

# [Free essay about budgeting exercise: budgeting for personnel](https://assignbuster.com/free-essay-about-budgeting-exercise-budgeting-for-personnel/)

[Law](https://assignbuster.com/essay-subjects/law/), [Security](https://assignbuster.com/essay-subjects/law/security/)

## Question 1

Workings:
Beach Director
Annual salary = 47, 000
- Social security payment

## Payable up to $45, 000

First 3 months = 312 × 45, 000 × 7. 51% = 844. 875
Last 9 months from 1 January = 912 × 45, 000 × 8% = 2, 700. 00

## Total social security payment 3, 544. 875

- Health insurance = 1, 250. Beach Director is entitled to full health insurance since the FTE is 1.
- Life insurance benefits
0. 85% of annual salary
0. 85% × 47, 000 = 399. 50

## Assistant Beach Director

Annual salary = 35, 000
- Social security payment
Payable up to $45, 000
First 3 months = 312 × 35, 000 × 7. 51% = 657. 125
Last 9 months from 1 January = 912 × 35, 000 × 8% = 2, 100. 00

## Total social security payment 2, 757. 125

- Health insurance = 1, 250. Assistant Beach Director is entitled to full health insurance since the FTE is 1.
- Life insurance benefits
0. 85% of annual salary
0. 85% × 35, 000
= 297. 5

## Beach Ranger

Annual salary = 20, 000
- Social security payment
Payable up to $45, 000
First 3 months = 312 × 20, 000 × 7. 51% = 375. 5
Last 9 months from 1 January = 912 × 20, 000 × 8% = 1, 200. 00

## Total social security payment 1, 575. 5

- Health insurance
= health insurance for full-time employee/FTE
= 1, 25010
= 125
- Life insurance benefits
0. 85% of annual salary
0. 85% × 20, 000
= 170. 0

## Lifeguard

Annual salary = 12, 000
- Social security payment
Payable up to $45, 000
First 3 months rate (7. 51%) not applicable since they are employed after January 1.
Last 9 months from 1 January = 12, 000 × 8% = 960
- Health insurance
= health insurance for full-time employee/FTE
= 1, 25012. 5
= 100
- Life insurance benefits
0. 85% of annual salary
0. 85% × 12, 000
= 102. 0

## Secretary II

Annual salary = 9, 500
- Social security payment
Payable up to $45, 000
First 3 months = 312 × 9, 500 × 7. 51% = 178. 3625
Last 9 months from 1 January = 912 × 9, 500 × 8% = 570. 000

## Total social security payment 748. 3625

- Health insurance = 1, 250. Secretary II is entitled to full health insurance since the FTE is 1.
- Life insurance benefits
0. 85% of annual salary
0. 85% × 9, 500
= 80. 75

## Question 2

Cost of additional ranger effective from January 1
Annual salary (9mothns) 912 × 20, 000 15, 000. 00
Social security payment 8% × 15, 000 1, 200. 00

## Health insurance 1, 25010 125. 00

Life insurance benefits0. 85% × 15, 000 127. 50
Total cost16, 452. 50