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?

Component	What to check
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

Moment	Move
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