

The current legal salary review covers the compensation levels paid by law firms in Moscow in 2008. The review includes salaries of qualified lawyers of all levels except Counsel/ Partner positions. All numbers below are in USD per year before taxes.

Introduction

There tend to be three major compensation systems applied in law firms:

1. **Lock step system** where the compensation level corresponds with the year when the qualification was granted (year of qualification). Every next level is reached within one calendar year. This system is featured by transparency as it is clear when, under what criteria and at what level the compensation will be increased.
2. **Salary bands or star system**, where firms keep their bandings relatively wide. The salary level applied to the lawyers of the same qualification level may vary. There are lowest and top bands established within one qualification level. The compensation is individually defined depending on the individual performance over the year. This allow firms to reward the high achievers.
3. **Mixed system**, where both lock step and star systems are comprised.

Law firms may be divided into four major groups:

Group A

TOP US Law Firms

These firms usually have rather small offices (15 -40 associates), are focused on big deals and have no definite division into practice areas.

These firms pay so-called New York rate salaries.

The salary increase is usually held in January.

Year of qualification	Core range
2007	100-150
2006	130-170
2005	150-190
2004	180-210
2003	200-240
2002	230-270
2001	300+

Group B

Leading UK Law Firms (so- called Magic Circle Law Firms)

These firms usually have big offices (50-100 associates), division into practice areas and provide a wide range of law services to their clients.

Although salary bands do formally exist, the actual level of compensation does not really correspond with the year of qualification. The salary level is individual and is based on a combination of criteria: overall performance of the individual, reaching billing targets, practice area (finance and M&A departments tend to be paid at higher rates). The salary evaluation is held in May.

Level	Core range
Junior 2007-2005	60-185
Mid 2005-2002	120-240
Senior (since 2001)	200-270

Group C **Leading US Law Firms**

As well as major UK Law Firms they have big offices and division into practice areas. They are featured by a definite salary bands. The compensation level usually corresponds with the year of qualification and is changed in January in accordance with the appraisal results. However, if the performance was not satisfactory the salary may remain at the same level.

Year of qualification	Core range
2007	40-60
2006	60-80
2005	80-100
2004	100-130
2003	130-160
2002	160-180
2001	180-230

Group D **Mid-level UK Law Firms, mid-level US Law Firms, European Law Firms, major Russian Law Firms**

This group is the biggest one.

The compensation level is usually individual and does not correspond with the year of qualification – it depends on the experience, practice area and the value of the lawyer to the firm.

Level	Core range
Junior 2007-2005	30-60
Mid 2005-2002	60-100
Senior (since 2001)	120-160

*The actual year of graduation may not always coincide with the level of qualification applied by the firm. It may vary and depend on the previous experience.