

Name

Activity 4

Maria Maseko was appointed manager of PP Traders on 1 March 2008 at a basic salary of R180 000 per annum.

The conditions of her appointment included the following:

- Medical aid contributions by PP Traders equal to R2 for every R1 contributed by Maria.
- Pension fund contributions by PP Traders equal R1,50 for every R1 contributed by Maria.
- UIF Contributions by PP Traders equal to 1% of basic salaries.
- An annual bonus of 80% of one month's salary payable in each February.

Her monthly deductions from her salary are:

- PAYE (as per SARS scales)
- Pension Fund – 8% of gross salary
- Medical aid – the total premium is to be paid is R960 per month
- UIF – 1% of basic salary

Income Tax salary scales for 2008/2009

ANNUAL SALARY	RATES OF TAX
0 – R80 000	18% of each R1
R80 001 – R130 000	R14 400 plus 25% of the amount above R80 000
R130 001 – R180 000	R26 900 plus 30% of the amount above R130 000
R180 001 – R230 000	R41 900 plus 35% of the amount above R180 000
R230 001 – R300 000	R59 400 plus 38% of the amount above R230 000
R300 001 and above	R86 000 plus 40% of the amount above R300 000

Required:

- 4.1 The Salary Journal for March 2008 reflects the totals brought down on your answer sheet. Maria's details were left out in error. Complete the Salary Journal for March 2008 by entering Maria's details.
- 4.2 It actually costs PP Traders more than only her salary to employ Maria. Calculate the total "cost to company" remuneration per month for Maria.
- 4.3 Post the information in the Salary Journal to the following accounts in the General Ledger:
 - Creditors for salaries
 - XYZ Pension fund
 - Salaries
- 4.4 What will the amount of the total remuneration of Maria be in February 2009?

4.5 Internal control

As the manager, Maria wants to introduce internal control procedures in the company. Name **FIVE** internal control procedures Maria can introduce to control cash received.

Answer sheet

4.1

Salary Journal for March 2008								SJ	
Employee	Basic salary	Bonus	Gross salary	Pension fund	Medical Aid	Employee Deductions			Net Salary
						PAYE	UIF	Total Deductions	
Totals	19 000		19 000	1 520	480	4 801,04	190	6 991,04	12 008,96
	a	b	c	d	e	f	g	h	I

Employer contributions			
Medical aid	Pension fund	UIF	SDL
960	2 280	190	190
J	k	l	M

4.2 Calculate the total "cost to company" remuneration per month for Maria.

4.3

General ledger of PP Traders									
Dr.	Creditors for salaries								Cr

Dr.	XYS Pension Fund								Cr

Dr.	Salaries								Cr

4.4

What will the amount of gross remuneration for Maria be in February 2009?

4.5

Name FIVE internal control processes for cash received.