

Free essay about budgeting exercise: budgeting for personnel

[Law](#), [Security](#)



Question 1

Workings:

Beach Director

Annual salary = 47, 000

- Social security payment

Payable up to \$45, 000

First 3 months = $312 \times 45, 000 \times 7. 51\% = 844. 875$

Last 9 months from 1 January = $912 \times 45, 000 \times 8\% = 2, 700. 00$

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

$0. 85\% \times 47, 000 = 399. 50$

Assistant Beach Director

Annual salary = 35, 000

- Social security payment

Payable up to \$45, 000

First 3 months = $312 \times 35, 000 \times 7. 51\% = 657. 125$

Last 9 months from 1 January = $912 \times 35, 000 \times 8\% = 2, 100. 00$

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 = $312 \times 20, 000 \times 7. 51\% = 375. 5$

Last 9 months from 1 January = $912 \times 20, 000 \times 8\% = 1, 200. 00$

Total social security payment 1, 575. 5

- Health insurance

= health insurance for full-time employee/FTE

= 1, 250. 10

= 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 = $12, 000 \times 8\% = 960$

- Health insurance

= health insurance for full-time employee/FTE

= 1, 25012. 5

= 100

- Life insurance benefits

0. 85% of annual salary

$0. 85\% \times 12, 000$

= 102. 0

Secretary II

Annual salary = 9, 500

- Social security payment

Payable up to \$45, 000

First 3 months = $312 \times 9, 500 \times 7. 51\% = 178. 3625$

Last 9 months from 1 January = $912 \times 9, 500 \times 8\% = 570. 000$

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

$0.85\% \times 9,500$

= 80.75

Question 2

Cost of additional ranger effective from January 1

Annual salary (9 months) $9/12 \times 20,000 = 15,000.00$

Social security payment $8\% \times 15,000 = 1,200.00$

Health insurance 1,250 125.00

Life insurance benefits $0.85\% \times 15,000 = 127.50$

Total cost 16,452.50