of corporate affairs director used to be a sleepy sinecure for company time-servers but now keeping a firm's comms plates spinning is rapidly becoming the hottest gig in town. In business, every era is defined by its must-have skill - in the dot-matrix 1980s it was IT, in the slick and shiny 1990s it was marketing and in the boom-then-bust early years of the 21st century it was the finance men (and they were usually men) who bestrode the scene. But in today's open-source and always-on world, the killer skill is communications. Professional communicators are taking over, one tweet at a time."
>
> Management Today

– The EU Corporate Affairs Market

A conservative estimate by Transparency International for the number of Brussels lobbyists is 25,000 with a further 10-15,000 lobbyists across Europe that occasionally influence decisions in Brussels as well. EU corporate affairs functions represent the third largest share of lobby organisations in the Transparency Register after NGOs and associations. Although NGO critics might argue that corporate lobbyists are not registering, it is our belief that the vast majority of multinationals who are active at the EU level are listed these days simply because MEPs or Commission staff will refuse to meet them if they are not on the register.

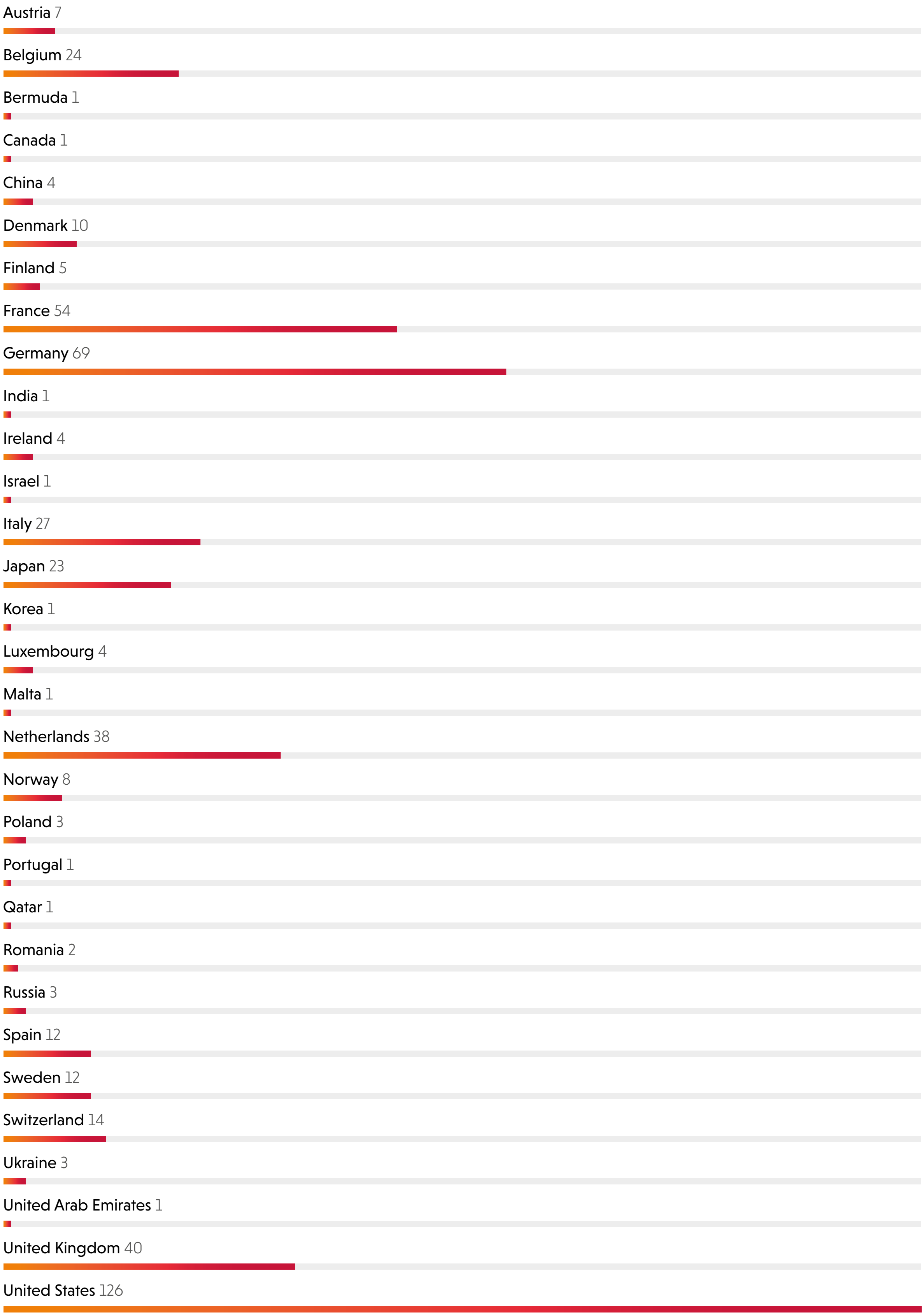
Companies from 6 continents of the world are represented to the EU institutions but of the 2,555 companies actively lobbying the EU, only 501 have offices in or around Brussels. According to Dober Partners research these 501 companies originate from 31 countries and employ around 2,500 staff in Brussels.

To arrive at this number we carefully analysed the Transparency Register, and recategorized companies to their original HQ/national parentage. For instance many companies qualified as from Belgium are really Belgian-based EMEA headquartered companies from outside the EU, such as from Japan like Bridgestone and Toyota, and the US including PepsiCo and Amway.

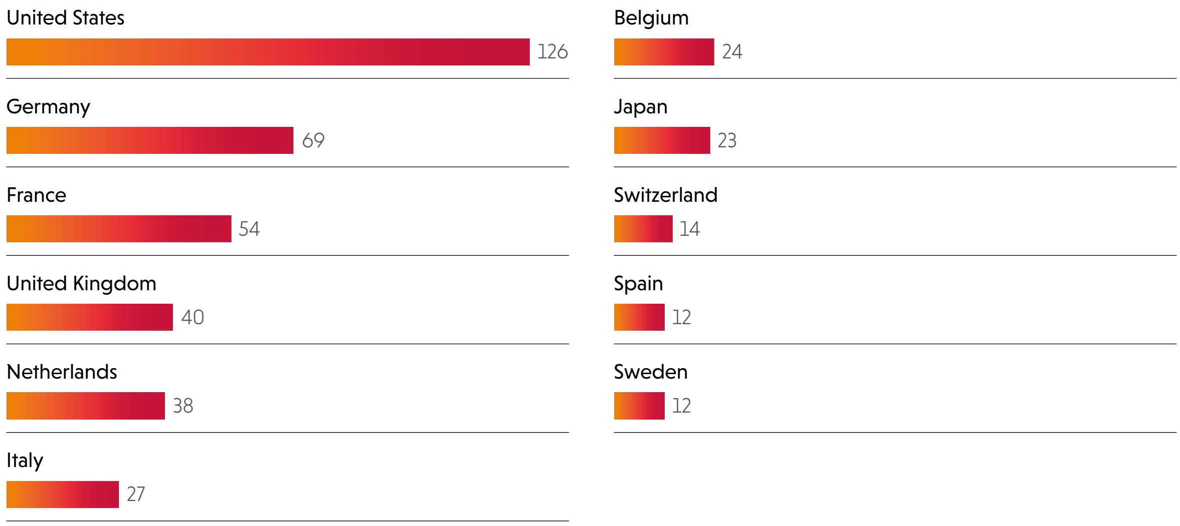
Interestingly the highest number of EU corporate public affairs offices in Belgium represent companies from a non-EU member state – the United States. In second place is Germany with 69 companies, followed by France with 54 and the UK with 40 EU public affairs offices each. It is interesting to note from our research the provenance of these multinationals as follows:

> "The private sector has more organisations lobbying the EU, spends more on lobbying, and deploys more lobbyists than NGOs and trade unions. In the Parliament, the analysis of the number of lobbyists shows that the corporate sector has 60 per cent more than that of civil society. If you factor in lobby consultancies, the imbalance becomes even more stark."
>
> LobbyFacts.eu

– EU Corporate Affairs Offices in Belgium



– The Top EU Corporate Affairs Countries



– The Top 20 Corporate EU Public Spenders in 2020

An examination of the data on the Transparency Register reveals that three of the top corporate spenders in 2020 were US tech multinationals Google, Microsoft and Facebook. German companies Bayer, BASF, Siemens and Daimler also feature in the top 10, and Germany make up for the second biggest EU public affairs spenders after American companies.

Function	Country head office	Declared lobbying costs	EP passes	Lobbyists (FTE)	# of EU meetings
Google	United States	8000000 - 8249999	6	8.5	254
Microsoft	United States	5000000 - 5249999	4	10	141
Shell	Netherlands	4500000 - 4749000	4	10.5	75
Facebook	United States	4250000 - 4499999	7	13.75	154
Bayer	Germany	4295000	9	13.25	35
ExxonMobil	United States	3250000 - 3499999	5	5	31
Siemens	Germany	3000000 - 3249999	3	11.25	48
BASF	Germany	3100000	9	10.75	28
Volkswagen	Germany	2750000 - 2999999	4	17	70
Huawei	China	2835000	6	16	57
BP	United Kingdom	2500000 - 2749000	4	6	43
Dow	United States	2500000 - 2749000	2	4.5	51
Equinor	Norway	2500000 - 2749000	2	7.5	47
British American Tobacco	United Kingdom	2250000 - 2499999	3	2.75	2
Novartis	Switzerland	2250000 - 2499999	6	3.5	22
Apple	United States	2000000 - 2249999	6	4	58
Daimler	Germany	2000000 - 2249999	5	8.5	41
ELECTRICITE DE FRANCE	France	2000000 - 2249999	4	10	48
ENEL	Italy	2000000 - 2249999	2	6.25	65

– Research Methodology and Survey Findings

Dober Partners has been operating in Brussels for more than 10 years placing many candidates in public affairs, communication and association leadership positions. Through regular contacts with clients and candidates we have amassed considerable data on compensation packages in Brussels, across sectors and seniority levels. The core of this salary report is based on an in-depth survey Mark Dober finalized in 2018 of over 300 corporate affairs staff. We looked across all industry sectors from agribusiness to transportation. We are currently updating the data underpinning some of the charts and information presented here.

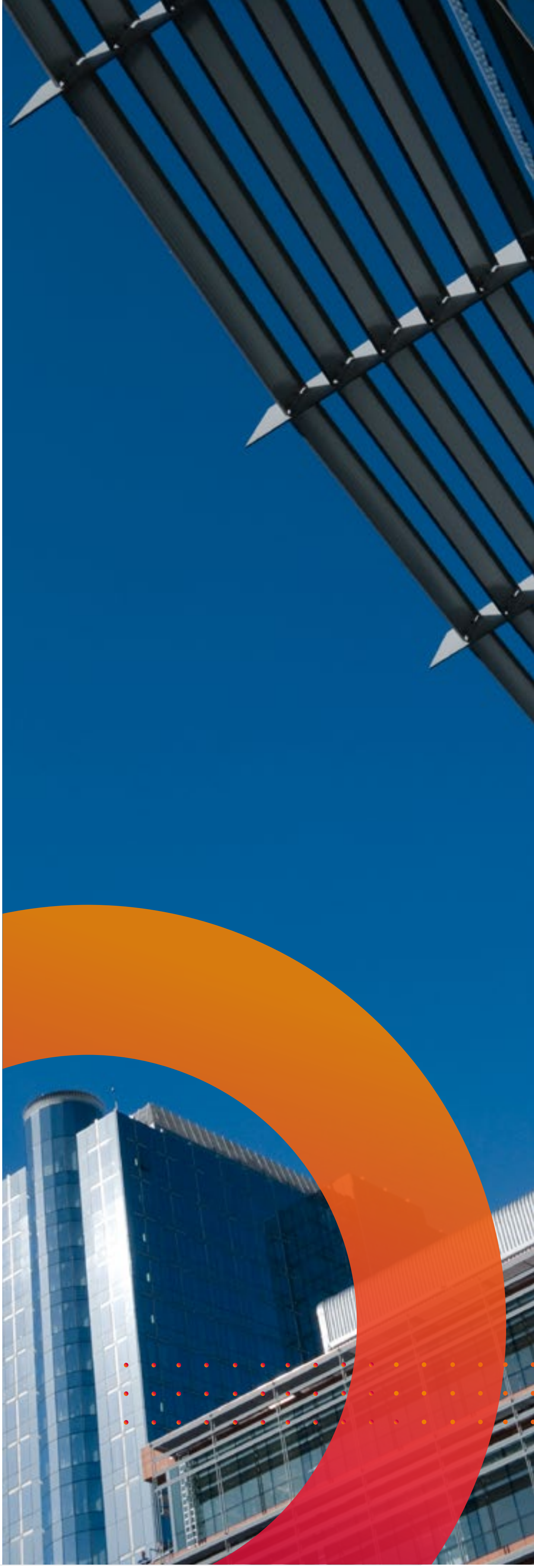
For this 2020 report, we have looked more deeply at the EU public affairs market and you will see some fresh data on the number, origin and scale of the Brussels corporate players.

Naturally readers will be most interested in the highest salaries in any given band. We have tried to satisfy this appetite without over-sensationalising or distorting normal salary levels. Hopefully, this report will inform corporate affairs HR teams, leaders and staff with some (but not all) of our insider information.

EU corporate affairs salaries are considerably higher than those found in the general Belgian economy, reflecting the premium paid for European affairs positions, which attract high calibre staff from around the European Union. Nevertheless, Belgian salaries tend to be higher than most European average salaries. When we recruit EU corporate affairs positions, HR colleagues who are not residing in Belgium are often shocked at the relatively high costs of employing staff compared to their own countries. Given the high levels of social security and income taxation such high salaries are hardly surprising, however.

Overall the laws of supply and demand have a key part to play in the relatively high salaries in Brussels. The general rule is you earn more money if your talents are scarce, and demand for EU corporate affairs staff has grown considerably over the last decade as consultancies, associations and corporate offices have expanded in number and size. The key finding of our previous remuneration analysis was that salaries in Brussels vary enormously, not just between sectors but between organizations in the same sector. Some of these variations are easy to explain by relative size, wealth and importance of the organizations their staff represent, other times 'Lady Luck' seems to have played more than her fair part.

We must emphasize these findings again in this report. There are numerous reasons for the wide variations in salary conditions for EU corporate affairs staff. I list some of these below.



– Why corporate affairs salaries vary so much

1. National HQ salary culture
The 31 countries represented by their multinationals have wildly different national salary levels and cultures. US bonus culture hardly exists in certain European countries for example, while a tradition of wage restraint means that senior German executives are often surprisingly relatively underpaid compared to their peers. **According to our research US companies pay on average 20% more than German companies, 16% more than UK companies but only 5% more than Swiss companies.**

2. Industry sector
Some sectors simply pay more as they are more profitable than other sectors which might suffer from low margins. Hence, financial services and pharmaceuticals have tended to pay much higher salaries than the chemical or retail companies. **According to our research pharmaceutical and technology companies pay some of the best salaries in Brussels.**

3. Salary culture specific to the company
Even within sectors there can be large pay gaps. This can be explained partly by financial performance of the organization but each company has a particular compensation culture, which means that some companies can be just plain good or bad payers across all functions not just corporate affairs.

4. How Corporate Affairs is valued culturally within the organization
The most interesting environments for corporate affairs staff are typically within organizations that really value their role. When corporate affairs becomes an internally focussed activity with endless value metrics, and questions are continuously put over budget, headcount and existence of an EU corporate affairs office, then clearly salary negotiations are difficult. When business leaders clearly understand how corporate affairs can support the business then pay levels tend to reflect the challenge of recruiting and retaining talent appropriately. Some companies just don't get it however – for instance in the course of this research we found the Global Public Affairs head of a major Fortune 200 company was only paid €75,000 gross per annum!

6. The reporting relationship
For instance, a CEO or General Counsel will see salary levels differently from a cost conscious CFO or COO. Recent research by the Public Affairs Council found that 36% of the most senior public affairs executive report to the CEO, President or Chairman; 27% report to the General Counsel; 14% to a Business Unit/divisional officer; 9% to a Corporate VP; 7% to a Chief Communications Officer; 2% to a Chief Operating Officer; 2% to a CFO; and 4% have other reporting relationships. All of these corporate disciplines have different views and tradition on compensation, for example lawyers are typically paid much more than PR people.

7. Gender differences
The principle that men and women should receive equal pay for equal work has been enshrined in the European Treaties since 1957 but in the EU-27 as a whole, women are paid, on average, 16% less than men. This is a complex area and gender pay gaps also reflect other inequalities, in particular, women's often disproportionate share of family responsibilities and associated difficulties of reconciling work with private life.

According to Eurostat the smallest differences in average pay between the sexes were found in Luxembourg, Italy, Romania, Belgium, Poland and Slovenia (less than 10.0 % difference in each of these). The biggest gender pay gaps were identified in Estonia (26.9 %), the Czech Republic (22.5 %), Germany (22.0 %), Austria (21.7 %), and the United Kingdom

(20.8 %). Unfortunately, some of these national differences are reflected in gender pay gaps in their corporate affairs functions across Europe.

When we analysed our research findings, and making reasonable comparisons with similar levels of seniority we did find a relatively narrower pay gap. **Notably for the most senior levels we studied Head of EMEA and Global Head of Corporate Affairs) women on average earn 7% less than men. For the middle management level roles of Manager, Senior Manager and Director of EU Corporate Affairs, we found that women on average earned 3.5% less than their male colleagues.**

However, the divergence seems most acute for Heads of EU Affairs; our analysis of the remuneration of over 100 Heads of EU Affairs revealed that almost €150,000 is the average basic salary for men, while for women the average salary is around €125,000. So in keeping with the EU-28 average gender pay gap as a whole, women Heads of EU Affairs are paid, on average, 16% less than men at this level. Gender differences are also expressed in who holds the top jobs. For the most senior positions (Global, EMEA and EU Corporate Affairs Heads), men occupy around 70% of the most senior positions.

Nevertheless, our general experience in Brussels is that women are considered equally alongside male candidates in salary negotiations for new positions, and we have never experienced any visible or obvious gender discrimination. There is one caveat, however, as the general approach of all employers is to recruit the best person for the job at the best 'price'; hence, female candidates may not obtain the highest salary possible in any given salary band for a specific position when negotiating from a generally lower base than men.

"Countries have different cultures and some countries like the U.K. have a long tradition of lobbying, while other countries know it less and influencing politics is done differently"

Transparency International EU's Daniel Freund quoted in POLITICO.

POLITICO

"The business value at stake from government and regulatory intervention is huge: about 30 percent of earnings for companies in most industries, we estimate, and higher still in the banking sector, where the figure tops 50 percent. Translating those percentages into euros, dollars, or yen can yield eye-popping results: one European utility found that the ongoing value at stake from regulation was €1.5 billion, or about €30 million for every employee involved in handling the company's regulatory affairs"

McKinsey - Organizing the government-affairs function for impact

McKinsey&Company

"The lack of diversity is aggravated by the realities of the EU labour market, where it often takes a master's degree just to land an internship. If you can't afford to live off a credit card to get started in Brussels and weren't brought up learning multiple languages it can be nearly impossible to build a career". POLITICO, "Brussels is blind to diversity"

Ryan Heath

POLITICO

8. Location

Belgium features in lists of the top 10 best countries for work measured by indicators such as average earnings, minimum wage, vacation, public holidays, parental leave, healthcare, average hours worked per week, gender pay gap and unemployment rate. Where you work makes a big difference to pay differentials, not just between different countries but also within them. London salaries for instance are typically higher than in the UK regions.

9. Age Differences

Your age isn't the only number that increases over time. Years of relevant work experience is the factor that most closely correlates with your age. As you accrue more experience in the workplace, your value to employers inevitably increases, and salary expectations should follow in line. There's a direct correlation between age and salary – for most of your life they will increase together as you learn new skills, gain more experience and increase your potential. However, salaries do not rise exponentially and according to various research across job types, industries and countries what you earn in your 40s is likely to be the top of your earning potential. The salary curve for most people in their 20s is very steep. Then it starts to flatten in the 30s, and then you get into the land of the 3% raise. In euros, those 3% raises are not actually raises, they are just keeping up with inflation.

For most senior EU Corporate Affairs 7 to 10 years' work experience is considered the minimum. However, there is some cultural biased here, for instance we are aware some East European employers do not want to consider candidates of a certain age as they would be associated with the Communist past; on the other hand one Asian corporate client only wanted to consider older candidates, as people are not taken seriously until their 60s in their society!

10. Diversity

There are close to 50 million people of a racial and ethnic minority background living in Europe i.e. around 10% of the population but it is estimated that the minority population directly employed by EU institutions is around 1%. Brussels itself is a diverse city by global standards: Around half of the EU capital's 1.1 million residents were born outside of Belgium, many from Africa, Middle East and Turkey. In a roundtable convened by POLITICO to hear the experiences of minorities working in EU circles, those who had worked in both the U.S. and Europe complained about both lack of individual awareness and lack of HR diversity systems in Europe — including in branch offices of U.S.-headquartered companies. We did not research salary differences between minorities, indeed in Belgium asking information about a person's ethnicity can expose you to legal action, however we would not be surprised to see disparities given what we found with gender pay gaps.

11. Negotiation

As the saying goes "In Business As in Life, You Don't Get What You Deserve, You Get What You Negotiate". Good negotiation skills may indeed help you get the upper salary level in any given band for a particular job, a different title and even special conditions. The most productive salary negotiations occur between people who realize that they have a common goal: to be paid fairly for their skills, knowledge and experience. Negotiations do not need to be adversarial, but talking about money with a future boss can be nerve-wracking. A very common salary negotiation error is focusing on what candidates feel they need or deserve rather than on their value and the value they will bring to the prospective employer.

> "Rules for Negotiating a Job Offer: Don't underestimate the importance of likability. This sounds basic, but it's crucial: People are going to fight for you only if they like you. Anything you do in a negotiation that makes you less likable reduces the chances that the other side will work to get you a better offer. This is about more than being polite; it's about managing some inevitable tensions in negotiation, such as asking for what you deserve without seeming greedy, pointing out deficiencies in the offer without seeming petty, and being persistent without being a nuisance."
>
> Harvard Business Review, April 2014
>
> Harvard Business Review

12. Lady Luck

Although the factors laid out above might be obvious, there are some seemingly inexplicable reasons (to the outsider) why corporate affairs salaries vary so much. How can it be that one Global Head of Public Affairs for a major Fortune 200 Company is earning less than €100,000 while a Head of EU Affairs for a similar sized company earns a base salary 3 times greater and is sitting on over €1 million worth of shares? Well good old Lady Luck had a part to play, for instance one person just took over their predecessors' generous package while somebody worked their way up from intern to the top job, but was only able to argue for small incremental increases in line with company policy.

The general rule of thumb is that candidates do not change jobs for lower or the same salaries, except in rare circumstances. Hence, we advise clients to offer a minimum of a 10% basic salary raise to attract candidates, or more often 20% as a 'normal' good incentive, or even 30% or more to clinch the deal and avoid counteroffers. The competition for talented EU corporate affairs staff is fierce and the cost of not attracting the right person for the job can be considerable.

If you ever wonder why companies can take so long in deciding which candidate to hire for a particular position, consider this: the cost of selecting the wrong person can run into millions of euros for corporate affairs positions. In Brussels we have witnessed disastrous corporate affairs and association leadership appointments cost their employers lost revenue, missed opportunities, poor EU policy outcomes and bad reputations. On the other hand, the great corporate affairs practitioners constantly add value to their organisations and build good will with their key stakeholders.

While the financial impact is quantifiable, chief financial officers actually rank a bad hire's morale and productivity impacts ahead of monetary losses according to research. The Harvard Business Review points out that as much as 80% of employee turnover is due to bad hiring decisions. A good headhunter can help a company make the right hire.

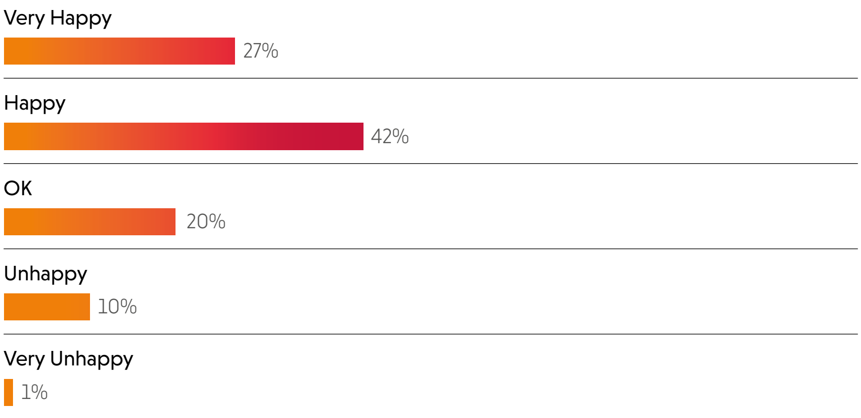
– Happiness and job satisfaction

How much money buys happiness? Research suggests the number is approximately €40,000 a year. Daniel Gilbert, professor of psychology at Harvard University, says once you have enough money to meet basic needs "incremental increases have little effect on your happiness". The big factors in determining happiness levels are satisfaction with your job and social relationships.

69%

Of staff told us they are either happy or very happy

– My online survey of over 300 European Corporate Affairs staff asked how happy they are in their current role.



So a word of caution to our readers – please be happy with what you have, rather than unhappy with what others might seem to earn. In my experience, money is only one part of overall job satisfaction, it is also about having positive colleagues and bosses, work/life balance, job autonomy, career development opportunities, job security, and possibly even a higher purpose to what you do.

European corporate affairs jobs typically tick many of these boxes. So my advice is enjoy what you have, and appreciate the fact that you are working in one of the world's most interesting professions that should be future proof – neither Artificial Intelligence nor robots are going to replace you any day soon. Indeed, government affairs may be one of the last human jobs standing – can you imagine a society where lobbyists or politicians are replaced with machines? Hence, we are betting our own careers that companies will still need human headhunters to recruit those top lobbyists! We hope you find this report useful to consider for your next hires, or even for yourself in your upcoming salary negotiations.

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— EU Corporate Affairs Remuneration – The numbers

– Global Heads of Corporate Affairs

The majority of Global Heads of Corporate Affairs based in the EU earn less than €250,000 as a base gross annual salary, and some earn substantially over €350,000, particularly where they report directly to the CEO in high paying sectors and financially successful companies. Almost one half expect to make more than a 20% annual bonus, and similarly one half make an additional 20% or more of their annual salary through stock and share options, with almost one in ten earning 50% or more of their salary in this way. Around three quarters of Global Heads of Corporate Affairs are men. Global Heads can earn substantially more in other non-EU jurisdictions where Dober Partners operates, notably the USA, Australia and Switzerland.

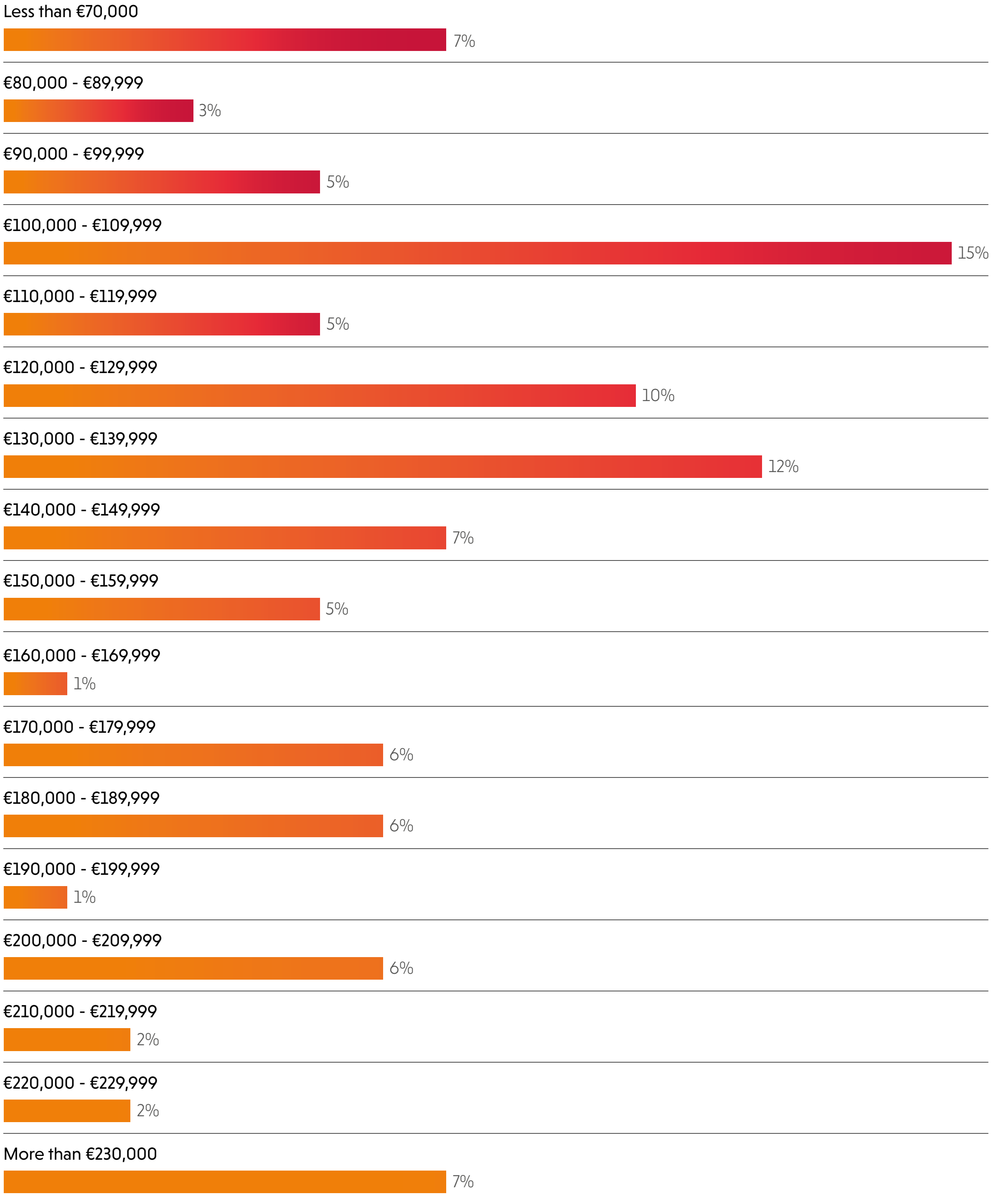
– Head of EMEA Corporate Affairs

EMEA is a shorthand designation meaning Europe, the Middle East and Africa which is particularly common among North American companies. Heads of EMEA Public Affairs or EMEA Government Affairs enjoy a number of different titles including Senior Vice President and Senior Director. Around 60% of corporate staff at this level are men. Salaries for EMEA Heads are understandably lower than Global Heads with around one third earn €140,000 - €170,000 as an annual base salary, around a quarter earn €170 - €220,000, and another quarter earn more than €220,000. Bonus and Long Term Incentives (LTIs) are a similar proportion of annual salaries compared to Global Heads.

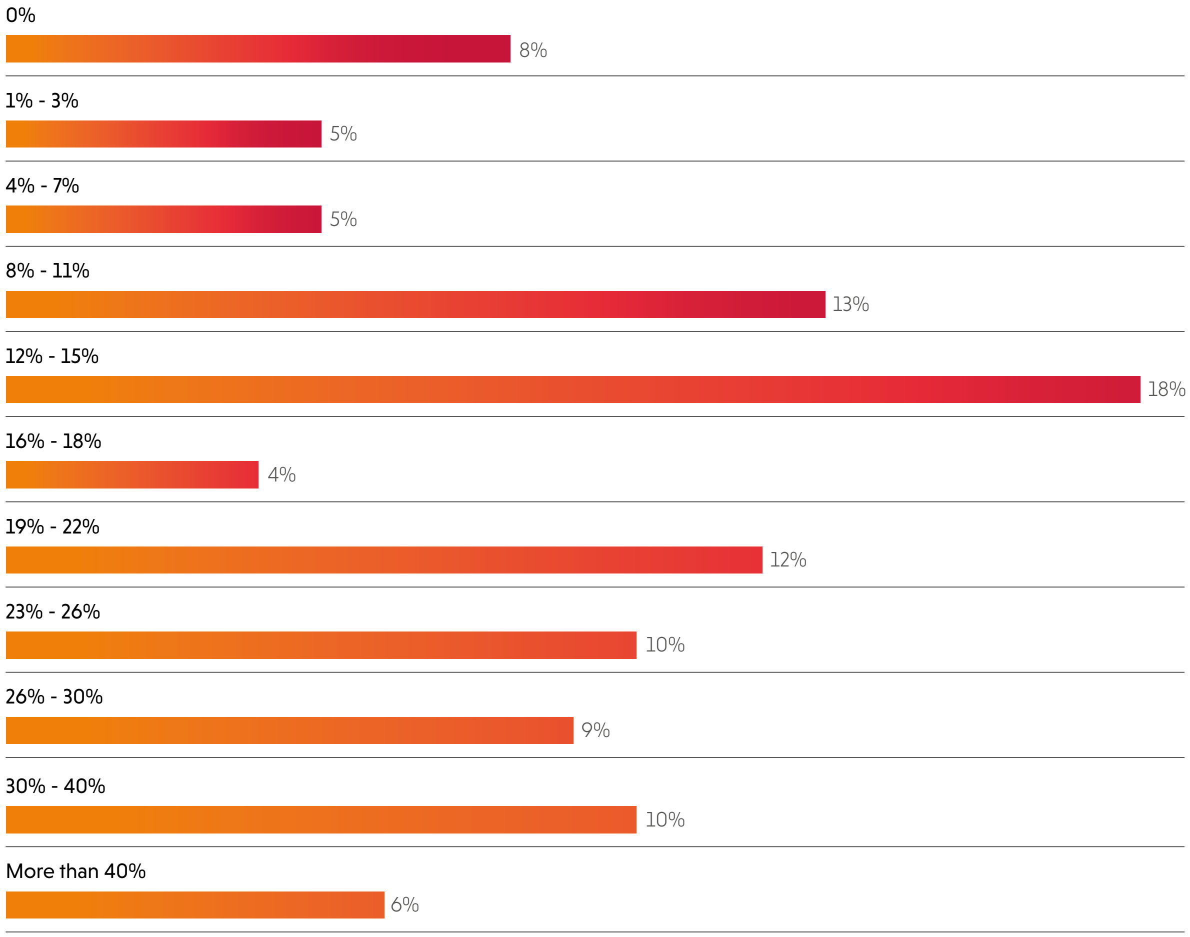
– Heads of EU Corporate Affairs

This level has a number of titles including Head of EU Public Affairs. Nearly all are salaried employees and although many are based in Brussels, others are based around Europe in cities as diverse as London, Berlin and Amsterdam. Around three quarters of Heads of EU Corporate Affairs are men. This is a generally happy group with almost 70% reporting they are either very happy or happy with only 10% unhappy in their jobs.

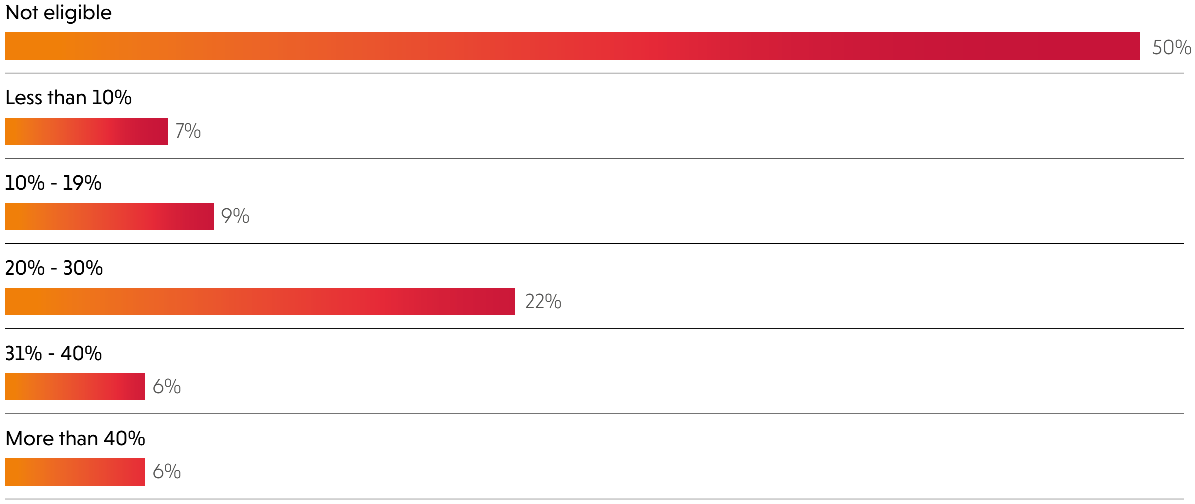
– Heads of EU Affairs Annual Basic Salary



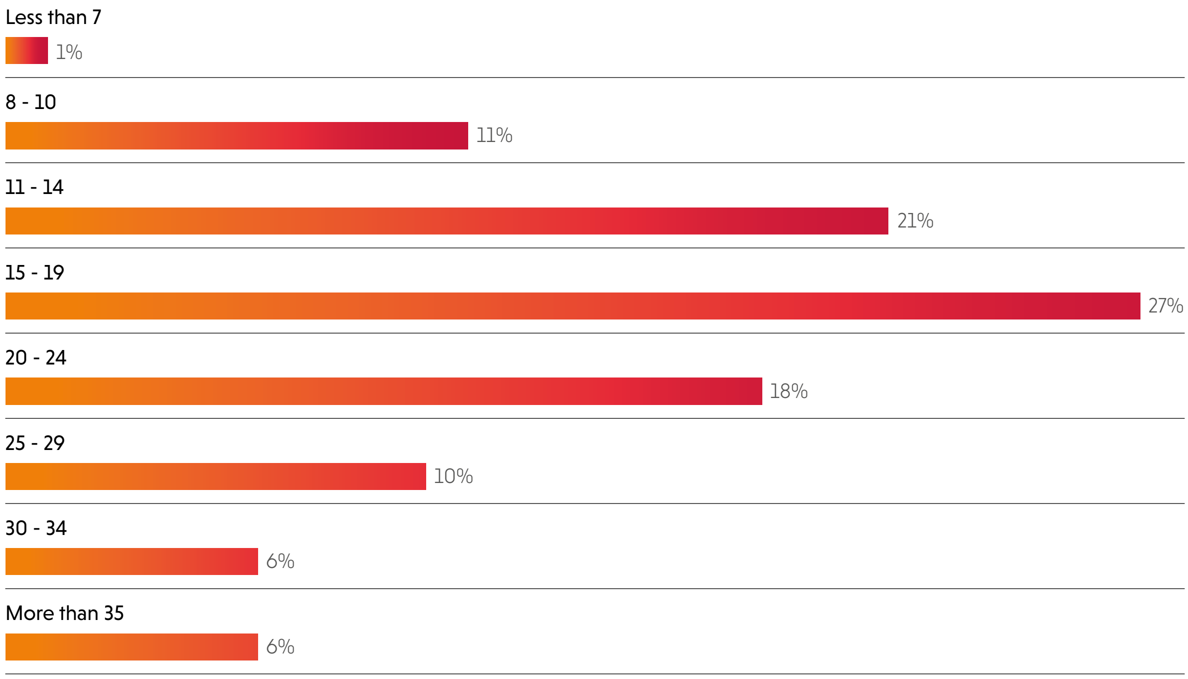
– **Heads of EU Affairs annual bonus expressed as percentage of annual gross salary**



– Heads of EU Affairs Value of Long Term Incentives (LTIs) in restricted stock units and stock options expressed as percentage of annual gross salary



– Heads of EU Affairs Years of Work Experience since leaving full-time education

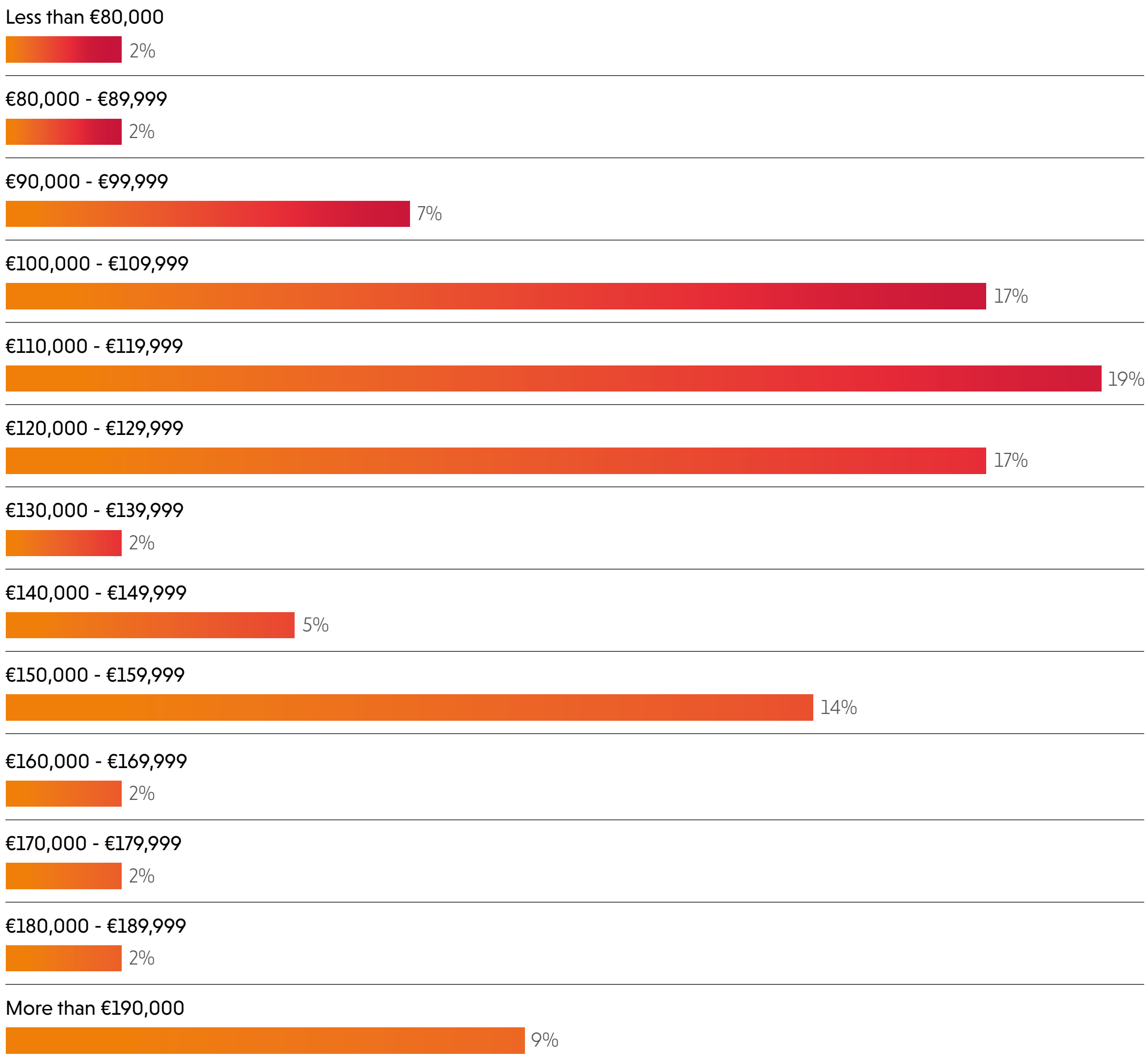


– Directors & Associate Director of EU Public Affairs

This level has a number of titles including Director or Associate Director of EU Public Affairs / Government Affairs but the distinguishing common thread is that they report to the Head of EU Public Affairs. Almost 60% of this group are men. Around 25% at this level have 7 to 10 years' work experience, with 40% between 11 and 20 years' work experience and around one third with 21 plus years on the clock. Benefits are similar in percentage terms compared with their bosses albeit at lower levels, notably there are no Directors reporting representation allowances of more than €300 per month.

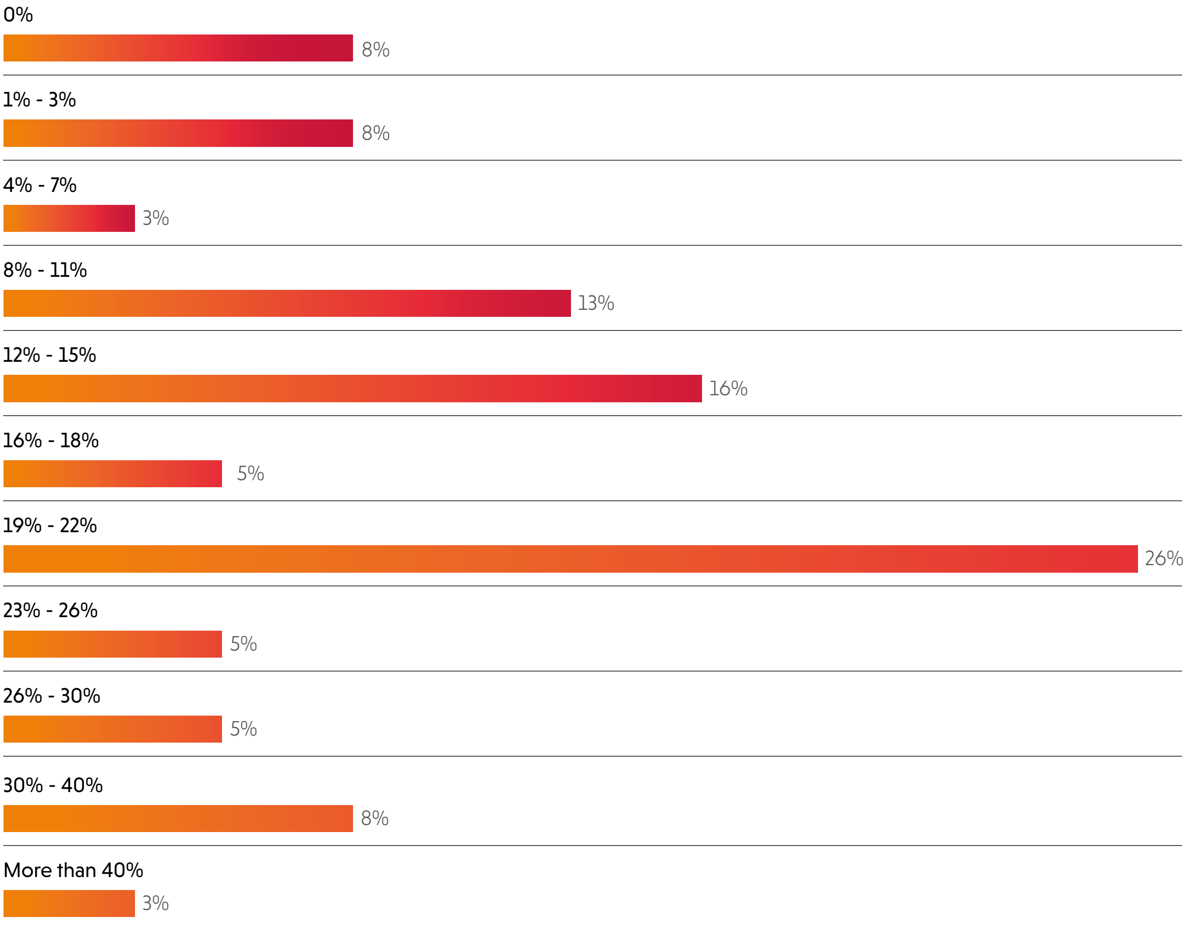
Just over a half of Directors report receiving LTIs in the form of shares and stock options with the majority of these receiving up to 30% of their annual gross salary in this way.

– Director of EU Public Affairs Annual Gross Salary



– Director of EU Public Annual Bonus

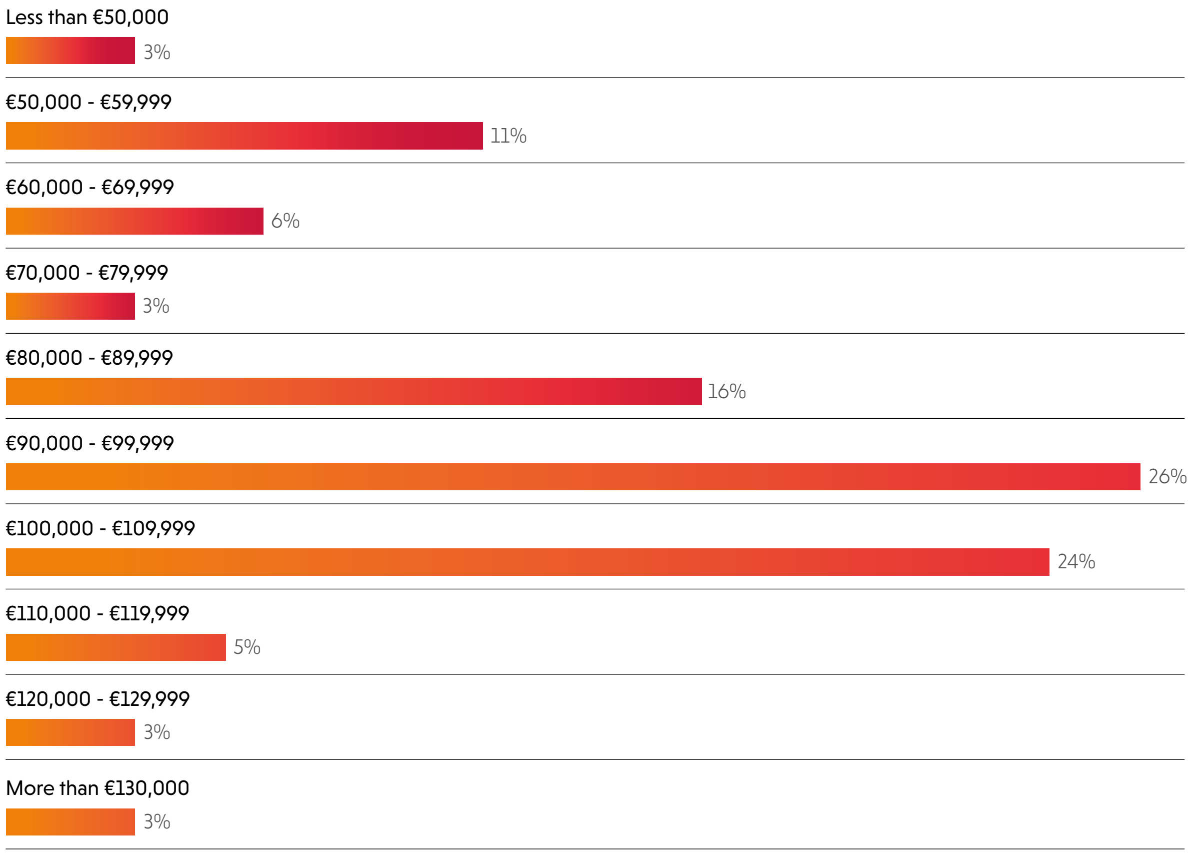
It is interesting to see that a majority two thirds of Directors earn a significant annual bonus worth more than 10% of their annual salary but almost one in ten earn no bonus at all.



– Senior Managers, Public Affairs

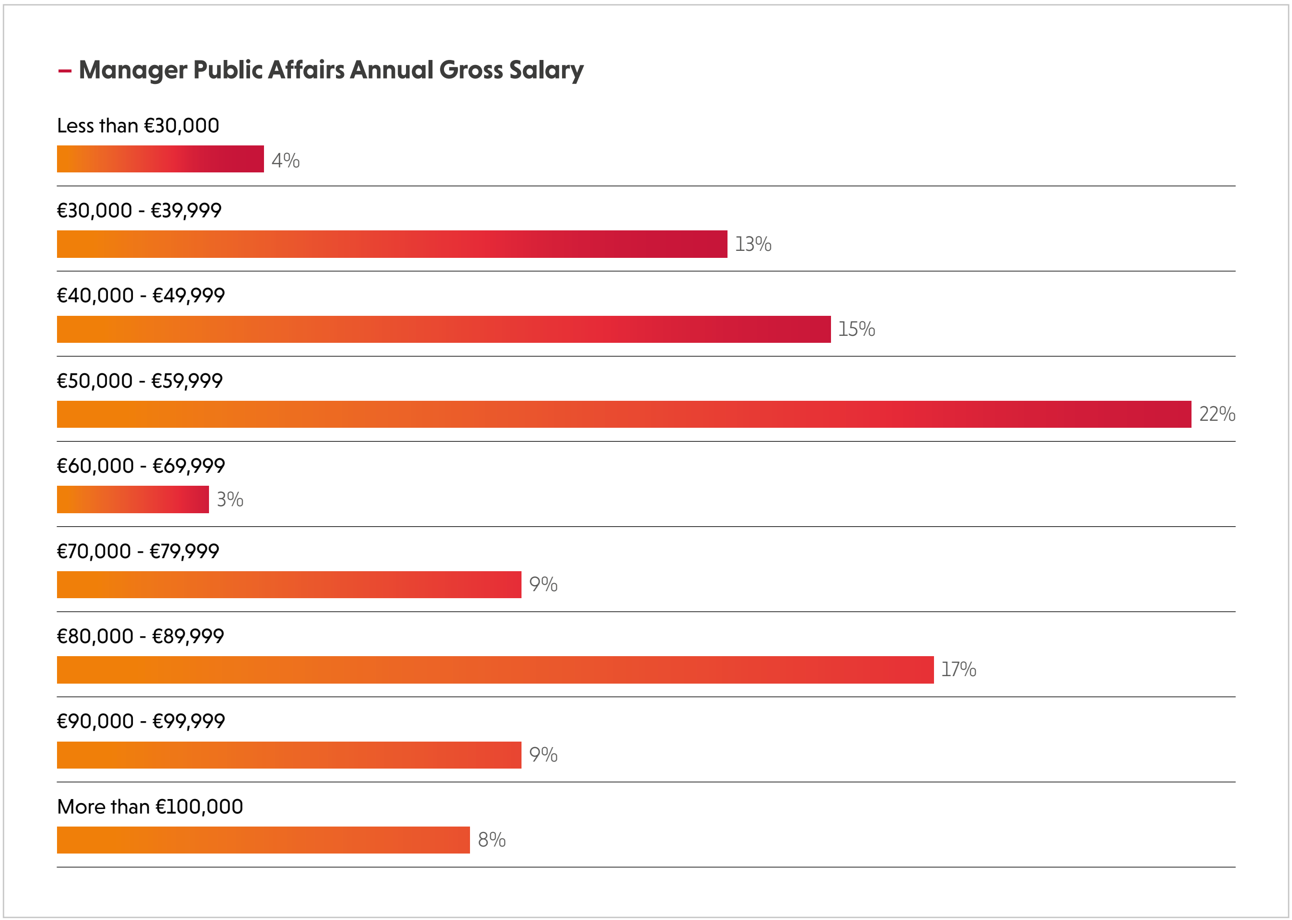
At this level, there is an almost 50/50 female to male ratio. Three quarters of Senior Managers are not eligible for Long Term Incentives in shares and share options but more than one in five earn more than 10% of their annual salary this way. The majority (60%) of Senior Managers have less than 10 years' work experience with about a third between 10 and 20 years' work experience. The majority of senior managers earn an annual bonus with almost one quarter earning a bonus of more than 20% of their annual salary.

– Senior Manager Corporate Affairs Annual Gross Salary



– Corporate Affairs Managers

Corporate or Public Affairs Managers comprise the happiest group surveyed with almost 80% reporting they are happy or very happy. Typically, this is one of the first rungs in scaling the corporate ladder with entrants in Brussels perhaps having come from consultancy or working in one of the EU institutions. Again, there is an almost 50/50 female to male ratio. Very few public affairs managers are eligible for stock options or restricted stock units. Just over two thirds of managers do receive an annual bonus which is typically worth 5% to 15% of annual salary.



The Benefits of working in Belgium

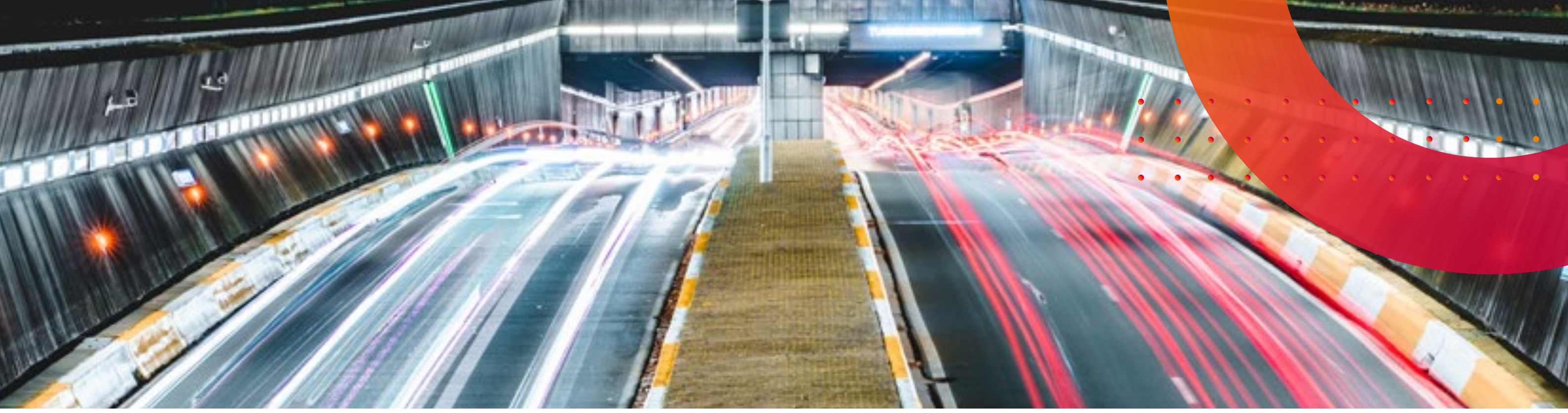
Although highly taxed there are a number of perks and benefits available to corporate affairs staff in Belgium, which are less common elsewhere. For instance, cars In Belgium with the free use of fuel are fairly common due to their relatively favourable tax treatment. According to our research summarized below, meal vouchers, group pension plans, phones and private healthcare insurance are available to the majority of corporate staff. When we look across all levels the following benefits are enjoyed by Corporate Affairs staff in Belgium:

While some of these benefits are almost standard features of corporate affairs remuneration (notably phones, pension plans and healthcare and meal tickets) others will depend on seniority. For instance, only the most senior staff will be able to claim around €300 as a representation allowance while conversely only more junior staff might receive public transport allowances. We discuss below the less obvious and changing elements of the two most financially important benefits; cars and pensions.

– The Benefits Breakdown

Benefit	Percentage receiving benefit
Smartphone paid for by your employer	87%
Group pension plan with partial or full contributions from your company	81%
Meal Vouchers (Cheque repas)	74%
Private healthcare plan paid by association (e.g. DKV)	73%
Mobile phone bill paid fully	72%
Car lease paid by your company	60%
Petrol card	57%
Eco vouchers	56%
Home internet	30%
Public transport allowance	27%
Representation allowance of €151 - €300 per month	23%
Representation allowance of less than €150 per month	18%
Gym membership	10%
Representation allowance of more than €300 per month	4%

The Belgian government has agreed new tax saving measures for companies and individuals from 2018 onwards.



– Company Cars in Belgium

If traffic in Brussels drives you mad, it is normal: the city is highly congested although the author suspects this is mostly due to insane road construction, reconstruction and under construction policies. Linked to this congestion are company cars, some 550,000 of them in Belgium. Historically the company car was introduced at a time when car manufacturers were still big employers, in a country where the cost of salaries is very high. Some believe that the treatment of company cars is far too generous in Belgium, and both the OECD and the European Commission have criticised the tax benefits associated with company cars in Belgium.

There are three main reasons why employers offer company cars. First, the corporate affairs job market is increasingly competitive and often even for mid-level and certainly senior positions a company car is often seen as a standard part of the package. Secondly, those who already have a company car do not want to lose it and they demand one when they change employer but the most important reason is the favourable tax regime in Belgium.

The HR company SD Worx recently reported from research across 100,000 Belgian employees that one in three has a car lease paid by their employer. They found the average list price of the cars was around €32,000 which explains why we see so many nice cars on the road here! In 2019, one-third more new cars paid by their employers were registered than five years ago. It was estimated pre-coronavirus that 100,000 company cars enter, exit or are driven within the Brussels region every single day.

However, with the environment turning increasingly hostile toward diesel cars and a push to clean up air quality in cities government policy is changing fast. The system of deduction of car expenses changed considerably in 2018. In personal income tax, car expenses will be deductible based on the CO2 emissions.

Furthermore, in order to reduce pollution and congestion Belgium has agreed the introduction of a 'mobility budget' which means company car drivers can exchange their vehicle for a lower tax rate in a cash. However, the initial plan to offer a wide range of mobility alternatives in lieu of a company car has been ditched, in favour of a simple tax advantage, which the beneficiary can spend as they please. As we go to press changes are foreseen to this favourable tax regime in 2020.

> "The employee is taxed on an estimated value of the private use of a company car that is considerably less than its real value. For employers, the main tax advantage is that, unlike salaries, the benefit of using a company car is not subject to the regular system of employers' social security contributions. The favourable tax treatment for company cars has a high budgetary cost, accounting for approximately EUR 3.75 billion of revenue foregone (0.9% of GDP in 2016) annually. Moreover, the Belgian company car scheme favours road travel and dilutes the incentives to reduce fuel consumption provided by energy and vehicle taxation. This imposes welfare costs to society by aggravating air pollution and greenhouse gas emissions."
>
> Taxation of Company Cars in Belgium – European Commission

EUROPEAN COMMISSION

Drivers in Brussels face the worst traffic jams in the world according to the INRIX Traffic Scorecard

– Pensions in Belgium

The Belgian pension system has 4 main elements or pillars:

The first pillar:
The statutory pension is the pension which the State pays to workers who have reached retirement age. The amount varies according to several factors including; the number of years worked; the salary level; and the status of the worker (employed or self-employed). Figures from ING bank show that the average state pension in Belgium for employees is €1,100, €2,600 for civil servants, and €900 for self-employed workers. The state pension system is financed by social security contributions paid on salary. Pension rights are accrued on gross salary up to a ceiling currently equal to €54,648. Salary in excess of that amount does not open any right to state pension. State pension is payable at 65. The normal legal retirement age will be raised to 66 in 2025 and to 67 in 2030. The normal rule is that a pension is equal to 75 per cent (for a family pension) or 60 per cent (for a single pension) of salary (up to the ceiling) multiplied by service years and divided by 45.

The second pillar:
the supplementary or extra-legal pension supplements the statutory pension. A complementary pension is a savings pot that you accrue during your working life with the help of your employer or sector. When you retire, you will receive the accrued amount, on top of your state pension from the government. Roughly 75% of all employers build up a complementary pension for their employees. With a complementary pension, your employer protects the purchasing power of you and your family after you retire. Besides building up a complementary pension for you, your employer may also provide additional benefits such as death cover. This means the beneficiaries named in your contract will receive a lump sum if you die before retirement. Your employer will thus also protect your family. A complementary pension is a method of remuneration with tax advantages, both for you and your employer. The supplementary or extra-legal pension is a benefit which the employer may grant, but employers are under no obligation to do so. By definition, the amount is variable.

The third pillar:
The individual pension savings plan allows you to top-up your future pension income on your own initiative, while benefiting from tax advantages in the current year. By making regular contributions to the plan, you build up a lump sum with interest, which you can then use when you retire. These contributions are subject to tax relief, which provides a particularly favourable environment for your savings. These combined payments are limited to about €3,000 person a year and the investments are mainly managed by banks. From 2018 people making deposits into a pension saving fund will have the option between two tax schemes affecting their personal income tax: The current tax scheme: 30% tax reduction on € 940 deposits; or a new tax scheme with 25% tax reduction on €1,200 deposits.

The fourth pillar
Is the individual savings plan paid out of net salary. Although there are no special tax breaks on this kind of "pension" savings it is possible to invest in such a way that savings grow tax-free – noting that capital gains can be tax free - and the entire fund can be taken out as a lump sum at any time.

Not everybody is happy; starting from 2025, the minimum retirement age in Belgium will be 66 and from 2030 it will be 67.

– Belgian Taxes – good and bad news

Most mid to senior level public affairs staff in corporates earn in excess of the highest income tax bracket of €41,060 and incur the highest 50% tax rate as per the table below.

In addition, local communal taxes are levied at rates varying from 0% to 9% of the income tax due. The average rate being 7%.

The employee's share of social security taxes is 13.07% of the total gross compensation, with no cap (except for independent contractors).

– Personal income tax rates

Tax brackets for income year 2020 are applicable to net taxable income after the deduction of social security charges and professional expenses.

Taxable Income (EUR)		Rate (%)	Tax on bracket (EUR)	Cumulative tax (EUR)
Over	Not Over			
0	13,440	25	3,360.00	3,360.00
13,440	23,720	40	4,112.00	7,472.00
23,720	41,060	45	7,803.00	15,275.00
41,060	and above	50		

For salaried employees (i.e. not independent contractors) the employer's share provides for a progressive decrease of the employer's social security contributions to 25%.

When we recruit senior positions for EU public affairs roles for clients who are not residing in Belgium, they are often shocked at the relatively high costs of employing staff compared to their own countries. High salaries are hardly surprising, however, given such high levels of social security and income taxation. In addition to having one of the highest minimum wages in Europe, Belgium also has strong labour laws that protect the rights of workers at a national level.

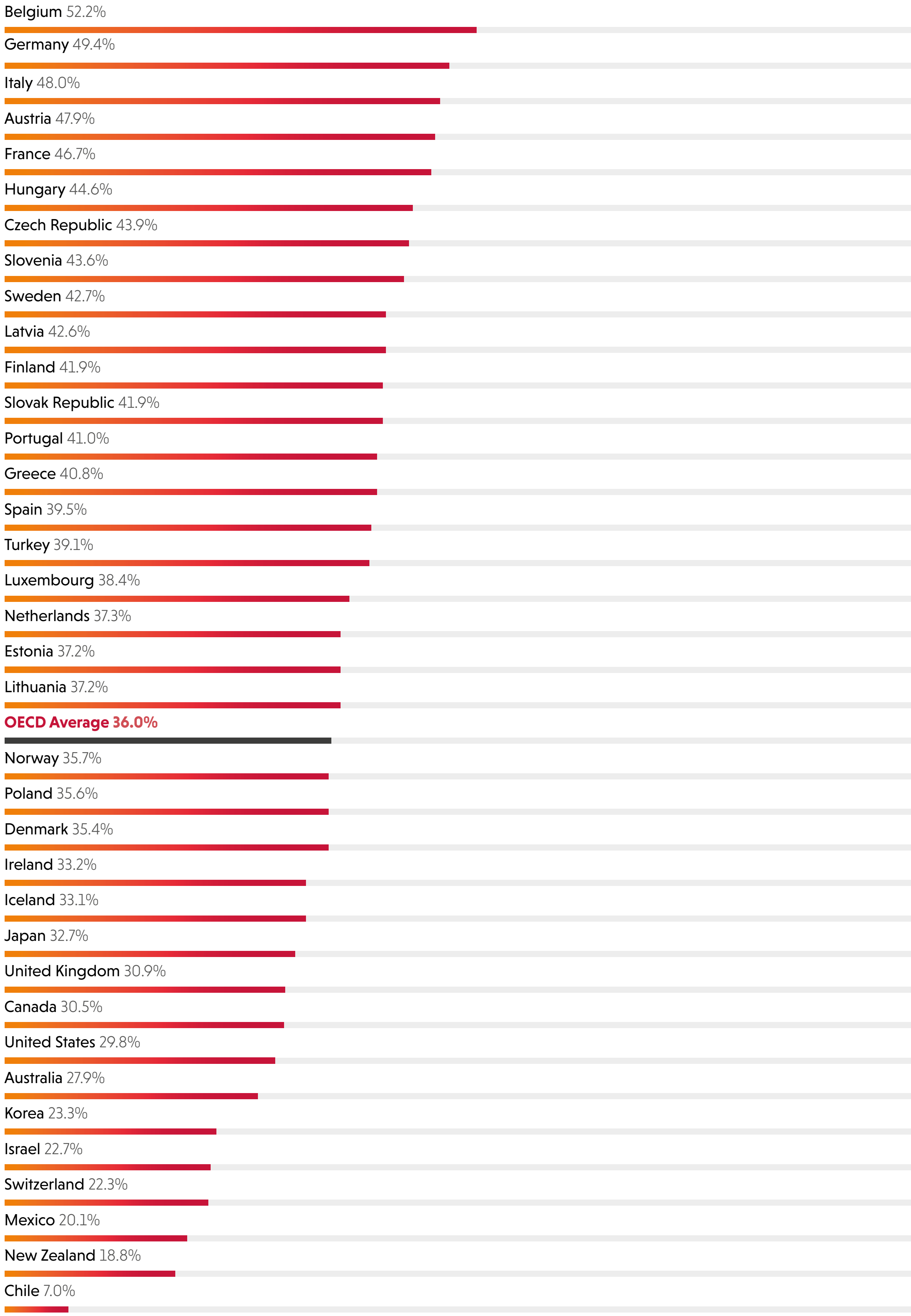
The OECD just released their new 2020 Comparison of the Tax Burden on Labour, and Belgium come out as world tax champions again. According to the report, the "tax wedge" faced by single workers without children ranged from only 7 percent in Chile to over 52 percent in Belgium, a difference of over 45 percent. The "tax wedge" is simply the difference between an employer's cost of an employee, and the employee's net disposable income.

Germany ranks second at 49.4% which means Belgium is the only OECD country where taxpayers pay more than half their salary to the state. However, we do benefit from world-class healthcare and a generous social security scheme which is appreciated during these difficult times.

> "Everybody moans about paying their taxes, but Belgians have more reason than most to complain. Data from the Organisation for Economic Co-operation and Development shows that Belgium has the highest income taxes in the developed world."
>
> CNN

– OECD 2020 Comparison of the Tax Burden on Labour

The Tax Burden on Labour in Belgium is Seven Times that of Chile



– Non-resident expatriate tax status

It is estimated that almost 21,000 foreign executives including corporate affairs staff benefit from a particularly favourable tax regime in Belgium, while avoiding paying taxes in their home country known as expatriate or non-resident tax status. Under the regime, some expats are required to pay substantially reduced income tax levels. According to a recent article in De Standaard, the tax break amounts to more than €1 billion. This specific tax regime was introduced in the early 1980s to provide a way around Belgium's high labour costs for the employees of multinational companies.

Residents are taxable in Belgium on their worldwide income, while non-residents are only taxable on their Belgian source income (i.e. professional income earned in Belgium or real estate income). Income not originating from a Belgian source is not subject to the Belgian income taxes. Moreover, these executives are not taxed on the part of their remuneration that relates to work outside Belgium. For example, if they travel (for work) for 30 % of their time, they are only taxed on 70 % of their remuneration.

Expatriate employees are not taxed on reimbursements of certain expenses up to certain limits. Allowances for one-time expenses include moving expenses, costs of establishing residence in Belgium and losses incurred on the sale of a house as a result of moving to Belgium. Allowances for ongoing expenses include cost-of-living and housing allowances; school fees; tax equalisation; home leave; emergency trips; travel expenses for children studying abroad; losses incurred in renting a house located abroad; and foreign-exchange losses. Allowances for one-time expenses and allowances for school fees are unlimited and are not subject to taxes in Belgium. However, the annual total allowances for all other ongoing expenses is limited to €11,250 if the employee works in a normal corporate affairs function, and € 29,750 if the employee works for a co-ordination centre/HQ.

Qualification for the expatriate special income tax regime is not automatic, and requires the filing of a special application request by both the employer and expatriate employee within six months from the first day of the month following the start of employment or secondment to Belgium. It should be clearly shown that the four qualifying conditions have been met.

- **1. The expatriate must be a foreign national.**
- **2. The expatriate must be either an executive or a director of a company, or a researcher or a specialist.**
- **3. The expatriate must be a non-resident for Belgian income tax purposes. The Expatriate Tax Circular of 8 August 1983 lists a set of factual circumstances that are indicative of such a non-resident status which include factors such as having financial assets and property outside Belgium.**
- **4. The expatriate must be temporarily employed in Belgium by an employer that is part of an international group of companies.**

Although the concessions are not granted for a fixed time period, the tax office has recently issued new guidelines, which set a review of the application after 10 years and 15 years. If the conditions for this regime continue to be met, the regime can be maintained after these reviews for up to a total of 20 years. Some changes are expected in the implementation of this regime, including increasing difficulty of retaining this special status if switching employers in Belgium.

International Corporate Affairs Remuneration Comparisons:

Corporate Affairs can also earn high salaries in other jurisdictions where Dober Partners operates, especially Switzerland which is host to one of the highest concentration of multinationals in Europe.

Some 130 multinationals have a headquarters base in Geneva alone and the competition for talent can be fierce. Swiss employees are the best paid in Europe, with workers in Switzerland often paid around 50% more than those in second-placed Luxembourg. In our experience, senior corporate affairs jobs can enjoy similar premiums compared to elsewhere with lower income taxes, although living costs can be very high.

Elsewhere around Europe, we find corporate affairs salaries reflecting national salary culture but generally lower than in Belgium and Switzerland on equivalent levels of seniority. For instance, although Germany hosts some of the world's most successful companies, salaries are relatively low for corporate affairs stuff which is symptomatic of a salary culture defined by wage restraint and collective bargaining. Similarly, despite a very high cost of living in Paris, corporate affairs salaries can be surprisingly modest although occasionally very high.

To earn the highest corporate affairs and public affairs salaries in the world, however, you need to move to the USA. On a recent visit to meet our Washington DC headhunter associates at Lochlin Partners we discovered that the average CEO of a US trade association earns in excess of US $650,000. Indeed, the US Chamber of Commerce CEO earns more than $6 million in base salary and bonus per year. Top lobbyists in the Washington, D.C. market are well compensated with cash compensation reaching to and beyond the million-dollar range. In the D.C. market, access and influence remain highly valued by associations and industry. Corporate Affairs executives can also earn up to $750,000+ depending on the complexity of their organization and its agenda.

About Dober Partners

Dober Partners is an Executive Search & Consultancy firm operating in Brussels and around Europe, since 2010.

From our offices in Brussels, we recruit senior communication and public affairs executives for corporates, associations, consultancies and law firms.

We are independent specialists who don't have to support an expensive HQ, costly network and outside shareholders. Our overheads are lower and our focus is clear. We recruit better candidates, faster.

We also provide strategic advice, research and other consultancy services to association leaders and their boards. The major difference with our competitors is that in addition to our headhunting specialism, we are also practitioners who really understand the communication and advocacy sector. For example, if our clients brief us on requiring specific knowledge and skills in EU lobbying or media relations, we know exactly what they are talking about, as we have been there ourselves. We also understand issues, so if our clients want healthcare or digital policy experts we understand their needs exactly.

Our team has previously recruited corporate public affairs leaders for some of the world's largest companies including; Astra Zeneca, GSK, Johnson & Johnson, McDonald's, Novartis, RELX (Reed Elsevier), Schroders and Syngenta.

In Brussels, Dober Partners is also the specialist in European association leadership recruitment. We typically recruit the most senior positions, namely the Director General, Director of Communications or Public Affairs, or the Chief Operating Officer. Our team has a strong record of recruiting leaders for diverse and important European associations, including Orgalim the European Engineering Association, Cosmetics Europe, spiritsEUROPE, Medicines for Europe and the Association of the European Self-Medication Industry.

Our Team

- **Mark Dober**
  Owner and former Managing Director of headhunting firm Ellwood Atfield, and founder of public affairs consultancy APCO Worldwide in Brussels.
- **Natalia Kurop**
  Headhunter and former BBC Journalist, Treasurer of the European Association of Communication Directors (EACD) and Director of Communications at DigitalEurope.
- **Christophe Lécureuil**
  Current Secretary-General of the European Centre for Public Affairs (ECPA) and formerly Head of European Government Relations for McDonald's as well as Yum! brands
- **Brian Ager**
  Former Director General of the European Round Table of Industry (ERT), one of the most influential business organisations in the European Union.
- **Florence Ranson**
  Former Head of Communications at the European Banking Federation and FoodDrinkEurope, as well as Managing VP of the European Association of Communication Directors (EACD).
- **Helen Dunnett**
  Former Head of Consulting at ZN consulting and Corporate Comms Consultant with Microsoft.
- **Mike Savarese**
  Headhunter and public affairs consultant.
- **Frédéric Goffard**
  Specialist HR, Finance and IT adviser for associations and companies.

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– The Dober Partners Team

Mark Dober
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Mark has recruited many senior communication, public affairs and association leaders in Brussels and around Europe through Dober Partners since 2010. He has also been a shareholder in Ellwood Atfield and led their international operations until April 2020. He has consulted with over 100 European association leaders, right up to the President of BUSINESSEUROPE and DG of the European Roundtable of Industry. He has also led a number of associations, coalitions and not for profit organisations at EU level. He was formerly the first employee of the public affairs consultancy APCO in Europe and set up their Brussels office in 1995, acting as Managing Director in various roles until 2010. Prior to APCO, he joined the London office of Hill & Knowlton and left its Brussels office as Associate Director. Mark has twice been voted 'European Consultant of the Year' by 'Public Affairs News' and members of 'The European Public Affairs Directory'. He has authored numerous reports on public affairs and communications including 'Key Success Factors for European Associations', 'EU Media Relations', 'High Performance Secretariats', 'European Association Remuneration' and 'European Corporate Affairs Remuneration'. Mark has taught semesters for Masters in Strategic Communications at Brussels IHECS University, and has been an occasional lecturer with a number of Universities including Maastricht. He has a Masters in Political Science from the PUC University of Rio de Janeiro in Brazil. Mark speaks English, French, Spanish and Portuguese.

Natalia Kurop
natalia@doberpartners.com
Natalia is a headhunter and consultant, working with Dober Partners since 2013. She was also a Senior Advisor with recruitment firm Ellwood Atfield from 2015 until April 2020. Natalia has been active in communications and public affairs for over 20 years. Previously she served in a number of senior roles including Director of Communications at DIGITALEUROPE, the leading European digital technology association, the Interactive Advertising Bureau (IAB Europe), and the European Technology and Travel Services Association (ETTSA). Natalia started her career as a broadcast journalist with the British Broadcasting Corporation (BBC), and has produced numerous radio documentaries and TV programmes, and co-authored 'EU Media Relations'. She is a former Treasurer and Board Member of the European Association of Communication Directors (EACD). Educated at Sydney and Monash Universities, Natalia speaks English and French.

Brian Ager
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Brian Ager is a Senior Adviser with Dober Partners. He is also Senior Advisor to the law firm Covington and serves as a Board Member of Iberdrola Energia International. He served as the Secretary General of the European Round Table of Industrialists, a forum bringing together CEOs and Chairmen of major European multinationals from 2011 until 2019. He was previously the Director General of the European Federation of Pharmaceutical Industries and Associations (EFPIA) from 1995 to 2011. He also served as Secretary General of EuropaBio the leading biotech association from 1990 until 1995. He first came to Brussels as an Expert National Détaché with the European Commission. Educated at Essex University, Brian speaks English and French.

Christophe Lécureuil
christophe@doberpartners.com
Christophe is a Senior Adviser providing particular support in Switzerland, France and Brussels. He also serves as the Executive Director of the European Centre for Public Affairs and is Founder of CLC Consultant. Christophe's career highlights include heading up European Government Relations for McDonald's and managing International Communications & Public Affairs for Yum! brands (KFC, Pizza Hut, Taco Bell) across 100 countries. As a consultant with Leidar in Geneva, Fleishman-Hillard in Brussels and Golin/Harris in London, he had the opportunity to work in multiple sectors and industries. He also enjoyed his stint in the NGO world as Head of Corporate Communications at the Global Alliance for Improved Nutrition (GAIN) in Geneva. Christophe started his career as an expert at the European Parliament. He is a French national and holds Master's degrees in Political Science and International Affairs. Christophe spends his time between Geneva and Brussels. He also regularly lectures at the Graduate Institute in Geneva on international advocacy.

Frédéric Goffard
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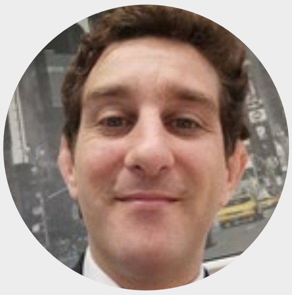
Frédéric is a financial, technology and legal expert with particular experience in helping trade associations and not-for-profit organisations. Frédéric joined the Dober Partners team in 2020 but has worked closely with team members previously. Since 2012 Frédéric has fulfilled the legal, tax and annual account obligations for EUFIC, the European Food Information Council. Prior to EUFIC he worked for DIGITALEUROPE and a number of other sector groups in the energy field. Frédéric has a BSc in Accounting from the Ecole Pratique des Hautes Etudes Commerciales (EPHEC – Brussels) and studied tax law and IT. Frédéric's accounting, legal and IT skills have helped association leaders make the right decisions, at the right time. Frédéric speaks English and French.



Michele Savarese
michele@doberpartners.com
Michele joined the Dober Partners team in 2020 to cooperate on executive search activities with a focus on Southern Europe. Michele is an EU funding and public affairs specialist based between Rome and Brussels with fifteen years of experience working with clients from various sectors. Since 2010 he works at Schuman Associates on the implementation of funding strategies and market assessments as well as public affairs and advocacy campaigns. Prior to this he worked in the international division of a large Italian IT company managing international projects as well as developing new partnerships. Michele has a BA in Political Science from John Cabot University in Rome and a graduate certificate in International Relations from Boston University. Michele speaks, English, Italian and French.

Florence Ranson
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Florence has been active in European communications circles for some 30 years. She started her career as Project Manager for the European Commission, (1990 to 1997), setting up and running Team Europe for the Directorate General Communications. As Secretary General of the European Advertising Tripartite (1997 to 2001), Florence was in charge of the communications strategy and spokesperson of the organisation, on behalf of the European advertising sector.

She then was Head of Communications at the European Banking Federation for 12 years, 5 of which were crisis years. She managed the communications portfolio and was spokesperson of the organisation, as well as devising the strategic developments of communications for the sector.

Florence became Director of Communications for FoodDrinkEurope in 2014, until 2018. There she defined and managed the communications strategy, as well as coordinated the various campaigns launched by the organisation.

Florence has been Chair of the Jury of the European Excellence Awards in communications for over 10 years and is a founding member of the European Association of Communication Directors (EACD), where she was Managing VP for 10 years. She was awarded a 2018 ProPR Award for her contribution to the European communication profession. She regularly speaks at and moderates events throughout Europe and is a mentor to young professionals.

Helen Dunnett
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Helen has worked for over 25 years in Belgium and the UK with a diverse range of organisations from start-ups and federations to multinationals and consultancies.

Helen is an ICF accredited coach who works with organisations to develop their teams. She is also a certified Harrison Assessments talent development coach.

She has a wealth of experience in moderation and the 'Art of Conversation', together with deep expertise in digital and social media platforms having previously worked with Microsoft, APCO and ZN Network. Today, Helen provides coaching and moderation training services to enhance team work and team leadership.

Thank you for taking the time to read this report, and we hope you find it useful. We are grateful to everybody who contributed their time to the salary survey, and to all our clients and candidates without whom we would not be able to give back to the corporate affairs community through our knowledge-sharing endeavours.

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