

MAKERERE UNIVERSITY BUSINESS SCHOOL
ARUA CAMPUS
BACHELOR OF BUSINESS ADMINISTRATION II
COURSE NAME: INTERMEDIATY ICT

PAYROLL CASE STUDY TWO

Below is a list of employees for **Malayika** Ltd for the month of September 2026.
Use it to answer the questions that follow;

Employee Name	Date of Birth	Basic Pay (UGX)
Namusoke	1993	567,000
Okello	1987	4,500,000
Atwine	1965	1,000,000
Ssemanda	1996	1,500,000
Nabirye	2000	3,000,000
Turyahabwe	1977	1,650,000
Kaggwa	1980	800,000
Nanyonjo	1962	750,000
Mugisha	1979	50,000
Auma	1999	380,000
Tindili	1960	440,000
Among	1995	540,000
Akol	1997	40,000
Adriko	1994	700,000
Buni	2001	300,000

Additional Information

- a) The following are the Salary Scales of **Malayika Limited**. Using appropriate formulae, show the salary scale for each employee

Scale	Basic Pay
KAL1	Above shs 800,000
KAL2	Between shs 600,000 and 800,000 (inclusive)
KAL3	Between shs 400,000 and 600,000 (inclusive)
KAL4	Between shs 200,000 and 400,000 (inclusive)
KAL5	Below shs 200,000

- b) Housing allowance is 20% of the basic pay per month for all employees

- c) Medical allowance is 30% of the basic pay for all employees per month
- d) All employees with exception of those earning basic pay above UGX 1,000,000 are paid transport allowance of 50,000 per month.
- e) NSSF is 5% of the Gross wage
- f) Compute the Gross pay for each employee
- g) Local Service Tax (LST) is payable in four Equal Installments beginning 1st September 2026 as follow;

Amount of Monthly Gross Salary earned in UGX	Rate of Local Service Tax (In UGX) per Year
Exceeding 100,000 but not Exceeding 200,000	5,000
Exceeding 200,000 but not Exceeding 300,000	10,000
Exceeding 300,000 but not Exceeding 400,000	20,000
Exceeding 400,000 but not Exceeding 500,000	30,000
Exceeding 500,000 but not Exceeding 600,000	40,000
Exceeding 600,000 but not Exceeding 700,000	60,000
Exceeding 700,000 but not Exceeding 800,000	70,000
Exceeding 800,000 but not Exceeding 900,000	80,000
Exceeding 900,000 but not Exceeding 1,000,000	90,000
Exceeding 1,000,000 on wards	100,000

- h) PAYE is deducted from the taxable pay as per the respective rates using the table below;

Gross Chargeable Income	Rate of Tax (Shs Monthly)
0-235000	0
235,001-335,000	10% Of the amount by which chargeable income exceeds 235,000
335,001-410,000	10000+20% Of the amount by which chargeable income exceeds 335,000
410,001 and above	25000 + 30% of the amount by which chargeable income exceeds 410,000

- i) Compute the Net pay for the employees
- j) Compute how long each employee has stayed in the organization IF EACH EMPLOYEE Joined at the age of 20 years
- k) Count the number of employees with Age above 20 and Net salary above 1200,000
- l) Represent employees and their Net Salary on a Well labelled 3-D Exploded Pie-Chart

Required;

Prepare a payroll for Malayika Limited for the Month of May