# Salary Negotiation for Engineers

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The number is set by your alternatives and the company's band — research, create options, decide your walk-away, then negotiate level, equity and sign-on.

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## Mental model

The number you get is set by two things you can learn before the call: the company's band for the level, and your best alternative if this offer falls through. Negotiation is mostly preparation — research the band, create a real alternative, decide your walk-away point. On the call, you are only trading information you already have.

## Compensation components

| Component | What to check |
|---|---|
| Base salary | Fixed; hardest to move within a band |
| Level / title | Sets the band for every other line |
| Equity (RSUs, options) | Grant size, vesting, liquidity |
| Annual bonus | Target %, and is it actually paid? |
| Sign-on bonus | One-off; clawback if you leave early |
| Benefits, leave, remote | Pension, insurance, days, location rules |

Compare offers on total compensation, not base. Levels.fyi defines total compensation as base plus stock plus bonus, annualised. A higher base with no equity can lose to a lower base with liquid RSUs, and the reverse is true for illiquid startup options. Get every component in writing — Qureshi's first rule — because verbal details drift by the time the contract arrives.

```
Offer A (annualised)
  base     ______
```

```
stock    ______ (grant / 4 years)
bonus    ______ (target, not maximum)
sign-on  ______ (year 1 only)
total    ______
```

## Researching the band

| Source | Gives you |
|---|---|
| Levels.fyi | Self-reported comp by company and level |
| Glassdoor | Base ranges, more companies, less detail |
| Pay-transparency postings | The band itself, where law requires it |
| The recruiter | “What’s the range for this level?” |
| Peers at the company | The most accurate, if they share |

Pay for the same title is not one market. The Pragmatic Engineer’s compensation series describes a *trimodal* market: local companies, companies paying near the top of the local market, and companies paying top of market. Its 2024 revisit found a similar position can pay two to four times more in the top tier than the bottom, in the same market. Know which tier the company is in before you compare numbers.

```
Band notes — Company X, Senior (L5)
Levels.fyi: n=__ entries, median __
Posted range (if any): __ to __
Recruiter said: "__"
```

```
Tier: local / top-local / top-of-market
Date researched: 2026-11-02
```

> **Note:** Salary data ages fast. Date every number you write down and refresh it before each negotiation.

## The first number

| Moment | Move |
|---|---|
| “What are your expectations?” | Ask for their range first |
| “What do you earn now?” | Decline; talk about the role’s value |
| They give a range | Anchor near the top, with reasons |
| You must name one | A researched number at the top of the band |

Whoever names a number first anchors the conversation. Qureshi’s rule is to protect information: do not reveal current pay or your walk-away point. If you have to name a number, make it the top of the band you researched, and give a reason for it — his rules also ask for a reason behind every request.

```
"I'd rather understand the full package
before I put a number on it. What's the
range you've budgeted for this level?"

"Based on what I've seen for senior roles
```

```
at comparable companies, I'm looking at
the upper end of that range."
```

> **Gotcha:** Some jurisdictions ban employers from asking about salary history. Where they can ask, you can still decline.

## Level, equity and sign-on

| Lever | Why it moves |
|---|---|
| Level | Changes the whole band, not one line |
| Equity grant | Often more flexible than base |
| Sign-on | One-off cost; covers forfeited equity |
| Start date, remote, scope | Cheap for them, valuable for you |

Base is usually the least flexible line, because it sits inside a band and compounds every year. Qureshi's ninth rule: understand what the company values and trade on it. A level negotiation is worth more than any single line — it is also the hardest to win after you join.

```
"If the base is fixed at that level, is
there room on the equity grant? I'm
leaving unvested stock behind, so a
sign-on would close most of the gap."
```

## Equity basics

| Term | Means |
|---|---|
| RSU | Shares on vest; US taxes them as income |
| Stock option | Right to buy shares at a strike price |
| Vesting | Schedule on which you earn the grant |
| Cliff | Nothing vests until this date |
| Liquidity | Can you actually sell? |

Levels.fyi notes the most common schedule is four years with a one-year cliff; read your grant, because schedules vary. Public-company RSUs are close to cash you have not sold yet. Private-company options are a bet: you pay the strike price to exercise, may owe tax, and can only sell at a liquidity event. Ask what happens to unvested equity on acquisition and how long you have to exercise after leaving.

```
Questions for a startup offer
- Number of shares and total outstanding?
- Strike price, latest valuation?
- Vesting schedule and cliff?
- Exercise window after leaving?
- Acceleration on acquisition?
```

> **Warning:** Option tax rules depend on country and option type. Talk to a tax adviser before you exercise, not after.

## Remote and location pay

| Policy | Means for you |
|---|---|
| Location-based bands | Pay tracks where you live |
| Single global band | Same pay anywhere |
| Hub-based tiers | A few bands by region |

Ask which policy applies before you discuss numbers, and whether moving later changes your pay. In the EU and US, employment law, benefits and notice periods differ enough that equal gross pay is not equal packages — compare net and benefits, not headline salary.

```
"Is compensation for this role
location-based? If I relocate within
the EU after a year, does the band
change?"
```

## Raises and contractor rates

| Situation | Bring |
|---|---|
| Raise, same level | Market data plus scope you took on |
| Promotion | Evidence you already work at the next level |
| Contractor rate | Employee total comp plus overheads |

Raise conversations start months before review season: ask your manager what the next level requires, then collect evidence against it. For contracting, an employee-equivalent salary is the floor, not the rate

— you pay for your own leave, pension, equipment, insurance and unbilled time, so compute the rate from billable days, not calendar days.

```
Contractor rate sketch

  target annual income  ______
+ overheads             ______
= revenue needed        ______
/ billable days         ______
= day rate              ______
```

## Further reading

- Haseeb Qureshi — Ten Rules for Negotiating a Job Offer
- Haseeb Qureshi — How Not to Bomb Your Offer Negotiation
- Levels.fyi — What is Total Compensation?
- Levels.fyi — How to Evaluate Startup Offers
- The Pragmatic Engineer — Trimodal compensation revisited