

# PAYROLL MANAGEMENT

DEMO

PRESENTED BY  
MANMATH GAUDA



# INTRODUCTION

# N

# What is Payroll

A **payroll** is a company's list of its employees, but the term is commonly used refer to:

- the total amount of money that a company pays to its employees,
- a company's records of its employees' salaries and wages, bonuses, compensation and benefits and deduction applicable (taxes etc.)
- the company's department that calculates and pays these.

# Responsibility of payroll preparation

- It varies according to size and policies of the company or organization.
- Payroll may be allocated by:
  - ✓ a separate payroll department.
  - ✓ Human Resource department.
  - ✓ Finance department but directed by Human Resource Department

# 1.2 Types of Employee Salary

- Fixed Pay
- Variable or Performance pay ( Hourly / Monthly)
- Commission
- Wages
- Annual Pay
- Minimum pay
- Stipend
- Contractual Pay

# Components of salary

- Basic Salary
- House Rent Allowance (HRA)
- Medical Allowance
- EE & ER Provident Fund (EPF)
- Employees' State Insurance
- Leave encashment
- Utility Allowance
- Other Allowance
- Income Tax / TDS

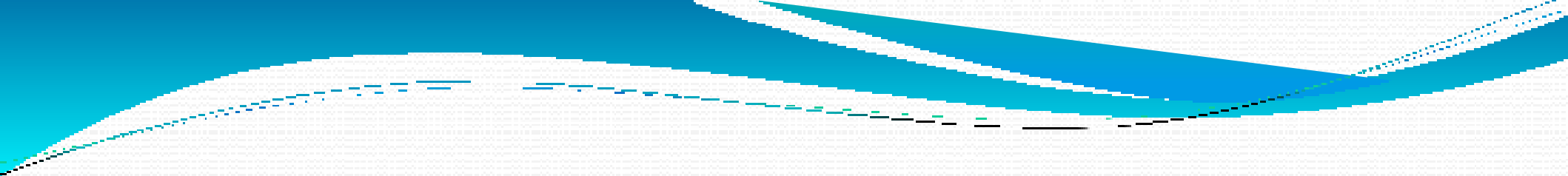
# Laws for employees and workers

- Minimum Wage
- Working Hours
- Holidays
- Leaves or Time Off

# Leaves or Time Off

- Earned Leave or Privilege Leave
- Casual Leave
- Sick Leave or Medical Leave
- Maternity Leave
- Paternity leave





# Statutory Compliance

# What is Statutory Compliance

- Statutory Compliance means adhering to rules and regulations. Statutory Compliance in HR refers to the legal framework that an organization should adhere to in dealing with its employees.

# Types of Statutory Compliance

- ✓ **Professional tax(PT):** Profession tax is the tax levied and collected by the state governments in India. It is a direct tax. A person earning an income from salary or anyone practicing a profession such as chartered accountant, etc.
- ✓ **Income taxes and TDS:** TDS stands for tax deducted at source. As per the Income Tax Act, any company or person making a payment is required to deduct tax at source if the payment exceeds certain threshold limits. ... It is the deductor's responsibility to deduct TDS before making the payment and deposit the same with the government.

# Types of Statutory Compliance

- ✓ **Labor Welfare Fund(LWF):** Labour welfare fund is a statutory contribution managed by individual state authorities. The state labour welfare board determines the amount and frequency of the contribution.
- ✓ **Provident Fund(PF):** EPF is an employee benefit scheme generally prescribed by a statutory body of the government which provides facilities to the employees of an organization with regard to medical assistance, retirement, education of children, insurance support and housing.
- ✓ Employees complete 12% goes to PF account while employer contributions' 8.33% goes to Pension Fund and 3.67% goes to PF Fund.

# Types of Statutory Compliance

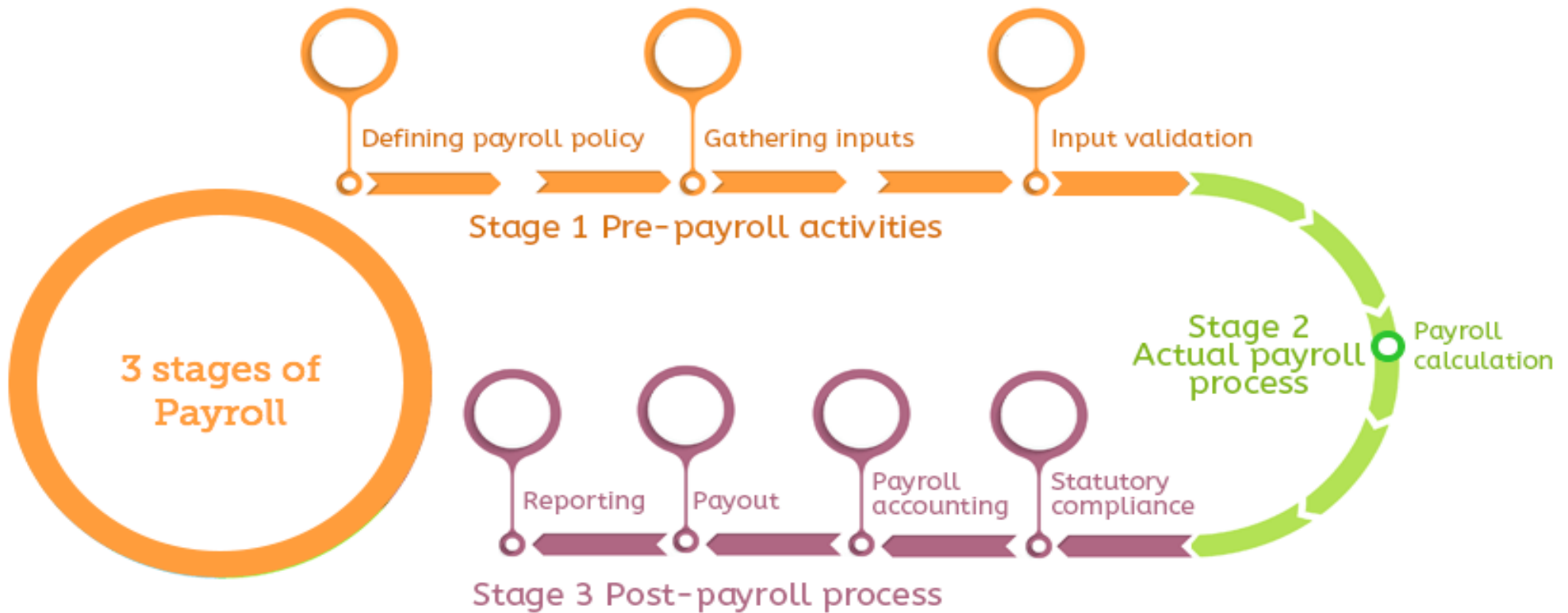
- ✓ **Employee State Insurance (ESI):** It is self-financing social security and health insurance scheme for Indian workers.
- ✓ To protect the employees in the organization against the events of sickness, maternity, disablement, and death due to employment injury and to provide medical care to the insured employees and their family
- ✓ ESI contribution consists of employee's share (0.75% wages) and employer's share (3.25% of wages). The existing wage limit for ESI coverage is 21,000.



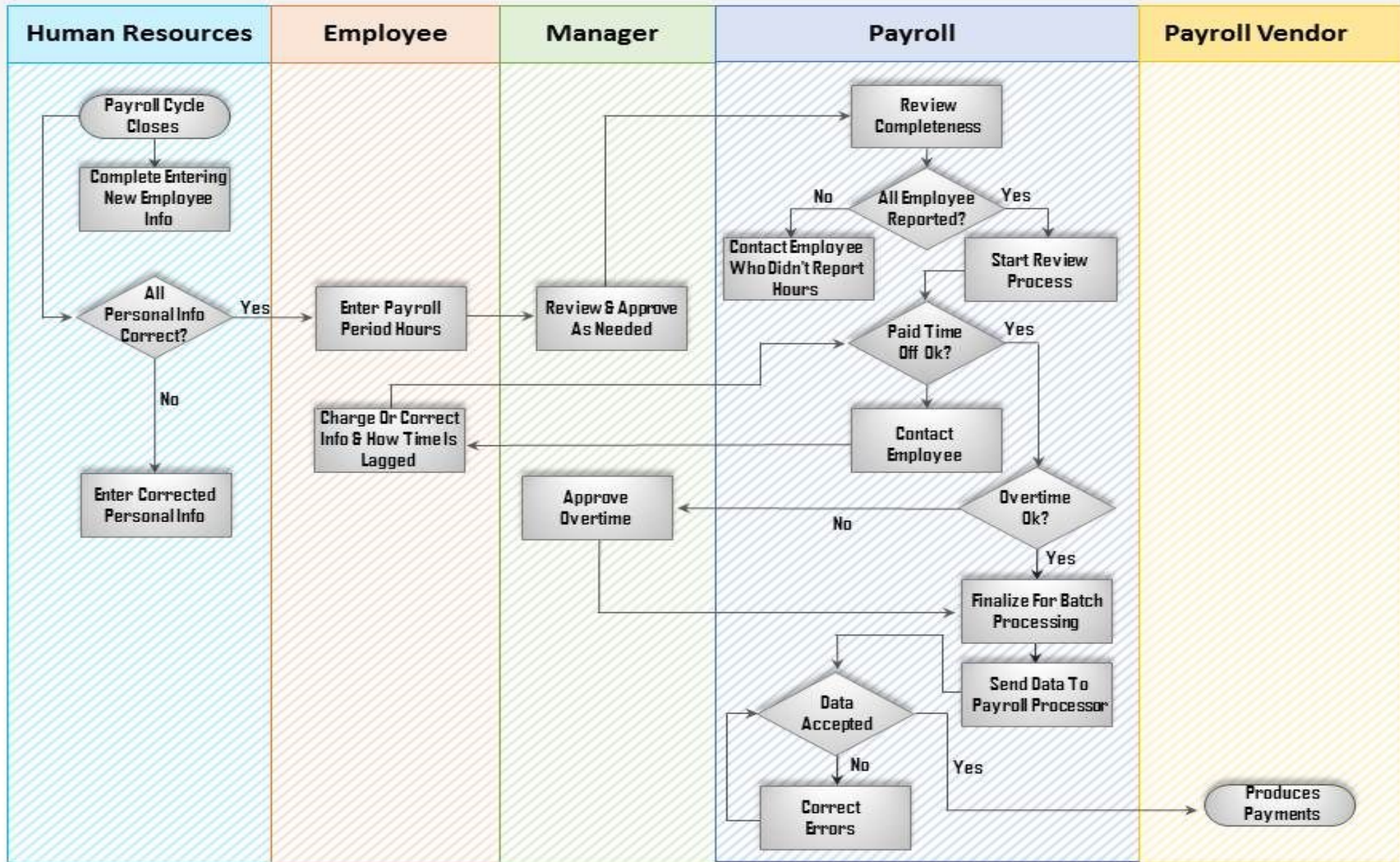
# **SALARY PROCESS**

# Stages to processing payroll

A **payroll** officer needs to do careful planning. There are always ongoing tasks that need attention and a constant need to monitor changes to withholdings, contribution to social security funds, etc. The entire process can be split into three stages, pre-payroll, actual payroll



# Payroll Process Flowchart







# MIS REPORTS

# 4.1 MIS Reports

- Total Salary payouts
- Change in headcounts
- Payroll Statutory Compliance
- Detailed pay structure with journals
- Employee loan & recovery statements
- Payroll reconciliation report
- Variant report
- Head count report



# QUESTIONS AND ANSWERS



THANK YOU