



## RESEARCH ARTICLE

### THE EMPLOYMENT RELATIONSHIP AND ITS FINANCIAL COST: MEXICAN ENTERPRISE

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#### ABSTRACT

This research addresses the issue of the financial cost of the employment relationship with reference to labour and tax regulations in 2014 and 2015 the study was conducted in a manufacturing company of the city of Mexicali, Baja California Mexico. The objective of this study is that pattern or future investor can identify the cost of a working relationship with a worker, since, in Mexico, the payroll is one of the main expenses and obligations for all taxpayers, also impacting these expenses of financial organization form, the tribute paid by the granting of employment benefits it is occasionally very cost, that is required to analyze this issue in order to propose a wage restructuring the organization if you need. He was a cross-sectional descriptive, non-experimental study, analyzing various documents of the company as a plan of benefits, labour contracts, payroll, as well as the implementation of surveys to employees.

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## INTRODUCTION

Currently, the business environment is highly competitive, so companies have to efficiently manage all areas of your operation which are made of material, financial and human resources. Managers must have knowledge of the different areas of the company, being one of the most important areas relating to human capital involving activities like selection and recruitment of staff, training, motivation, promotion and remuneration and payment of benefits to staff for the work performed. Being human capital, an essential element for the achievement of the goals and objectives of the companies, it is important the motivation of the staff, as this feeling motivated, their performance will impact positively on the productivity of the company, which lead to organizational success. However in order to consider the aspects involving the motivation of human talent, it is necessary to also identify the financial

implications that might incur the company arising from the employment relationship with the worker and the motivation. As a result of the tax reform that emerged in Mexico in 2014, businesses need to monitor to a more obligations which establish the laws arising from the employment relationship with their workers and that there are authorities which monitor compliance as Secretary of labor and Social Welfare, Instituto Mexicano del Seguro Social, Secretaría de Hacienda y Crédito Público among others. All of this has an impact on the finances of companies, being one of the most important elements of the cost of the products or services that companies offer, especially in companies in the manufacturing sector where its cash flow goes to the fulfillment of the payment of payroll employees. So this research seeks to analyze the financial cost of the employment relationship and will be developed through a case study in a manufacturing industry whose principal twist is the Assembly, gluing, gumming, combined American advertising boxes, folders, envelopes, molds, etc. The realization of the work in the company is 80% manual processing by the worker.

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The company has more than 25 years of service in the city, starts operations in May of 1989, its capital is foreign and its corporate is located in United States; which facilitates its operation by the proximity of the border town of Mexicali.

### Objectives

This research has as a general objective, determine the financial cost of the employment relationship in this manufacturing industry. Enterprise, based on the labour and tax legislation in 2014 and 2015. Specific objectives derived from the overall objective of the research are: first. To Determine the financial cost at various salary levels and benefits to workers. Second. Make suggestions of benefits that make employment more competitive payment not affecting the tax burden of the pattern. Third party. Prepare a guide to the company for purposes of timely fulfillment of its obligations to its employees, to minimize the risk of a possible fine of authorities or demand for a worker for breach of its obligations. Additional paragraphs that make up this research are: the section of the literature review where constant labor and tax changes are highlighted that must meet a company in relation to the cost of the payroll, as a result of the tax reform, as well as their impact on the employment relationship *empresa-patron*, in Mexico. The results section provides administrative, fiscal and financial impacts that affected the company studied in Mexicali, Baja California, Mexico, in relation to labour and tax regulations. Finally the main conclusions of this research are reflected.

### Literature Review

#### Review of the literature in Mexico

A significant percentage of entrepreneurs do not comply properly with their labor and tax obligations with their workers, this is due in part to that the tax system in our country is complex and more which regards contributions for wages and salaries of a company's payroll. This situation can lead that labour and fiscal authorities as Secretary of labor and Social Welfare (disappearance), Mexican Institute of Social Security (IMSS), Secretariat of finance and public credit (SHCP), exercise its powers of review and practice reviews of compliance to employers and that as a result it imposed on them fines and penalties for failing to comply adequately with the payment of their contributions demeritando your finances and weaken the little national and international investment to generate more source of jobs in the country. In such a way that it is task of all employer awareness of the impact that labor and tax provisions originate in productivity and administrative burden on a company, no easy task, and more if the entrepreneur doesn't have the administrative and economic profile and does not have a good advice in this field; aspects as if the labour and tax burden is too high, causing a reduction in investment nationally and internationally to generate new jobs and companies, a similar situation is to keep existing companies; Since high taxes, reducing earnings that generate investments, being nothing attractive market for investment and the generation of new sources of employment. Which is vitally important in a business environment meet and properly apply the labour and tax provisions to the various scenarios that may arise in the employment relationship. It is well-known, that the capital human is one of the most important resources that contribute to the success of the companies, because it depends on performance and achievement of

objectives of those, as well as recognition as companies productive and generating higher profits and jobs. However, due to the financial cost of an employment relationship does not consist exclusively of wages, but also of legal benefits such as: bonus, vacation bonus, among others, and non-mandatory wage benefits as vouchers of pantry, bottom of saving, among others; It is necessary to make a proper planning of costs which represents the labor for the company, in order to perform only the strictly necessary expenditures and use the appropriate methods to reduce those that are not relevant, in full accordance with laws and without affecting the rights of workers or the productivity of the company. Therefore, employers should be aware of the effects of fiscal and labor of the wages and benefits that give their workers, as derived from the employment relationship, are various deductions for the employer in respect of the income tax law, in such a way that a correct withholding tax on income (income tax) of the worker, as well as proper selection of benefits provided to the same they will make the difference in the taxable base of the IRS, thus obtaining a greater or lesser charge tax at the time of the calculation of taxes. The labour regulatory framework aims to regulate the working relationships between patterns and workers through contract work, at the beginning of a new relationship obligations to short and long term that the employer must comply with the worker, one of the main is the pay a salary and benefits according to which points out the political Constitution of the Mexican United States (CPEUM) for the service provided. The CPEUM in its article 31 fraction IV establishes the obligation of Mexicans to contribute to public expenditure, being this constitutional precept which gives rise to the tax system in Mexico. Taxpayer, taxable persons of the tax relationship, can be classified as physical or moral persons in the case of this investigation will analyze the situation of the worker as well as the pattern as taxable persons of the tax relationship and at the same time the active subjects of that relationship can be: the Federation, the States and municipalities which impose them various liens and other obligations to the first.

For this reason, the pattern contained passive, at the moment of the need to reduce costs in a company either by economic issues and permanence of the company, is forced to reduce payroll, this is due to the constant tax burden. Likewise in the economic development and creation of new sources of employment, a question arises constantly to the entrepreneur would much each worker, both in the payment of salary and benefits, as well as the tax burden to the assume? In accordance with article 20 of the Federal Labour Act (LFT), means of employment, either that is the Act that give origin, the provision of a personal work subordinate to a person, upon payment of a salary. Also the Act in that same article defines the individual contract of employment such as; matter what form or denomination, is one by virtue of which a person undertakes to lend to other subordinated personal work, through the payment of a salary. This definition shows that the employment relationship occurs necessarily between individual, or a person who is known as worker and is who provides the service or develops the work, and one that may well be natural person or legal entity which commonly is called pattern and is who is entitled to receive the product or work benefits or services developed We know that as a pattern. Articles 8 and 10 of the same Act, define worker and employer respectively in the following manner: pattern is the person or entity which uses the services of one or more workers. Worker is the physical person who lends to other, physical or moral,

the existence of the employment relationship subordinate personal work is clear, which is shown with the own individual work contract, proof of payment of wages, attendance lists and all documents arising from the employment relationship. Even the FLL points out that the existence of the employment relationship is presumed in the absence of individual contract of employment. The typical form of hiring of a worker, is by means of the individual contract, in which the employer has the obligation to comply with the applicable provisions of the federal labor law, Social Security Law (LSS), law of the Institute of the National Housing Fund for workers (LINFONAVIT and income tax law and other State provisions which set out obligations for employers.

Salary and legal and extra-legal benefits constitute the fundamental ingredient of the right to work and, from the legal point of view constitute the essential element of the employment relationship. Based on her two of the characteristics of the salary and benefits are understood: the be consideration of the service and configure as an obligation of the employer, payable by the worker as a right, precisely as the direct object which aims to the workers as a means of livelihood for himself and his family, but which must be taxed under the various tax laws. The wage is brewing that represents the strongest for a company spending, since it occurs regularly, either weekly or fortnightly. The FLL in your items from 82 to 101 point out some features that must have wages between them that they find: which must be profitable, i.e. to reach you the worker to meet all your needs and those of your family and never less than the set as a minimum in accordance with the provisions of this Act, that currently the minimum wage amounts to \$73.04 per day regardless the type of working day; to fix the amount of the wage the quantity and quality of work; are taken into consideration to equal work, played in position, day and conditions of efficiency also same, must correspond to equal pay, the periods for the payment of wages may never be greater a week for the workers who play a material or physical labour and 15 days for other workers. Other legislation which also speaks of wages is the LSS, and does so in connection with the foundations and listing of payment of social security, in its article 5-A, fraction 18th, determines salary or wages as "retribution that the LFT defines as such". It adds that for purposes of this Act, the salary contribution base "integrates with payments made in cash by daily quota, bonuses, perceptions, power, room, bonuses, commissions, benefits in kind and any other amount or benefit to the worker for his work, with the exception of the concepts referred to in article 27 of the law". Establishing the compensation effect is "cash, the amount determined in money and in kind, goods and services", this same definition operates in the LINFONAVIT in terms of its article 29, section II. As you can see, in the FLL and the LSS there is a similar definition of integrated salary or wage contribution base; However, the integration of the first concept employed by the LFT is also used by the LSS and the LINFONAVIT, although the second except the benefits referred to in article 27 of the LSS, and in terms of the same article 9, second paragraph, in case of dispute provisions of the FLL, be taken into account then the CFF and then common law (the latter does not apply in the FLL). Reference to the first is used to effect compensation before a labour dispute, and the second in the registration of workers to the two social security institutes and constitutes the unit to determine and pay the fees in each of the mandatory regime of the LSS locks had already been made also.

On the other hand, the income tax law grants a fairly broad scope to the concept of "income", being understood that such the perceived by the provision of a subordinated personal service, such as wages and other benefits arising from an employment relationship (bonus, vacation bonus, overtime, punctuality, commissions, among other awards), as well as the participation of workers in the profits of the companies and the benefits received as a result of the termination of the employment relationship (compensation and) Premium antique), i.e. it is a kind of vast integrated salary. Finally a further concept which deals with legislation is the concept of social welfare, it appeared in the last third of the 19th century and was placed at the top of the evolution of the first measures of protection (mutual aid, charity, public charity, saving and private insurance). He was originally born to address the pressing needs of the working class in the early days of industrial society; under it the more immediate risks that could affect the life and capacity of the worker were envisaged: accidents and diseases work, invalidity, old age and death. The adjective "social" defining this concept as the birth of the social insurances as specific instruments for the protection of needs and set the social responsibility of all reasons the non-working persons.

De la Cueva (2005) defined to social welfare as the economic support provided to workers as well as to their families in case of missing the means to subsist for involuntary, or natural reasons arising from accidents, diseases, forced stoppages, invalidity, old age and death. Of the cave added that under this figure work acquired its highest dimension, designed in two successive moments of life: first of all, is the human source of salary, whose mission is to ensure the worker a daily existence decent and, in a second moment, is the engine of the future assignments, when this activity becomes difficult or impossible. In accordance with article 7 penultimate paragraph, of the income tax law, consider social welfare benefits expenditures made by employers for their workers that aims to meet contingencies or present or future needs, as well as to grant benefits in favour of such workers, aimed at overcoming physical, social, economic or cultural, that enable them to improve their quality of life and her family. The income tax law is the only legal provision that defines the social welfare. (Law of the income tax, article 7, 2014). Example of this kind of performance are educational scholarships, allowances for disability, sport and cultural activities, aid for expenses of funeral, pantries, the savings fund, income assistance, insurance life or medical expenses, among others. The concepts of social welfare benefits have a special, specifically for the purposes of income tax treatment, according to what says the income tax law in its article 93. We believe that the income tax law is not the proper law to define the concept of social welfare due to their job nature and what it represents for the pattern that gives these concepts, the only FLL both worker mentions them enunciatively the moment define integrated salary; The LSS or the of the INFONAVIT not defined nor that it refers to social welfare, but if specify you tax special treatments in the field of social security for these concepts.

Focusing for a moment on social welfare, from tax reform in 2014, this type of concepts has changed their treatment, as allowing a deductible of 100 per cent of its tax burden employers who granted it, currently the deductibility of such expenses is limited, a 53 to 47 percent as they indicate the assumptions of the income tax law , article 28 fraction Chapter

XXX moral people in its reform exercise 2014. Otro important aspect to determine tax payroll charge sets it article 12, section I of the LSS, where mentions that subject of assurance are the the persons who provide a service paid, staff and subordinate to other physical or moral, either that is the Act that you source and anyone who is the legal or economic nature pattern. (Law of Social insurance, article 12, 2014)

As a result, employers have obligation to register and enroll the IMSS workers, as well as determine and learn about labor quotas dependants in accordance with article 15 of the LSS. (The Social Security Act, article 15, 2014). For purposes of determining contributions dependents and withholdings must do the workers for social insurance, the pattern must be calculated initially salary contribution (SBC) base, which, in accordance with article 5 - A, fraction XVIII, of the LSS, shall consist of the payments made by daily quota, bonuses, perceptions, power, room bonuses, commissions, benefits in kind and any other amount or benefit to the worker, with the exception of the concepts referred to in article 27 of the same law. (Law of Social insurance, article 5 fraction XVIII, 2014) INFONAVIT is an agency of social service with legal personality and own patrimony, whose purpose is to manage the resources of the Fund, establish and operate a system of financing that allow workers to obtain a cheap credit and enough to acquire, construct, repair or expand their homes, as well as coordinate and fund programs of construction of rooms to be acquired by the workers.

In accordance with article 29, fraction II, LINFONAVIT, the pattern determines the amount of the contributions of 5% on the contribution of workers base wages at your service and shall make the payment corresponding. Regarding the integration and calculation of the base and upper salary limit, will be mandated by the LSS. (Law of the Institute of the National Housing Fund for workers, article 29 fraction II, 2014). On the other hand, has been established in almost all the States of the Mexican Republic a local tax to be paid on the amount of payrolls. The applicable rate is variable in each State; for example, in article 153 the law finance of the State of Baja California sets the expenditures that are considered taxable and exempt for the purposes of the calculation of the tax on payrolls. The same provision states that the payroll tax will be determined by applying the rate of 2% of the total amount of the expenditures made by the concept of remuneration to subordinate personal work. (Finance law of the State of Baja California, article 153, 2012). Therefore, it is important to know concepts exempt and recorded by this tax, as Faculty of each State is to determine the concepts that integrate the taxable base, since while a State delivery can it considered exempt, other not. In this way, all companies must develop correctly calculating the withholding by the workers, as well as make them and enter them promptly to the authorities.

They should also take care that all the requirements established by the income tax law, LSS and LINFONAVIT to make tax-deductible payments by salary (premium holiday, time, etc.), and thus avoid an increase in its taxable base. As you can see then, there are many taxes that surround the employment relationship of a worker and causing a tax burden on occasions to the taxpayer. However a look at economic activity, define the importance of this relationship, because the level of formal employment in Mexico has a close relation with economic activity.

## MATERIALS AND METHODS

The method used to carry out the research was descriptive, not experimental cross, since it will be analyzed and determined the financial cost of the employment relationship of the company, obtaining information on a just moment. Descriptive since it will analyze and employer worker of the company will know the status of the relationship and the financial and labour cost of the same shall be determined for the period 2014-2015. Not experimental since variables will be handled, not observed in its natural context (wages, worker, since age), cross as information is obtained and will discuss in a moment. Applied technique of case study and the unit of analysis in the company. As part of the methodology discussed: first, labour and tax legislation. Secondly, categories of workers will be determined. Third, the characteristics of the company and the context of the problem were determined. Fourth, interviews were conducted with managers of human resources and payroll of the company. Fifth, wage tabs were obtained. Sixth, described the organizational structure of the company, as well as its workers by categories, posts and salary levels. Seventh, the company as benefit plan documents, analyze contracts of employment, internal rules of working reports payroll. Eighth, different and tax in different levels of wages and labour costs jobs according to the company, and ninth were, surveys were applied to a sample of workers. The company has in average 1,250 employees, mostly since operator or category are direct; only 15% is administrative staff or indirect category; the sample selected is not determining probability convenience sample whereas various shifts, categories of workers and the same wage level; to validate these data were identified in the register of employees of the company, its listings of jobs and employees assigned according to reports production and payroll, as well as pay tab. By selecting to 80 employees that comply with the characteristics described above. We designed indent of structured interview which was applied to Executive control of the company as the Manager of human resources, with the aim of obtaining information about the payment of wages, benefits granted to workers, payroll information, categories of workers, among others. A survey was applied to 80 workers from the sample selected was designed, the survey consists of 21 questions, the majority of multiple choice with the exception of the worker's personal data and consists of 3 sections, the personal data, the appreciation on wages and benefits received by the worker and other questions of appreciation of working in the enterprise environment; the questions will allow having a complementary analysis from the point of view of the employee in relation to their salary, benefits in the business and work environment.

## RESULTS

The main results obtained from the application of the questionnaire are as follows: 78% of respondent staff is operator, is the place that more you have in three shifts handled by the company that is proportional to considering that 87% of the workforce of the company is production operator category. Basically, give the personal operator minimum benefits of law, in addition to concepts of social welfare as a pantry. With regard to antiquity that respondents in the company has 41% has 1 month to 1 year working and 23% have 5 years to 9 years, 17% from 2 years to 4 years, 11% from 10 years to 14 years, 5% has more than 25 years and with only 3% aged 15 to 19 years. Analyzing these data is high level of staff turnover that the company, which generates a cost for the company in

training, induction and selection of personnel, administrative burden to Social security by the ups and downs of workers.

seeking some incentives can improve the level of income of the worker without generate them a greater tax burden.

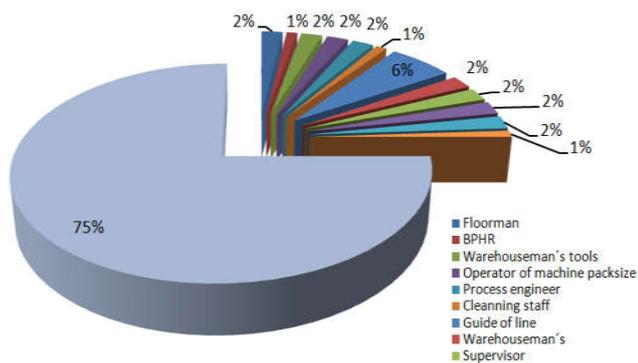
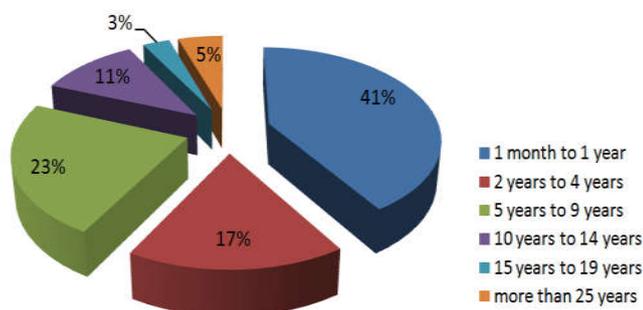
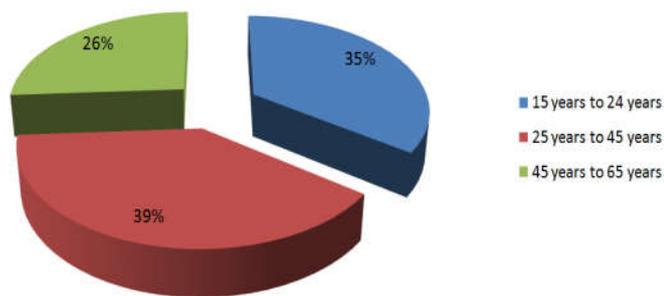


Figure 1. Jobs surveyed workers



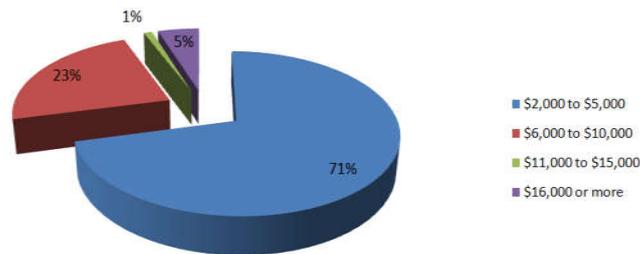
Graph 2. Age of the workers in the enterprise

In relation to the age of respondents, 39% has aged 25 to 45, 35% is aged 15 to 24 years, and 26% is from 45 to 65 years. A large part of the population is young, which may affect the interest that might have economic benefits that it can provide you with the company (scholarships, aid transport, for example), very different people can have employees in adulthood.

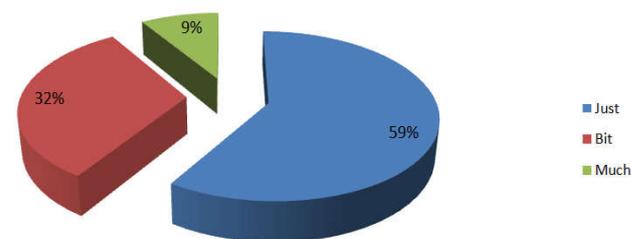


Graph 3. Age of the worker

In relation to the level of monthly wage income of respondents, 70% is \$2,000 to \$5,000, 23% is given 6,000 to \$10,000 and 5% is \$16,000 or more, 2% is \$11,000 to \$15,000. We note that more than 85% of the working population have a monthly income of less than 5 minimum salaries Generales Graph 4. Monthly wage income level.



Graph 4. Monthly wage income level



Graphic 5. Salaries tax discount

The above are only some brief results regarding the views of worker, but then the employer position is analyzed to tell human resources and hence an employment relationship, a few pictures of the fiscal and financial impact for pattern analysis, are presented by the effect of the payment of wages, legal, extra-legal and social welfare benefits. So-called Prime, is granted only where the general minimum wage without providing any additional, only the mandatory minimum.

**Considerations**

a) to income monthly total multiplied by the factor of 1.0452 which contains integration to Social insurance minimum legal benefits of 15 days of Christmas, 6 days of vacation and holiday bonus 25% and that are the same which gives the company its workers and on which the contribution is paid ahead of time. (b) the percentage of employer IMSS is the 10.2484%, whereas employer contribution rates for each branch of insurance and that the average rate of risk of working for the employer is 2.59840% because its activity is class III in the insurance of risks of work. (c) in addition we considered in IMSS employer rates of contribution of 20.4% which corresponds to the field of General illness (fixed fee) that is applied on the basis of a General minimum wage and 1.10% which is applied on the basis of the surplus of comparing SBC against three times the General minimum wage. It is as well as costs to the pattern to keep the source of employment of a worker with these wage levels as follows: Representing a payment of salary and contributions of \$2,996.87 to \$8,164.53 additional payment of wages whenever a worker with income of a minimum wage, of the analysis would reduce this tax burden as pay one salary higher than the minimum, because the wage income of minimum wage workers have protection by laws don't cover contributions transferring the burden to the employer. In the second case is considered posts type that has the company and his daily wage according to tab and minimum benefits of LFT:

**Table 1. Fiscal and financial effect on the pattern of pay personnel with general minimum wage that designates the FLL**

Level of wage minimum (SMG)	Total monthlyincome	IMSS employer	5% INFONAVIT	2% SAR	S/nomina total cont.	Cost contributors s / income total	IMSS Cost S/income total
1	\$ 2,198.05	\$644.53	\$109.90	\$43.96	36.32%	36.32%	29.32%
2	\$4396.11	\$879.54	\$219.80	\$87.92	27.00%	27.00%	20.00%
3	\$6,594.16	\$1,04.80	\$329.70	\$131.88	23.75%	23.75%	16.75%

**Table 2. Fiscal and financial effect for the employer for wage levels**

Concept	Wagelevel 1	Wagelevel 2	Wagelevel 3
Monthlyincome	\$2,103.00	\$4,206.00	\$6,309.00
Monthlybonus	\$87.62	\$175.25	\$252.57
Monthlyholidaypremium	\$8.76	\$17.52	\$26.28
Total in salaries and benefits	\$2,199.38	\$4,398.77	\$6,598.15
Monthly IMSS	\$644.53	\$879.54	\$1,104.80
Monthly INFONAVIT	\$109.90	\$219.80	\$329.70
2% monthly	\$43.96	\$87.92	\$131.88
Total in contributions	\$797.49	\$1,187.26	\$1,1566.38
Total salaries benefits and contributions	\$2996.87	\$5,586.03	\$8,164.53

**Tabla 3. Fiscal and financial effect on the pattern of wages to staff with posts in the company**

Type of employee	Total monthlyincome	IMSS employer	5% INFONAVIT	2% SAR	S/nomina total cont.	Cost contributors s / income total	IMSS Cost S/income total
Employee A \$135	\$4,233.06	\$862.83	\$211.65	\$84.66	\$1,159.14	27.38%	20.38%
Employee B \$150	\$4,703.40	\$911.03	\$235.17	\$94.06	\$1,240.26	26.36%	19.35%
Employee 2A \$180	\$5644.08	\$1,007.43	\$282.20	\$112.88	\$1,402.51	24.85%	17.54%
Employee 2B \$205	\$ 6,427.98	\$1,089.08	\$321.40	\$128.55	\$1,539.03	23.94%	16.94%

**Table 4. Fiscal and financial effect for the pattern by put type A, B, 2A and 2B**

Concept	Concept	Employee A	Employee B	Employee 2A	Employee 2B
Monthlyincome	Monthlyincome	\$4,050.00	\$4,500.00	\$5,400.00	\$6,150.00
Monthlybonus	Monthlybonus	\$168.75	\$187.50	\$225.00	\$256.25
Monthlyholidaypremium	Monthlyholidaypremium	\$16.87	\$18.75	\$22.50	\$25.62
Total in salaries and benefits	Total in salaries and benefits	\$4,235.62	\$4,706.25	\$5,647.50	\$6,431.87
Monthly IMSS	IMSS mensual	\$862.83	\$911.03	\$1,007.43	\$1,089.08
Monthly INFONAVIT	INFONAVIT mensual	\$211.65	\$235.17	\$282.20	\$321.40
2% monthly	2% Mensual	\$84.66	\$94.06	\$112.88	\$128.55
Total in contributions	Total en contribuciones	\$1,159.14	\$1,240.26	\$1,402.51	\$1,539.03
Total salaries benefits and contributions	Total en salarios prestaciones y contribuciones	\$5,394.76	\$5,946.51	\$7,050.01	\$7,970.90

## Considerations

a) To income monthly total multiplied by the factor of 1.0452 which contains integration to Social insurance minimum legal benefits of 15 days of Christmas, 6 days of vacation and holiday bonus 25% and that are the same which gives the company its workers and on which the contribution is paid ahead of time. (b) the percentage of employer IMSS is the 10.2484%, whereas employer contribution rates for each branch of insurance and that the average rate of risk of working for the employer is 2.59840% because its activity is class III in the insurance of risks of work. (c) in addition we considered in IMSS employer rates of contribution of 20.4% which corresponds to the field of General illness (fixed fee) that is applied on the basis of a General minimum wage and 1.10% which is applied on the basis of the surplus of comparing SBC against three times the General minimum wage. Then it shows how so-called costs in this pattern to keep the source of employment of a worker with these wage levels:

We have therefore that for the employer, employment for this type of job is representing him a payment of wages and contributions between \$5,394.76 and \$7,970.00 whenever a worker with income greater than a minimum wage and without receiving other benefits only the minimum of FLL, cases

analyzed here correspond to inexperienced and experienced operators which make up most of the workforce of the company; the analysis carried out it would increase the tax burden as are paid more than the minimum wage.

## Conclusion

This research highlights the fulfillment of the general objective, which is to determine the financial cost of the employment relationship in the finished Roger's, S.A. de C.V. Enterprise, based on the labour and tax legislation in 2014 and 2015. In this regard, in an employment relationship, laws grant several rights workers and designated number of obligations which employers must comply. All pattern is physical or moral person regardless of his money or activity or the form of Constitution adopted must grant rights to its workers and comply with their obligations with respect to them, according to what point the laws. The cost of having employees in the company and its management is very high and complex for a company, since in addition to the payment of full wages, legal and extra-legal benefits that are granted to employees, as well as the amount of taxes or social security contributions to IMSS INFONAVIT resulting in charge should be covered. This cost can vary depending on the wages and benefits to workers, result of this lineal case study observed that the difference in

the cost of contributions between employees with low wages and with those who receive wages and benefits high is striking. However, human resources are of vital importance in the productive sector, as they contribute to the success of the companies; therefore, employers must make a proper planning of costs which represents an employment relationship, in a way carrying out only the necessary expenditures without affecting the interests of the workers and to obtain the highest performance in the company. To get to know the real cost of a worker in the service of a pattern it is necessary to analyse the pay and benefits you receive. It is important to consider that if the pattern gives extra-legal benefits or social security, which is common in the manufacturing industry in the region as: pantries, awards for attendance and punctuality, would have to analyze their treatment and see if they exceed exemption bumpers that make the tax laws.

These benefits tax-free margins are very low, which we believe are insufficient for the cost of the basic shopping basket; and the objective that the employer give these extra-legal benefits is to make more competitive and profitable the worker's salary and access to better wellbeing for the consumption of the basic basket, so the pattern gives larger to exempt these benefits stops considering that there will be a cost for the tax burden of this surplus. From the analysis made, it can be seen that give low wages and extra-legal benefits up to exempt of tax burden amounts indicating the fiscal provisions of social security, the after tax savings is more representative both for the worker and for the pattern, as discussed at the time. However, grant wages exceeding 7 SMG and amounts of extra-legal benefits exceeding the exempt amounts set forth in the labor law and tax, the after tax effect is not so representative; There is no lose sight that most of the universe of workers in Mexico earn less than seven times the minimum wage; as it was exemplified in this case study. With regard to the limitation of deductible do only an amount of the benefits of social welfare according to the reforms in the field of income tax from the year 2014, several companies to date have interposed various protections this provision as unconstitutional as limits the deduction of payments that the pattern is doing for the benefit of their workers, which also affect the pattern on its fiscal result also affects the worker, thus not be deductible for the company this will prevent giving this type of performance, hurting income wages and worker benefits, since for workers also were free of tax burden.

The company established a social security plan also get benefits by its implementation such as encouraging the commitment of the worker with the company feel better paid and supported, which expressed to the retention of human capital that has formed the company, look that will also be affected with the limiting of deductibility of social welfare benefits to no longer be granted by employers.

#### **Future lines of research to develop Investigacion**

One subsequently will be analyzing the development of enterprises and their generation sources employment, production and exchange of goods and services in the light of the economic recession that we live in today. The Governments of the countries have to act decisively, to stop the collapse of economic activity or, at least, reduce and cushion the impact which will the crisis on employment and the production plant; will have been implemented actions to defend the production plant and the use of the economies; It acts on tax matters to lighten the burden of taxes on individuals and businesses; they put in place programs to protect the most vulnerable groups in society; programs between workers and companies agree to preserve the sources of employment and adjust production. In Mexico the rates of growth of the industries of manufacturing, construction and housing have been negative in recent months. Triggers inflation, in relative terms, and unemployment is growing: the number of people listed to the Mexican Institute of Social Security has decreased according to statistics of the Institute.

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