

GOT --- F11 --- Maintain Payroll --- Yes --- Enable Payroll Statutory --- Yes --- CTRL + A.

GOT --- Create --- Payroll Masters --- Employee Group

Name --- Accounts

Under --- Primary

Define salary details --- No --- Accept

Name --- Marketing

Under --- Primary

Define salary details --- No --- Accept

Name --- Sales

Under --- Primary

Define salary details --- No --- Accept

Payroll Masters --- Employee

Provide bank details --- Yes

This window is for employee's bank account information to which salary will

be credited.

Create other employees also.

GOT --- Payroll Masters --- Attendance / Production Type

Name --- Present

Under --- Primary

Attendance Type --- Attendance / Leave with Pay --- Period Type --- Days --- Accept.

Name --- Absent

Under --- Primary

Attendance Type --- Attendance / Leave without Pay --- Period Type --- Days --- Accept.

Name --- Paid Leave

Under --- Primary

Attendance Type --- Attendance / Leave with Pay --- Days --- Accept.

GOT --- Payroll Masters --- Pay Heads

Name --- Basic Salary

Pay head type --- Earnings for employees

Income type --- Fixed

Under --- Indirect expenses

Affect Net Salary --- Yes

Use for calculation of Gratuity --- Yes

Set / Alter Income Tax Details --- Yes ---- Income Tax Component --- Basic Salary --- On Projected Value --- Yes

Calculation type --- On Attendance ---- Attendance / Leave with Pay --- Not applicable

Leave without Pay --- Absent

Calculation Period --- Months

Basis of Calculation (per day) --- As per calendar period --- Accept.

Projected Value --- The salary component received throughout the year.

On Actual Value --- The salary component received occasionally.

Name --- Dearness Allowance

Pay head type ---- Earnings for employees

Income type --- Fixed

Under --- Indirect Expenses

Affect Net Salary --- Yes

Use for calculation of gratuity --- Yes

Set / Alter Income Tax Details --- Yes --- Income Tax Component --- DA --- On projected Value --- Yes

Calculation type --- As Computed Value --- Specified Formula --- Basic Pay --- Percentage --- 20% --- Accept.

Name --- House Rent Allowance

Pay head type --- Earnings for employees

Income type --- Fixed

Under --- Indirect expenses

Affect Net Salary --- yes

Gratuity --- No

Set / Alter Income Tax Details --- Yes --- House Rent Allowance --- On Projected Value --- Yes

Calculation type --- Flat Rate (Fixed amount for each month. That is why it is set to Flat Rate)

Calculation period --- Months

Name --- Bonus

Pay head type --- Bonus

Under --- Indirect Expenses

Affect Net salary --- yes

Gratuity --- No

Set / Alter Income Tax Details --- Yes --- Bonus --- On Actual Value --- Deduct TDS across period --- No

Calculation Type --- As user defined value (Employer can decide the amount and the month for which bonus is to be received. It is received occasionally.)

Name --- Overtime

Pay head type --- Earnings for employees

Income type --- variable

Under --- Indirect Expenses

Affect Net Salary --- Yes

Gratuity --- No

Set / Alter Income Tax Details --- Yes --- Other Earnings / Allowances (Fully Taxable) --- On Actual Value --- Yes

Calculation type --- On production

Production type --- Overtime

Name --- Transport Allowance

Pay head type --- Earnings for employees

Income type --- Variable

Under --- Indirect expenses

Affect Net Salary --- Yes

Gratuity --- No

Set / Alter Income Tax Details --- Yes --- Other Earnings / Allowances (Fully Taxable) --- On Projected Value --- Yes

Calculation type --- Flat Rate

Calculation period --- Months --- Accept

Name --- Reimbursement of Medical Expenses

Pay head type --- Reimbursement to employees

Income Type --- Variable

Under --- Indirect Expenses

Affect Net Salary --- Yes

Set / Alter Income Tax Details --- Yes --- Other Earnings / Allowances (Fully Exempt) --- On Actual Value --- TDS --- No

Calculation Type --- As user defined value --- Accept.

Name --- Gratuity

Pay head type --- Gratuity

Gratuity Days of a Month : 26		
Number of Months		Eligibility days for Gratuity Calculation per year
From:	To:	
1	60	0
61	120	15
121		15

After completing 5 years from next every year's 15 days' gratuity will be received by the employee.

Under --- Current Liabilities

Set / Alter Income Tax Details --- yes --- Gratuity --- On Actual Value --- Yes --- Accept.

Name --- Salary Advance

Pay head type --- Loans and Advance

Under --- Loans and Advance (Asset)

Affect Net Salary --- Yes

Calculation Type --- As user defined value --- Accept

Name --- Employee PF Deduction@12%

Pay head type --- Employees' Statutory Deductions

Statutory pay type --- PF Account (A/c No. 1)

Under --- Current Liabilities

Affect Net Salary --- Yes

Calculation type --- As computed value

Calculation period --- Months

Compute --- On specified formula

Specified formula --- Basic Pay + DA

Amount up to --- 15000 ---- 12%

More than 15000 ----- value --- 1800 --- Accept.

Name --- Employee ESI [Deductions@0.75%](#)

Pay head type --- Employees' Statutory Deductions

Statutory pay head --- Employee State Insurance

Under --- Current Liabilities

Compute --- On current earnings total

Percentage --- 0.75% ---- Accept.

Name --- Employer's contribution EPS @ 8.33%

Pay head type --- Employer's Statutory Contribution

Statutory Pay Type --- EPS account (A/c No. 10)

Under --- Indirect Expenses

Affect Net Salary --- No

Compute --- On specified formula

Specified formula --- Basic + DA

Amount up to ---- 15000 ---- 8.33%

More than 15000 --- Value --- 1249.50 --- Accept.

Name --- Employer's contribution EPF @ 3.67%

Pay head type --- Employer's Statutory Contribution

Statutory Pay Type --- PF Account (A/c No. 1)

Under --- Indirect Expenses

Affect Net Salary --- No

Compute --- On Specified Formula

Specified formula --- Employee's PF contribution@12% - Employer's Contribution [EPS@8.33%](#)

Percentage --- 100% --- Accept.

Name --- PF Admin Charges

Pay head type --- Employer's Other Charges

Statutory Pay Type --- Admin Charges (A/c No. 2)

Under --- Current Liabilities

Affect Net Salary --- No

Compute --- On PF Gross

Percentage --- 0.50% --- Accept.

Name --- EDLI Contribution @0.50%

Pay head type --- Employer's Other Charges

Statutory Pay Type --- EDLI Contribution (A/c No. 21)

Under --- Current Liabilities

Affect Net Salary --- No

Compute --- On PF Gross

Percentage --- 0.50% --- Accept.

Name --- Employer's ESI @3.75%

Pay head type --- Employer's Statutory Contribution

Statutory Pay Type --- Employee State Insurance

Under --- Indirect Expenses

Affect Net Salary --- No

Compute --- On Current Earnings Total

Percentage --- 3.75% --- Accept.

Define Salary

GOT --- Alter --- Payroll Masters --- Define Salary --- Select an employee group (Accounts) ---

Effective from – 1.4.2022 –

Effective From	Pay Head	Rate	Per	Pay Head Type	Calculation Type
1-Apr-20	Basic Pay	15,000.00	Months	Earnings for Employees	On Attendance
	DA			Earnings for Employees	As Computed Value
	HRA	4,500.00	Months	Earnings for Employees	Flat Rate
	Convyence	800.00	Months	Earnings for Employees	Flat Rate
	Overtime	100.00	HRS	Earnings for Employees	On Production
	Bonus			Earnings for Employees	As User Defined Value
	SALARY ADVANCE			Loans and Advances	As User Defined Value
	Reimbursement of Medical Exp			Reimbursements to Employees	As User Defined Value
	Employee ESI Dedu @0.75%			Employees' Statutory Deductions	As Computed Value
	Employee PF Deduction @12%			Employees' Statutory Deductions	As Computed Value
	Employer's ESI @ 3.75%			Employer's Statutory Contributions	As Computed Value
	Employer Eps @8.33%			Employer's Statutory Contributions	As Computed Value
	Employer PF 3.67%			Employer's Statutory Contributions	As Computed Value
	Gratuity			Gratuity	As Computed Value

We should not enter Gratuity before 5 years of period completed after the date of joining.

How to check Gratuity Report?

GOT --- Display More Reports --- Statutory Reports --- Payroll Reports --- Gratuity --- Employee Wise (F5) --- Enter on an employee --- We have activated gratuity before completing 5 years that is why gratuity is showing.

GOT --- Vouchers --- Payroll (CTRL + F4) --- Auto-fill (CTRL + F) ---

Type of transaction --- Payroll Auto-fill

Process for --- Salary

From – 1/5/22

To --- 31/5/22

Employee Group --- All Items

Sort by --- Employee Name

Payroll/Bank/Cash Ledger --- Salary Payable --- Accept.

To check PF deduction report --- GOT --- Display --- Statutory Reports --- Payroll Reports --- Provident Fund --- Monthly Statement.