



How you can be better off this year – even without a pay rise

There are various options to help you improve your financial situation in 2024



Barry Whelan

Earning more money could turn this year into a more prosperous and comfortable one for you, and could also ease the impact of high inflation on your pocket. While inflation is ebbing, it is still significantly higher than it was this time three years ago.

While getting a pay rise is probably the most obvious way of increasing your income, many employers will not be in a position financially to deliver on this. So as well as exploring the pay increase route, it's important to consider some other options available to you as a worker in 2024.

Do your research

Perhaps a pay rise could be on the cards for you this year. If you need to ask for one, it's important to approach any request for an increase in the right way and to do your research beforehand.

Approach your pay negotiations as you would a business meeting. You need to be able to justify, and prove that you deserve, the pay rise you are seeking.

For example, point out specific milestones which show your boss that you've gone above and beyond your daily responsibilities. Document the ways that you have helped your company achieve its goals, and highlight the key roles you have played in this regard.

Bear in mind that this needs to be a win-win situation for you, your company and your employer or manager. Explain that you think you can deliver more for the company over the next year.

Most employers expect current and prospective employees to negotiate for more money from time to time, particularly at times of staff and skills shortages. However, it is important to be pragmatic when requesting a raise and to be mindful of your employer's position too, including any financial costs or pressures which the company may be currently grappling with.

When seeking a raise, it is useful to find out what people in similar jobs – and with a similar number of years' experience as you – are getting paid. Be sure too to take the location and seniority of your job into account, as well as the sector that you are working in.

Salary surveys and salary guides should give you a good insight into going salary rates and these are often freely available on salary and job websites. Talking to recruiters in your field can also be helpful here.

Don't bring the salary of a colleague into your pay negotiations, even if you somehow know it. Instead, highlight your own merits rather than what other colleagues are being paid.

Business case

It's really important to keep in mind that you need to make a business case for a

pay rise, rather than a personal one. So while rising living costs, or other financial strains you might be under, are driving you to ask for a bump in income, they should not form part of the discussions and negotiations with your employer.

Many employers have also been challenged by the high inflation of recent years, and there are a number of additional costs which employers are facing this year including increases in the national minimum wage, employer-paid sick pay and employer PRSI.

Be open to compromise. Your employer may not be in a position to give you what you're asking for right now, but perhaps agreeing to revisit the request in six months' time might work for you both. Or maybe your employer might be able to offer you something other than a salary increase – more flexible work hours to help decrease childcare spend, for example, or subsidised health insurance.

Upskill

Getting a new qualification or skill under your belt will usually improve your salary and promotional prospects.

One of the best ways to secure a well-paid job is to specialise in an area where

there is a shortage of skilled staff, and where demand for such skills is high. Some of the best-paid jobs today are in STEM (science, technology, engineering and mathematics).

This is also where there are major skills gaps, so specialising in a STEM area could be key to a lucrative career.

A career in finance can also prove very lucrative, particularly for actuaries and other senior financial roles, such as chief financial officer and executive-level jobs within funds and fund accounting, tax and compliance.

Ireland's economic success and its position as an international financial services centre have resulted in a strong demand for actuaries and other key finance professionals.

While the retail and hospitality sector aren't traditionally thought of as well-paid sectors, a career in either can pay well if you get into a senior role or have a skill that's in high demand. For example, chefs have secured some of the greatest pay rises in the hospitality sector, thanks in large part to the huge demand for such staff.

Think long-term. If you are in a stable financial position now, then time is on your side. Perhaps rather than looking for what might be considered a small increase in salary now, invest in your future earnings by taking the year or two to upskill.

Value of perks

Salary is just one part of an employment package. Our experience with employers and employees alike suggests that most

employees do not get the most out of the additional employee benefits already offered by their employer.

The monetary value of on-the-job perks can add a significant amount to your overall earnings. In a bid to attract and retain staff, employers are increasingly looking to enhance or add to the work benefits available to employees.

Valuable work perks could include a company pension scheme, employer-provided health insurance, above-average paid holidays, a company mobile phone or car, subsidised or paid-for further education, life insurance, death-in-service benefit, an employer-subsidised gym membership, staff discounts and so on.

It's important to understand that there

is often a tax cost with on-the-job perks. Such perks – such as company cars, medical insurance, and preferential loans from employers – are known as benefit-in-kind (BIK).

A BIK is essentially any non-cash benefit of monetary value that is provided for an employee. As these benefits have a monetary value, they must usually be treated as taxable income, meaning income tax, PRSI and the universal social charge (USC) must typically be paid on the value of the benefit.

You should always check how a job perk could impact your take-home pay before you accept it.

Remember not all work perks are valuable from a monetary point of view. A flexible working environment – where you have the freedom to set your own hours or to work remotely when needed – might be more important to you than more money in your pocket, particularly if you have parental responsibilities or are striving for a better work-life balance.

Other options

There may be other ways outside of your main job which would allow you to earn more money in 2024. This could include doing some freelance work outside your day job or earning up to €14,000 a year tax-free by renting out a room in your home, or by hosting a foreign student in your home.

Manage your money

Even if you earn more money in 2024, the additional income may be of no benefit to you if you don't manage your money well.

Budgeting better and cutting out any unnecessary expenses should bring more money into your household, even if you don't earn more money.

It's also worth checking that you're getting all the tax reliefs and allowances you're entitled to. This could save you hundreds, perhaps thousands of euro, in tax a year – and put more money back into your pocket.

Flat-rate employment expenses – essentially tax allowances which allow workers to cover some of the costs incurred in carrying out their work duties – are often overlooked by employees yet these could be worth a few hundred – and in some cases, a few grand – to you a year.

Ultimately having an open mind about how you can earn more income in 2024 – and how you can be better at managing it – should put more money back into your pocket.

Barry Whelan is the CEO and founder of Excel Recruitment



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