
THEORETICAL AND METHODOLOGICAL ISSUES OF THE CONCEPT OF THE WAGE FUND

Sarvar Khudoynazarovich Ergashev

Tashkent International University of Chemistry, Uzbekistan

ABSTRACT:

This article examines the concepts of remuneration and the wage fund from theoretical, methodological, and legal perspectives. Based on the research, the author proposes original definitions of both the remuneration fund and the wage fund, along with a detailed composition of their elements. It is argued that this composition can serve as a basis for applying various financial reporting and tax-related incentives within enterprises.

Keywords: Wage fund, salary fund, financial accounting, tax accounting.

INTRODUCTION

Settlements with employees is a broad concept that encompasses various types of payments, including wages, vacation pay, sick leave compensation, business trip allowances, and many other forms of remuneration. The central focus within this concept is the employee's salary, as it is directly linked to the enterprise's productivity, effective utilization of the workforce, and the wage payment system. In other words, a financially stable enterprise is typically able to provide higher wages and better compensation. However, it is also important to recognize that fairly compensating a good employee contributes to the financial well-being of the enterprise itself. Thus, a reciprocal relationship exists between these two concepts.

In Uzbekistan, the regulation of labor relations has undergone positive transformations. Enterprises now have the right to determine their wage systems and structures based on their specific characteristics. Particularly during the latest stages of economic reforms, several systemic measures related to employee settlements have been implemented. A clear and comprehensive example of this is the new edition of the Labor Code, which came into force in 2023. This code provides a legal framework that governs all aspects of remuneration, from the processes that form the basis for salary payment to the final disbursement of wages. Therefore, the document must be free of any legal gaps or deficiencies. Otherwise, employees' rights may be violated.

In general, employee remuneration is expressed through the concept of wages, which has been interpreted in various ways across legal documents and numerous academic studies.

In scholarly sources, researchers have conducted studies and drawn conclusions to more precisely define the essence of remuneration. Therefore, in the following section, we will present the views of several scholars on this concept in an effort to synthesize a general understanding.

According to experts, the wage fund refers to the total amount of funds spent by a company over a specific period for labor compensation (both in monetary and non-monetary forms). One source describes the structure of the wage fund as consisting of: base wages, additional payments, incentive and compensation payments, and other forms of remuneration.

The same source also notes that the wage fund includes monthly salaries, bonuses, material assistance, and additional payments for vacation leave.

Another source outlines the structure of the wage fund as follows:

- Employee wages, calculated with regional coefficients and length-of-service benefits;
- Additional compensation for working under hazardous or harmful conditions, and performance-based bonuses;
- Payments for annual leave and travel allowances;
- Overtime payments;
- Reimbursements for expenses related to the organization's operations;
- Payments for the first three days of sick leave.

This diversity of interpretations reflects the complexity and multifaceted nature of the wage fund as a key component of labor economics and enterprise accounting.

In most enterprises, it is noted that the wage fund structure does not include one-time bonuses, financial assistance due to difficult family circumstances, compensation for medical treatment and travel, non-refundable loans, insurance premiums, expenses for gifts, or benefits paid by the Social Insurance Fund.

In one of the local studies, N. Haidarova emphasizes in her article that, for budgetary institutions, the wage fund is determined based on a financial plan and is divided into planned and actual (reported) wage funds. According to her, the planned wage fund refers to the amount of money allocated in the institution's expenditure estimate for paying employee wages over a certain period. Meanwhile, the reported wage fund represents the actual amount of wages accrued to both full-time and part-time employees during that period. She also notes that wages are classified into basic and additional remuneration depending on the payment period, the amount paid, and the quality of the work performed (Haidarova, 2023).

In this article, the author interprets the wage fund in a narrow context, primarily focusing on basic and additional wages. In our opinion, it would have been more appropriate to address what exactly should be included in the wage fund specifically for budgetary institutions. Moreover, the author does not clearly distinguish between the terms salary fund and wage fund, nor does she clarify which of these the studied issue pertains to.

According to A.K. Nazarov, the salary fund includes the total amount of payments made to all employees (permanent, seasonal, and temporary) for the work performed, as well as payments made for non-working periods in accordance with applicable legislation—such as annual and additional paid leave, mandatory leave, donor leave, and payments for fulfilling public duties (e.g.,

military or emergency service). That is, the salary fund consists of the sum of both basic and additional wages (Nazarov, 2012).

According to A.V. Mongush, the wage fund refers to the amount of money required and expended over a certain period for labor remuneration, compensation, and incentive payments (Mongush, 2021). From this perspective, it can be seen that the author focuses solely on the wage fund, while in our view, the concept of the formation of the remuneration fund has been overlooked.

As noted by O.N. Ganyuta, remuneration is the monetary valuation of the labor cost of an employee who contributes to the creation of the value of the goods produced by the enterprise. The remuneration fund represents the total amount of funds spent by the enterprise over a certain period on payments to its workforce. The salary fund, first and foremost, includes wages and bonuses. In addition, it covers various types of supplementary payments (such as incentives and compensations) as well as other payments—for instance, those for non-working periods that are legally required to be paid (Klimova, 2009).

Based on the analysis of scientific research, it can be observed that the remuneration fund is classified depending on the type and activity of the enterprise. Therefore, in our view, when planning the salary or remuneration fund, it is advisable to consider the sector-specific characteristics of the organization.

Although there is no specific regulation in normative documents defining the composition of the wage fund in enterprises, there are existing standards related to remuneration and a system of indicators calculated in relation to it. Hence, we believe that it is advisable not only for state enterprises but also for all economic entities to establish and formally approve their own remuneration funds.

For example, Articles 243, 467, and 483 of the Tax Code of the Republic of Uzbekistan specify the availability of benefits that apply to the total wage fund (Code, 2025).

This raises the question: When we refer to the wage fund, which specific indicators are taken into account in order to benefit from such tax advantages? If the composition and definition of the remuneration fund are not clearly specified in any legal document, then both entrepreneurs and tax authorities require a clear and precise definition of what constitutes the remuneration fund. This necessity emphasizes the importance of clarifying and, to some extent, officially confirming the composition of the wage fund.

Based on the research conducted, the following conclusions have been drawn:

- The salary fund consists of the total amount of basic and additional wages paid to employees for fulfilling their labor duties. This includes tariff-based wages, surcharges, and bonuses.
- The remuneration fund, on the other hand, includes not only the salary fund but also other payments not directly linked to the employee's performance of duties, such as additional incentives, social payments, and compensations.

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