

3-Year People-Cost Budget & Budget-vs-Actual Variance Report

SAMPLE WITH FICTIONAL DATA — all names, units, rates and amounts are invented for illustration.

Purpose: plan people cost for a China business by unit and month, roll it up to a 3-year view for overseas HQ, compare the China plan with the HQ plan, and explain budget-vs-actual variances in plain English.

Flow: 'Assumptions' + 'Headcount' → 'Budget FY2025' (unit × cost item × month) → '3-Year Summary' (FY2025–FY2027 and China plan vs HQ plan) → 'Budget vs Actual' (variance by cost item and by month, with cause notes).

Cost items: salaries, sales incentives, bonus accrual, statutory benefits (employer social insurance + housing fund), welfare, recruiting, training, expat relocation.

Main drivers: headcount × average salary; 6.5% annual raise; headcount growth; rates per head. Change the yellow cells and every sheet updates.

All units, headcount, rates and amounts are fictional. Unit: RMB.

Colour key: light-yellow cells = inputs; white cells = formulas; blue rows = totals.

Budget Assumptions

Sample with fictional data — fictional assumptions

Assumption	Value	Note
Annual salary raise	6.5%	Applied to FY2026 and FY2027
Statutory benefits (employer SI + HF) % of salary	32.0%	Illustrative blended rate
Sales incentive % of salary (stores only)	8.0%	Paid monthly
Annual bonus (months of salary)	1.0	Accrued monthly = salary × months ÷ 12
Welfare per head per month	300	Meals, events, gifts
Recruiting cost per new hire	3,000	Ads / agency fees
Training per head per month	150	
Expat relocation (one-off, paid in March FY2025)	120,000	Regional Office
Headcount growth FY2026	10.0%	
Headcount growth FY2027	8.0%	

Average monthly salary by unit (RMB)

Unit	Avg Monthly Salary	Store?
Store A (City 1)	8,000	Yes
Store B (City 2)	7,500	Yes
Store C (City 3)	7,000	Yes
Regional Office	18,000	No

Headcount Plan FY2025 (month-end)

Sample with fictional data — fictional headcount

Unit	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Store A (City 1)	10	10	10	10	10	10	10	10	10	10	10	10	10.0
Store B (City 2)	0	0	0	8	10	10	10	10	10	10	10	10	7.3
Store C (City 3)	0	0	0	0	0	0	0	0	6	8	8	8	2.5
Regional Office	4	4	4	4	4	4	5	5	5	5	5	5	4.5
TOTAL	14	14	14	22	24	24	25	25	31	33	33	33	24.3

New hires per month (headcount increase)

Unit	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Store A (City 1)	0	0	0	0	0	0	0	0	0	0	0	0	0
Store B (City 2)	0	0	0	8	2	0	0	0	0	0	0	0	10
Store C (City 3)	0	0	0	0	0	0	0	0	6	2	0	0	8
Regional Office	0	0	0	0	0	0	1	0	0	0	0	0	1

Opening headcount in January is treated as existing staff (no recruiting cost).

People-Cost Budget FY2025 by Unit and Month (RMB)

Sample with fictional data — fictional amounts

Unit	Cost Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY Total
Store A (City 1)	Salaries	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	960,000
Store A (City 1)	Sales incentives	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	76,800
Store A (City 1)	Bonus accrual	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	80,000
Store A (City 1)	Statutory benefits	25,600	25,600	25,600	25,600	25,600	25,600	25,600	25,600	25,600	25,600	25,600	25,600	307,200
Store A (City 1)	Welfare	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Store A (City 1)	Recruiting	0	0	0	0	0	0	0	0	0	0	0	0	0
Store A (City 1)	Training	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Store A (City 1)	Expat relocation	0	0	0	0	0	0	0	0	0	0	0	0	0
Store A (City 1)	Unit subtotal	123,167	123,167	123,167	123,167	123,167	123,167	123,167	123,167	123,167	123,167	123,167	123,167	1,478,000
Store B (City 2)	Salaries	0	0	0	60,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	660,000
Store B (City 2)	Sales incentives	0	0	0	4,800	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	52,800
Store B (City 2)	Bonus accrual	0	0	0	5,000	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	55,000
Store B (City 2)	Statutory benefits	0	0	0	19,200	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	211,200
Store B (City 2)	Welfare	0	0	0	2,400	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	26,400
Store B (City 2)	Recruiting	0	0	0	24,000	6,000	0	0	0	0	0	0	0	30,000
Store B (City 2)	Training	0	0	0	1,200	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	13,200
Store B (City 2)	Expat relocation	0	0	0	0	0	0	0	0	0	0	0	0	0
Store B (City 2)	Unit subtotal	0	0	0	116,600	121,750	115,750	115,750	115,750	115,750	115,750	115,750	115,750	1,048,600
Store C (City 3)	Salaries	0	0	0	0	0	0	0	0	42,000	56,000	56,000	56,000	210,000
Store C (City 3)	Sales incentives	0	0	0	0	0	0	0	0	3,360	4,480	4,480	4,480	16,800
Store C (City 3)	Bonus accrual	0	0	0	0	0	0	0	0	3,500	4,667	4,667	4,667	17,500
Store C (City 3)	Statutory benefits	0	0	0	0	0	0	0	0	13,440	17,920	17,920	17,920	67,200
Store C (City 3)	Welfare	0	0	0	0	0	0	0	0	1,800	2,400	2,400	2,400	9,000
Store C (City 3)	Recruiting	0	0	0	0	0	0	0	0	18,000	6,000	0	0	24,000
Store C (City 3)	Training	0	0	0	0	0	0	0	0	900	1,200	1,200	1,200	4,500
Store C (City 3)	Expat relocation	0	0	0	0	0	0	0	0	0	0	0	0	0
Store C (City 3)	Unit subtotal	0	0	0	0	0	0	0	0	83,000	92,667	86,667	86,667	349,000
Regional Office	Salaries	72,000	72,000	72,000	72,000	72,000	72,000	90,000	90,000	90,000	90,000	90,000	90,000	972,000
Regional Office	Sales incentives	0	0	0	0	0	0	0	0	0	0	0	0	0
Regional Office	Bonus accrual	6,000	6,000	6,000	6,000	6,000	6,000	7,500	7,500	7,500	7,500	7,500	7,500	81,000
Regional Office	Statutory benefits	23,040	23,040	23,040	23,040	23,040	23,040	28,800	28,800	28,800	28,800	28,800	28,800	311,040
Regional Office	Welfare	1,200	1,200	1,200	1,200	1,200	1,200	1,500	1,500	1,500	1,500	1,500	1,500	16,200
Regional Office	Recruiting	0	0	0	0	0	0	3,000	0	0	0	0	0	3,000
Regional Office	Training	600	600	600	600	600	600	750	750	750	750	750	750	8,100
Regional Office	Expat relocation	0	0	120,000	0	0	0	0	0	0	0	0	0	120,000
Regional Office	Unit subtotal	102,840	102,840	222,840	102,840	102,840	102,840	131,550	128,550	128,550	128,550	128,550	128,550	1,511,340

ALL UNITS

All units	Salaries	152,000	152,000	152,000	212,000	227,000	227,000	245,000	245,000	287,000	301,000	301,000	301,000	2,802,000
All units	Sales incentives	6,400	6,400	6,400	11,200	12,400	12,400	12,400	12,400	15,760	16,880	16,880	16,880	146,400
All units	Bonus accrual	12,667	12,667	12,667	17,667	18,917	18,917	20,417	20,417	23,917	25,083	25,083	25,083	233,500
All units	Statutory benefits	48,640	48,640	48,640	67,840	72,640	72,640	78,400	78,400	91,840	96,320	96,320	96,320	896,640
All units	Welfare	4,200	4,200	4,200	6,600	7,200	7,200	7,500	7,500	9,300	9,900	9,900	9,900	87,600
All units	Recruiting	0	0	0	24,000	6,000	0	3,000	0	18,000	6,000	0	0	57,000
All units	Training	2,100	2,100	2,100	3,300	3,600	3,600	3,750	3,750	4,650	4,950	4,950	4,950	43,800
All units	Expat relocation	0	0	120,000	0	0	0	0	0	0	0	0	0	120,000
All units	TOTAL PEOPLE COST	226,007	226,007	346,007	342,607	347,757	341,757	370,467	367,467	450,467	460,133	454,133	454,133	4,386,940

3-Year People-Cost Plan for HQ (RMB)

Sample with fictional data — fictional amounts

Cost Item	FY2025	FY2026	FY2027	3-Year Total	FY26 vs FY25	FY27 vs FY26
Salaries	2,802,000	3,282,543	3,775,581	9,860,124	17.2%	15.0%
Sales incentives	146,400	171,508	197,268	515,176	17.2%	15.0%
Bonus accrual	233,500	273,545	314,632	821,677	17.2%	15.0%
Statutory benefits	896,640	1,050,414	1,208,186	3,155,240	17.2%	15.0%
Welfare	87,600	96,360	104,069	288,029	10.0%	8.0%
Recruiting	57,000	62,700	67,716	187,416	10.0%	8.0%
Training	43,800	48,180	52,034	144,014	10.0%	8.0%
Expat relocation	120,000	0	0	120,000	-100.0%	0.0%
TOTAL	4,386,940	4,985,250	5,719,486	15,091,675	13.6%	14.7%

China plan vs HQ plan – FY2025

Cost Item	China Plan	HQ Plan	Difference (China – HQ)	Diff %	Comment
Salaries	2,802,000	2,690,000	112,000	4.2%	HQ used one average salary for all units
Sales incentives	146,400	146,000	400	0.3%	Same method
Bonus accrual	233,500	269,000	-35,500	-13.2%	HQ assumed 1.2 months bonus
Statutory benefits	896,640	753,000	143,640	19.1%	HQ used a flat 28% rate; China plan uses a 32% blended local rate
Welfare	87,600	79,000	8,600	10.9%	HQ used a lower welfare amount per head
Recruiting	57,000	46,000	11,000	23.9%	HQ did not plan recruiting for the Store C opening
Training	43,800	44,000	-200	-0.5%	Same method
Expat relocation	120,000	0	120,000	n/a	Not in HQ plan; added for regional manager move
TOTAL	4,386,940	4,027,000	359,940	8.9%	

FY2025 Budget vs Actual – People Cost (RMB)

Sample with fictional data — fictional amounts and causes

Cost Item	Budget	Actual	Variance (A – B)	Var %	Main Cause
Salaries	2,802,000	2,842,100	40,100	1.4%	Spring Festival statutory-holiday overtime paid at 3x in Feb; partly offset by Store C opening one month late.
Sales incentives	146,400	124,400	-22,000	-15.0%	Store B sales below target in Q2, so fewer achievement bonuses were paid.
Bonus accrual	233,500	235,800	2,300	1.0%	Accrual follows salary; small difference only.
Statutory benefits	896,640	932,500	35,860	4.0%	Social insurance base adjusted in July and back-dated to January; catch-up paid in July.
Welfare	87,600	74,500	-13,100	-15.0%	Some team events moved to next year.
Recruiting	57,000	39,900	-17,100	-30.0%	More hires came from staff referrals, so fewer agency fees.
Training	43,800	32,800	-11,000	-25.1%	Store C onboarding training postponed with the late opening.
Expat relocation	120,000	134,400	14,400	12.0%	Housing deposit and school fees higher than planned.
TOTAL	4,386,940	4,416,400	29,460	0.7%	

Monthly view – total people cost

Month	Budget	Actual	Variance (A – B)	Var %	Note
Jan	226,007	226,000	-7	0.0%	Within normal range.
Feb	226,007	239,600	13,593	6.0%	Spring Festival statutory-holiday overtime (3x pay) for store staff.
Mar	346,007	349,500	3,493	1.0%	Within normal range.
Apr	342,607	356,300	13,693	4.0%	Store B staff who joined after 15 Mar were paid for March in April (next-month back-payment).
May	347,757	344,300	-3,457	-1.0%	Within normal range.
Jun	341,757	341,800	43	0.0%	Within normal range.
Jul	370,467	403,800	33,333	9.0%	Social insurance base adjustment: Jan-Jun catch-up paid in July.
Aug	367,467	367,500	33	0.0%	Within normal range.
Sep	450,467	418,900	-31,567	-7.0%	Store C opened late; staff joining after 15 Sep were paid in October.
Oct	460,133	483,100	22,967	5.0%	Back-payment for September joiners at Store C.
Nov	454,133	449,600	-4,533	-1.0%	Within normal range.
Dec	454,133	436,000	-18,133	-4.0%	Year-end welfare lower: team events moved to next year.
TOTAL	4,386,940	4,416,400	29,460	0.7%	

Check: monthly actual total – cost-item actual total (should be 0)

0

