

GST professionals getting huge salary hikes ahead of tax roll out

As salary increments across Indian industries fall to, on average, single-digit percentage figures, goods and services tax (GST) professionals are bucking the trend, taking home hefty mid-term bonuses and increments for moving within the organisation into the GST team.

GST, the nation's biggest tax reform, is set for a likely July 1 rollout. This has created a big opportunity for the professional services firms to help their clients understand the changing business and tax dynamics, evaluate its impact and take necessary action.

However, availability of experienced talent that can handle the new single-tax system and the uniqueness caused by duality of rights of Centre and states is not enough in the local market. This is forcing many of these consultancies to woo inhouse professionals from other departments to join the GST teams and cut the load of pending work.

According to industry executives, companies such as EY, PWC, Deloitte, KPMG and Grant Thornton are offering salary increase of 25-30% to executives who agree to get transferred to the GST teams within the same organisation. The executives said members of GST teams have got, on average, 20% jump in salary in addition to mid-term bonuses. Average increments at the Big Four this year was 12% this year.

"We have hired a significant number of people and partners. As there is dearth of indirect tax practitioners, we have encouraged practitioners from other parts of services, both tax and non-tax, who may have the desire or aspiration to learn the new and exciting legislation," said Vipul Jhaveripartner - Deloitte Haskins & Sells LLP.

In the last six-nine months, Deloitte has added 25-30% to GST headcount, got on secondment experienced people from overseas, doubled partner strength and introduced special incentives to recognise the significant effort and contribution of the team in getting the clients GST-ready in a very short period, Jhaveri said.

Several executives have moved to GST teams from assurance, advisory or direct tax teams. Many of the firms are also flying in GST experts from their other offices overseas. The Big Four audit firms together have about 2,500 professionals handling GST, and each firm is increasing the team strength by 30-35%. With the rollout deadline nearing, there is huge pressure — both inhouse as well as at the client's end — resulting in extended work hours for GST professionals.

"There is an increasing demand from clients to support them in their transition to GST and, therefore, there is need for increasing the strength of skilled people," said Sachin Menon, partner and head, indirect tax, KPMG in India.

"Hence all consulting firms are hiring resources and also moving people internally. Incentivising people when you have a good year is not new and GST is one such instance."

PwC India has increased its GST team's strength by over 30%. "We expect the trend to continue. Today we have around 2,400 people in our tax practice and are well staffed to meet our clients' needs," said Gautam Mehra, partner and leader -tax & regulatory services, PwC India.

A major tax reform, as GST requires cross-functional teams — people who understand different business processes and have the relevant technical, commercial and technology capabilities.

"At Deloitte, we have leveraged the experience available with the network firms and have also benefitted from the global mobility programmes, where some of our people have had opportunity to work on GST implementation and are now back in India," said Jhaveri.

PwC India's Mehra said, "Since GST impact goes beyond tax counsel, our clients are looking for support in multiple areas of expertise across the firm."

In addition to internal movement of talent and hiring from outside, Grant Thornton has collaborated with its global network firms and worked on secondment arrangements for professionals with international experience.

"We have emphasised a lot on upskilling and re-skilling our teams and accordingly invested a lot of time and effort in regular and structured training programmes to ensure that our teams are up to speed with the ever-evolving GST regulations," said Vikas Vasal, partner, Grant Thornton India LLP.

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