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COURSE BROCHURE

# Compensation Package Costing and Pay Structure Design Training Course

22 – 26 March 2027
Rome

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Registered in the United Kingdom and Saudi Arabia

# Compensation Package Costing and Pay Structure Design Training Course

**Ref:** 2644_100603 **Date:** 22 – 26 March 2027 **Location:** Rome **Fees:** 6200 GBP

Compensation Package Costing and Pay Structure Design is a 1-week training course for reward, payroll and people-cost finance staff who price pay offers and build salary structures, producing a compensation package costing model. As labour markets tighten and payroll becomes one of the largest controllable costs, organisations need every offer, band and allowance priced before it is approved. Jupiter Prime Training delivers this course on compensation package costing and pay structure design.

## Why Compensation Package Costing and Pay Structure Design Matters Now

Three pressures shape compensation package costing today. Finance leaders want the full employer cost of a hire before an offer is made. Employees and candidates compare packages more openly and question grades that look inconsistent. Auditors and boards expect payroll structures with clear approval rules and traceable changes. Accurate costing protects the people budget; weak costing brings hidden cost growth, grade drift and pay anomalies.

## Who Gains Most from Compensation Package Costing and Pay Structure Design

- Specialists who evaluate roles, assign grades and maintain the salary band table
- Payroll practitioners who set up pay elements, allowances and deductions in the payroll system
- People-cost finance analysts who forecast people costs and test the budget impact of pay decisions
- Recruitment and offer coordinators who prepare package proposals for approval
- Benefits administrators who price insurance, leave, housing and transport entitlements

A reward or payroll unit gains most when its grading, payroll and finance members attend together and leave with one shared costing method.

## Compensation Package Costing and Pay Structure Design Capabilities

These outcomes follow a package from the role's grade to the payroll line that pays it.

- Apply a point-factor job evaluation to place roles in grades — consistent grading decisions across functions
- Design salary bands with midpoints, range spreads and overlaps — offer and promotion decisions
- Calculate the full employer cost of allowances and benefits — finance approval of each package
- Build variable pay scenarios with target, threshold and cap levels — incentive budget sign-off
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Specify payroll structure controls for pay elements and changes — internal audit and payroll accuracy
- Assess compa-ratios and range penetration across a population — salary review budget allocation

## Key Compensation Package Costing and Pay Structure Design Terms

- Point-factor job evaluation — scoring roles on weighted factors to rank them into grades.
- Salary band — the minimum-to-maximum pay range of a grade, built around a market midpoint.
- Range spread — the percentage gap between a band's minimum and maximum.
- Compa-ratio — base salary divided by the band midpoint.
- Fully loaded employment cost — base pay plus allowances, benefits, employer contributions and accruals: the total an employer pays for one role.
- Pay element — a defined payroll line, such as housing allowance, with its own calculation rule.

## Compensation Package Costing and Pay Structure Design Day by Day

### Day 1: Pay Strategy and the Cost of Employment

- Reward Policy Statements — Market Position the Organisation Chooses to Pay At
- Total Employment Cost Breakdown — Fixed, Variable and Deferred Cost Layers
- Salary Survey Matching — Choosing Benchmark Roles and Comparator Markets
- Pay Cost Drivers Map — Headcount, Grade Mix and Allowance Eligibility
- Package Costing Template Set-Up — Inputs, Assumptions and Ownership

### Day 2: Job Evaluation and Grade Structure

- Point-Factor Job Evaluation — Scoring Roles on Weighted Factors
- Grade Boundary Setting — Points Ranges That Separate Each Grade
- Broadband and Narrow-Grade Comparison — Flexibility Against Cost Control
- Salary Band Construction — Midpoints, Range Spreads and Overlaps
- Compa-Ratio and Range Penetration Analysis — Where Current Pay Sits

### Day 3: Allowances, Benefits and Variable Pay Costing

- Housing, Transport and Location Allowances — Fixed Versus Percentage Costing
- Insurance, Leave and Family Benefits Pricing — Per-Head Annual Cost
- End-of-Service and Employer Contribution Accruals — Liabilities Behind Each Role
- Bonus Pool and Incentive Scenarios — Target, Threshold and Cap Levels
- Sales Commission Plan Costing — Payout Curves and Budget Exposure

## Day 4: Payroll Structure Controls

- Pay Element Catalogue Design — Codes, Calculation Rules and Owners
- Payroll Change Authorisation Matrix — Who Approves Grade and Pay Changes
- Segregation of Duties in Payroll — Separating Set-Up, Input and Release
- Pay Anomaly and Outlier Reports — Red-Circled and Green-Circled Salaries
- Payroll to Budget Reconciliation — Explaining Monthly Cost Variances

## Day 5: Practising the Compensation Package Costing Model

- Case Study Role Grading — Applying Evaluation Scores and Band Placement
- Case Study Offer Pricing — Testing Allowance and Benefit Assumptions
- Salary Review Budget Simulation — Applying Compa-Ratio Merit Guidelines
- Package Sensitivity Testing — Impact of Grade, Allowance and Bonus Changes
- Compensation Package Costing Model — Completed Workbook and Approval Summary

## Applying Compensation Package Costing and Pay Structure Design After the Course

- Recalculate the fully loaded employment cost of the five most common roles and compare it with the current people budget.
- Run a compa-ratio and range penetration report for one grade family and flag salaries outside their bands for review.

## Compensation Package Costing and Pay Structure Design Questions FAQ

### What is compensation package costing and pay structure design, and why does it matter now?

It is the practice of grading roles, setting salary bands and pricing every pay element before approval. It matters because unpriced allowances and inconsistent grades quickly inflate payroll.

### Which roles gain most from compensation package costing and pay structure design training?

Reward specialists, payroll practitioners and people-cost finance analysts gain most. Each grades roles, prices offers or controls pay elements.

### How does compensation package costing differ from a general compensation and benefits course?

It focuses on costing and control rather than broad reward policy. A general compensation and benefits course surveys strategy, recognition and benefits design; this course prices each package line and sets payroll controls.

## What do you bring back from compensation package costing and pay structure design?

You bring back a compensation package costing model built on a case study, with graded roles, salary bands, priced allowances and benefits, variable pay scenarios and an approval summary you can adapt to live offers.

## Compensation Package Costing and Pay Structure Design: The Way Forward

The compensation package costing model gives reward, payroll and finance one agreed price for every role and offer. Its first use is often the next hiring approval, where the full employer cost replaces a base-salary estimate. Recruiters, budget holders and payroll rely on it. After the first salary review, band midpoints and allowance assumptions deserve a fresh look.