

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

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## 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