



News release

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The average wage increase in 2014 in the private sector is 4.1%, according to PwC's PayWell Romania 2014 salary and benefits study

Bucharest – 4 September 2014 – The average wage increase in the private sector amounted to 4.1% in 2014, according to this year's edition of the PayWell Romania salary and benefits survey. This figure is similar to 2013 (4.6%).

“Despite the increase in the minimum wage, which was twice increased in the last 12 months, salaries in the private sector registered only a modest growth in 2014. On the other hand, the downward trend of the inflation rate reduced salary pressures”, stated Mihaela Mitroi, Tax and Legal Services Leader, PwC Romania.

The highest wage increases in 2014 were reported in the IT&C sector (7%), while the lowest were in banking and retail (both 3.2%).

86% of the participating companies increased or plan to increase wages in 2014, while 14% either don't intend to operate such wage increases, or haven't taken a decision by the time the survey's data were collected.

“As the European economic recovery seems still frail, while the regional geopolitical context is very uncertain, companies will show extra caution and keep a close watch on costs in the years to come. For 2015, 54% of the participating companies in the PayWell Romania study have budgeted an average salary increase rate of around 4%, similar to this year”, added Mihaela Mitroi.

In what concerns the extra-salary benefits, PayWell survey concludes that half of the Romanian companies provide fix bonuses to all employees, in connection with the winter holydays, Easter and the summer season vacations. These bonuses are usually offered as fixed amounts, up to RON 2,250.

The performance bonus is a common incentive, being offered by most of the respondents to the PayWell Romania 2014. The planned level of the performance bonus reaches up to 30% of the annual salary, with the highest levels being allocated to top Management.

The PayWell Romania 2014 study points out that the overall rate of non-wage benefits has decreased in the last years for all types of benefits - social benefits (meal tickets, transportation), security benefits (life insurance, private pension plan, medical subscription), perks (company car, mobile phone) or well-being benefits (sports and social activities, assistance for employees' children).



Fixed income now amounts to 92% in total remuneration package (compared to just 69% in 2008), while performance bonuses decreased to 5% of total remuneration and extra-salary benefits to 3%.

“The performance targets have become more challenging and difficult to achieve, therefore generating smaller performance bonuses, while the non-wage benefits were hit by the cost efficiency measures implemented by most of the companies”, said Horațiu Coheci, Senior Manager, Human Resources Consulting Team Leader, PwC Romania.

The results of the second annual human resources survey conducted by PwC, Saratoga, which analyses specific Human Capital effectiveness indicators, will be available starting with November.

About PayWell 2014

PayWell Romania 2014 salary and benefits survey comprises compensation data provided by 166 companies across 9 industry sectors (advertising, banking, FMCG, industrial products, IT&C, leasing, pharmaceuticals, retail, outsourcing and service centres). A number of customised analyses and reports, based on the geographical location, headcount and revenue of the participating companies can also be derived from PayWell study. The qualitative part of the report comprises information on specific compensation policies (e.g. salary increases, fixed and variable bonuses) and analysis of more than twenty benefits available on the market, from company car to meal tickets. The depth and spread of the report, its tenure and the number of organisations involved make PayWell the number one thought leadership tool available on remuneration in Romania.

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