

3.2.1.2.12 Labor Expenses Own Fixed

Definition

Fixed costs arising from the employment of personnel.

'Labor Expenses Own Fixed' includes:

- Wages (regular hourly wages for the hourly, part time and temporary employees)
- Overtime
- Salaries (salaries of part time, temporary employees and full time employees)

All other labor expenses paid by the Group companies payroll as part of an individual payroll calculation, such as:

- Bonuses and legally required profit sharing
- Performance compensation payment charged to the same cost center where the salary is charged and must be accrued based on estimated payments
- Employee commissions
- Child allowances
- Pension and provident fund payments
- Worker's compensation
- Tuition / scholarships
- Disability
- Saving plans
- Life insurance
- Health care
- Post retirement medical aid contribution
- Stock options
- Employment taxes
- Non-work payment
- Car allowances
- Company cars where a) the employee is granted the use by virtue of his / her position in the company, b) this car is considered part of his / her remuneration and c) is used by the employee for private purposes. Where the car doesn't meet all three of these requirements, the cost is considered ['Other Personnel Expenses'](#)
- Representation allowances
- etc.

The general rule is that where a payment can be considered a salary or wage equivalent, these costs are charged to 'Labor Expenses Own Fixed'.

It is possible to allocate the cost of one employee to the different cost centers this worked for. Group companies are however free to allocate all the costs of one person to only one cost center where that employee has mainly worked that cost center.

The type of cost 'Labor Expenses Own Fixed' excludes all cost summarized within the type of cost ['Labor Expenses Maintenance Own Fixed'](#).