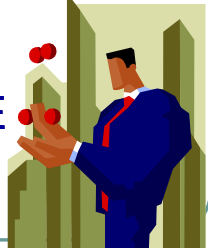


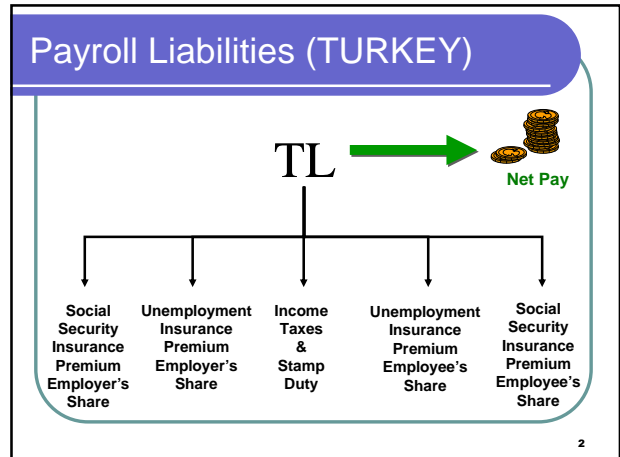
MAN 202 Principles of Accounting II

PAYROLL LIABILITIES: TURKISH CASE



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January 2010 Payroll for Gross Salary of 1.500 TL

TOTAL WAGES EXPENSE	1.822,50 TL
Social Security Insurance Premium Employer's Share (19,5 % of gross payment)	292,50 TL
Unemployment Insurance Premium Employer's Share (2 % of gross payment)	30,00 TL
GROSS SALARY	1.500,00 TL
Social Security Insurance Premium Employee's Share (14 % of gross payment)	210,00 TL
Unemployment Insurance Premium Employee's Share (1 % of gross payment)	15,00 TL
Stamp Duty (0,6 % of gross payment)	9,00 TL
Income Tax (%15 of Tax Base*)	191,25 TL
NET SALARY	1.074,75 TL

Tax Base= Gross Salary- S.S.I.P. Employee's Share- U.I.P. Employee's Share
 Tax Base = 1.500,00 TL - 210,00 TL - 15,00 TL
 Tax Base = 1.275,00 TL

Social Security Insurance

Limits of Social Security Premium (after 31.12.2009)

Minimum	693,00 TL
Maximum	4.504,00 TL

Rates of Social Security Premiums

	Percent of Gross Salary
S.S. Insurance Premium Employer's Share	19,5 %
U. Insurance Premium Employer's Share	2 %
S.S. Insurance Premium Employee's Share	14 %
U. Insurance Premium Employee's Share	1 %

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Tax Base

Gross Salary
 (-) **Social Security Ins. Pr. Employee's Share**
 (-) **Unemployment Ins. Pr. Employee's Share**
Tax Base

Gross Salary	1.500 TL
(-) S.S.I.P. Employee's share	210 TL
(-) U.I.P. Employee's share	15 TL
Tax Base	1.275 TL

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Income Tax Rates (2010- For Salaries)

<u>2010</u>	
For less than 8.800 TL	% 15
8.801 - 22.000 TL	% 20
22.001 - 50.000 TL	% 27
For more than 50.000 TL	% 35

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January 2010 Payroll for Gross Salary of 1.500 TL

TOTAL WAGES EXPENSE	1.822,50 TL
Social Security Insurance Premium Employer's Share (19,5 % of gross payment)	292,50 TL
Unemployment Insurance Premium Employer's Share (2 % of gross payment)	30,00 TL
GROSS SALARY	1.500,00 TL
Social Security Insurance Premium Employee's Share (14 % of gross payment)	210,00 TL
Unemployment Insurance Premium Employee's Share (1 % of gross payment)	15,00 TL
Stamp Duty (0,6 % of gross payment)	9,00 TL
Income Tax (%15 of Tax Base*)	191,25 TL
NET SALARY	1.074,75 TL

Tax Base= Gross Salary– S.S.I.P. Employee's Share– U.I.P. Employee's Share
 Tax Base = 1.500,00 TL – 210,00 TL – 15,00 TL
 Tax Base = 1.275,00 TL

Journal Entries for Payroll Liabilities

End-month adjusting entry to recognize the payroll liabilities

----- January 31, 2010 -----

Wages expense	1.822,50	
S.S. Insurance Premium Payable	502,50	
Unemployment Ins.Premium Payable	45,00	
Taxes payable	200,25	
Wages payable		1.074,75


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Journal Entries for Payroll Liabilities

Payment of wages to the employee at the beginning of the following month (March) .

----- February 1, 2010 -----

Wages payable	1.074,75	
Cash		1.074,75



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Journal Entries for Payroll Liabilities

Taxes are paid on 26th of the following month (March)

----- February 26, 2010 -----

Taxes payable	200,25	
Cash		200,25


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Journal Entries for Payroll Liabilities

At the end of the following month (March) insurance premiums are paid.

----- February 28, 2010 -----

S.S.I.P. Payable	502,50	
U.I.P. Payable	45,00	
Cash		547,50



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Tax Base

(2010) Months	Monthly Tax base	Cumulative Tax base	Income Interval	Tax Rate
January	2.000 TL	2.000 TL	1	% 15
February	2.000 TL	4.000 TL	1	% 15
March	2.000 TL	6.000 TL	1	% 15
April	2.000 TL	8.000 TL	1	% 15
May	800 TL	8.800 TL	1	% 15
	1.200 TL	10.000 TL	2	% 20
June	2.000 TL	12.000 TL	2	% 20
July	2.000 TL	14.000 TL	2	% 20
August	2.000 TL	16.000 TL	2	% 20
September	2.000 TL	18.000 TL	2	% 20
October	2.000 TL	20.000 TL	2	% 20
November	2.000 TL	22.000 TL	2	% 20
December	2.000 TL	24.000 TL	3	% 27

Minimum Wage (Asgari Ücret) in Turkey (01.01.2010 - 30.06.2010)

TOTAL WAGES EXPENSE	885,74 TL
Social Security Insurance Premium Employer's Share (19,5 % of gross payment)	142,16 TL
Unemployment Insurance Premium Employer's Share (2 % of gross payment)	<u>14,58 TL</u>
GROSS SALARY	729,00 TL
Social Security Insurance Premium Employee's Share (14 % of gross payment)	102,06 TL
Unemployment Insurance Premium Employee's Share (1 % of gross payment)	7,29 TL
Stamp Duty (0,6 % of gross payment)	92,95 TL
Income Tax (%15 of Tax Base*)	<u>4,81 TL</u>
NET SALARY	521,89 TL

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Minimum Subsistence Allowance (Asgari Geçim İndirimi) in 2010

Number of Child	MARRIED		SINGLE with child	SINGLE
	Wife/husband not working	Wife/husband working		
No	65.61	54.68		54.68
1 child	73.81	62.88	62.88	
2 children	82.01	71.08	71.08	
3 children	87.48	76.55	76.55	
4 children	Maximum 92.95	82.01	82.01	
5 children	Maximum 92.95	87.48	87.48	
6 children	Maximum 92.95	Maximum 92.95	Maximum 92.95	

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Updated information is available
on website of
Gelirler İdaresi Başkanlığı
<http://www.gib.gov.tr>
and
TURMOB's website
<http://www.turmob.org.tr>

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