



Understanding international job offers

Congratulations - you've impressed at interview and you've received a job offer!

International School job offers can often seem confusing, especially compared to what you might have received from schools back home, your consultant will be able to talk you through everything and help you work out what it all means, but you are probably eager to work it all out for yourself so here's our handy guide to the basics of deciphering your offer letter and figuring out how much it's all worth...

What to do:

Convert the currency

The vast majority of international job offers will quote all the financials in local currency so your first step would be to convert them into numbers you understand. We recommend using www.xe.com as we find it to be both accurate and easy to use - but please note that it's an external website that we have no control over. The easiest thing to do here is to write it all down in a currency you understand.

Add up everything

Most international job offers have more to them than just the salary and you really have to weigh up everything all together to know what the true value of your offer is. We've put an explanation of what most of the main extras that may be included in the offer are and how you should consider them below.

Factor in cost of living

This is forgotten by many people but it can be the most important part of working out the true value of an offer. For example; £2000 per month in Dubai would not give much opportunity to save but £2000 per month in Indonesia would be enough to comfortably save £15,000 per year. We'd recommend using www.expatisian.com to check out the differences in cost of living - again it's an external website we don't control but we find it a great tool for working out how far your money will go. Our tips on managing your budget may also help you work out how much you expect to save.



Understanding international job offers

Compare it

Once you've done the above you should be ready to compare the package and start to decide if you'll accept the role. It's really important here that you make sure you compare apples with apples - there's no point putting a net (after tax) salary with free accommodation alongside your current gross (before tax) salary - it's just not a fair comparison! Sometimes you may not want to compare the salaries and may just want to add up the total value of the offer and should do things slightly differently if this is the case. We've put a couple of examples at the end of this article of how you should add up and compare.

What's included:

For the majority of international roles you'll receive a salary, along with housing, flights and medical insurance - you will be made aware before your initial application to a role if any of these are not included - but there may be more on offer depending on the school. Here's how you should look at each of those and what might be included.

The basics:

Base salary

This one is pretty self-explanatory and will usually be assigned as a set number on the school's salary scale based upon your experience, qualifications and level of responsibility in the role. Tax levels and other deductions do vary greatly from country to country so it's better to ignore gross salary (the figure before deductions that you probably think of when someone asks what your salary is) and instead think in terms of net salary (how much you actually get paid each month) - just look at your paycheck or bank statement for your current net salary... or even better is working out your expendable income (how much money you have left each month after fixed costs like rent and bills). If your job offer does not state a net salary it's worth checking with your consultant and if there's still any uncertainty they'll be able to advise.

Living allowance

In some locations (mainly in the Middle East) they split what you'll be paid into the base salary and a living allowance - this is mainly for their back-end accounting and doesn't affect you too much as you'll get paid the total of the two into your bank account and be able to do whatever you like with it - so just add it into your base salary.



Understanding international job offers

Responsibility allowance

Sometimes the extra pay you may receive for taking a role with more responsibility is quoted separately on your job offer - again this is something you should just add into your salary and it's usually just quoted that way if that's how it's worked out from the school's salary scale.

Accommodation

You may be offered housing provided by the school or an allowance. Housing allowances will vary depending on your location as they are tied to the cost of local rentals so if you have an allowance you can treat it like free accommodation when adding up the numbers. When considering the value of an offer, always take into account the cost of accommodation. This is likely one of your main spends at home so when it is provided you'll automatically have a lot more expendable income. When comparing the numbers it's often easier to just take how much you currently spend on accommodation off of your current net salary and compare the expendable income.

Flights

These may sometimes be purchased for you by the school, but you'll commonly be expected to pay up-front and have the money reimbursed. Some schools may not include flights in their package (although you should have been made aware of that long before this stage if that's the case) and if you have non-teaching dependants you may not be reimbursed for their flights. If you have any queries about the flights discuss with your consultant. We'd usually recommend ignoring the flights for the overall comparison as it's not something you'd buy if you didn't take the job.

Medical insurance

Which plan you receive will vary from school to school, and some may even include dental. If you are travelling with a family then they may also be covered as a part of your contractual agreement, or you may be able to obtain a hefty discount. If you don't currently pay for your healthcare then ignore this for your comparison - if you do we'd recommend deducting your current healthcare costs when working out your expendable income.

Extras:

Bonuses

This will vary greatly from school to school and is also affected by location. You may get an automatic bonus for completing your contract, a renewal bonus for extending or a discretionary bonus which may depend on either your performance or the school's profitability. In some countries (particularly in the Middle East) contract completion bonuses are part of employment law and so it may not be stated explicitly in your offer. If it is a set figure we'd recommend including this in your calculations of how much you'll save in the role.



Understanding international job offers

If your school doesn't give a gratuity that's not necessarily a bad thing as some schools just put the extra money into the salaries instead.

Tuition for dependants

If you have children who will be given free or discounted places in your school then it will usually be stated in the job offer but without a financial figure attached to it. If you currently pay for your children's education then we'd recommend deducting that cost when working out your current expendable income, but even if they are currently educated for free check out the school fees you would be charged on the school's website and make sure you are aware of just how valuable that can be - if you have two children it could be as much as £40,000 per year depending on the school!

Utility bills

Some schools will expect you to cover the cost of your utilities and you should be able to check what you can roughly expect them to be. If you live in school-provided accommodation, it is not uncommon for most of your utilities to be paid (commonly with a restriction on fair usage). If you receive a housing allowance then you might also have a nominal sum given to you each month to assist with utilities. Make sure to factor this into your comparisons.

Baggage/shipping/relocation/visa and medical costs allowance

You may sometimes be offered allowances to allow you to transport your belongings and help you cover the costs of an international move (and even equip your new home with anything that you may need). This is usually given upon presentation of receipts. These are nice if you get them but we'd recommend not including them in your comparison of expendable income.

Other

Depending on your employer there may be even more benefits written into your contract or provided separately. Some, such as food, transport, personal development and laundry allowances are worth including in your comparison if they are provided. If you have any questions about this discuss them with your consultant.



Understanding international job offers

Example 1 - Expendable income and savings potential

Jane is a primary teacher with 3 years' experience who is working in central London. Her current salary is £31,726. After tax, national insurance and other deductions she gets paid £1950 per month. She then spends £850 on rent and bills which leaves her with £1100 per month in expendable income. In an average month she will spend £800 and save £300. Jane has just received this job offer from a school in Cairo (we've already converted it into pounds)...

- A two-year initial contract
- An annual salary of £20,360
- Monthly housing allowance of £280 (enough for a nice apartment in Cairo)
- Return flights annually
- Full and comprehensive health insurance coverage
- A Professional Development allowance of £400 per year
- A settling in allowance of £350

Going through the steps with her consultant she finds out that there is no income tax in Egypt. She works out that her net income (the amount she'll be paid into her bank account) will be the full £20,360 per year which is £1697 per month. This is also her expendable income as she'll use the separate housing allowance to cover the cost of rent and bills. She also ignores the flights, medical insurance and settling in allowance as these are costs she wouldn't have in London and thinks of the professional development allowance as something nice to have but doesn't include it in her comparison.

Using Expatistan she sees that the cost of living in Cairo is 69% lower than in London. This means that to live a similar lifestyle to what she does in London she'll only need to spend 31% of the money so estimates that she'll spend only £263 per month to have a good quality of life. Taking that from her expendable income she realises that she'll have £1434 left over. She is very happy with this and accepts the job, deciding to send £1000 home every month and use the rest for travelling in the school holidays.

At the end of the two years she's had a great time, done loads of travelling and has saved £24,000 - she then decides to move back to the UK and uses the money she's saved for a deposit to buy a house.



Understanding international job offers

Example 2 - Working out the value of the offer

John is a maths teacher with 18 years' experience and a family man with a wife and daughter. He needed to move to Hong Kong as his wife accepted a job there. He understood that Hong Kong is a very competitive location to find a job and is ecstatic that he's just been given the below offer from a great school which has an outstanding benefits package. He knows the cost of living is high in Hong Kong but is sure he's going to accept - he just wants to add up what it's all worth. Again, we've already converted from Hong Kong dollars to pounds...

- Salary : £3,274.50 per month
- Contractual Period : 2 years
- Housing Allowance: £1,375 per month
- One-time Relocation Allowance: £1,830
- Gratuity: 5% of the total basic salary and housing allowance at the end of the contract
- Professional Development: £367 per school year (reimbursable)
- Schooling: Tuition Waiver for child
- Group Life & Medical Insurance: For teacher and one dependant
- Airfare: Return airfare for teacher and dependant

Being a maths teacher John is pretty confident with this and starts crunching the numbers... as it's a two year contract and there's a mix of one-off and annual payments he halves the one-off payments to get an average annual figure. He starts by adding the salary to the housing allowance. This comes to £4,649.50 per month, multiplying by 12 that comes to £55,794 per year. Next he adds in the gratuity. He works out that he'll get £5,580 for completing his 2 year contract, which takes his average yearly earnings to £61,373. He then proceeds by adding in half of the one-off relocation allowance and all of the professional development allowance, coming to the average figure of £62,655 per year.

He's pretty happy with that but also checks the school website to see what the tuition for his daughter is worth - he sees that the annual fees would be £17,800 if he had to pay them (remember this is a really top school and he's done really well to get the job). On top of that he remembers all the free stuff: flights, visas and medical insurance for both him and his daughter... it's hard to put a figure on these so he leaves them out of his sums but doesn't forget about them. He realises that he'll be paid (in salary and allowances combined) £62k per year, his daughter will get schooling worth £18k per year for free and there are all the additional extras included too.

He's really impressed, accepts the job and his family live happily in Hong Kong while they give his daughter the best possible start in life.



Understanding international job offers

If you aren't like John and don't feel confident running the numbers, just ask your consultant who will be more than happy to help - it's also the best time to ask a lot of other questions too. We'll give you an honest appraisal and advise you on the best way to respond to the school.