

## Lesson 22: Payroll Accounting and Compliance

### Lesson Objectives

On completion of this lesson, you will learn,

- Payroll Accounting & Statutory Features in Tally.ERP 9

The term **Payroll** refers to a series of accounting transactions involved in the process of paying employees for the services rendered after taking all the statutory and non-statutory deductions into account, in conformance with the terms of employment, company policy and the law of the land i.e., payment of payroll taxes, insurance premiums, employee benefits and other deductions.

An efficient payroll system facilitates an error-free, accurate and timely employee payment while ensuring that the employment is well within the valid work permit.

### 22.1 Configuring Payroll in Tally.ERP 9

Payroll in Tally.ERP 9 is easy to use and can handle all the functional, accounting and statutory requirements of the payroll department.

#### 22.1.1 Salient Features of Tally.ERP 9's Payroll

The key features of the Payroll functionality in Tally.ERP 9 are as follows:

- It is fully integrated with accounts to give you the benefits of simplified Payroll processing and accounting
- It has user defined classifications and sub-classifications for comprehensive reporting. This may be related to the employees, employee groups, pay components, departments etc.
- It provides the facility to create user-defined earnings and deductions Pay Heads
- It allows flexible and User-definable criteria for simple or complex calculations
- It allows unlimited grouping of Payroll Masters

- It supports user-defined production units i.e., attendance/ production/ time based remuneration units
- It provides a flexible payroll processing period
- It provides comprehensive Cost Centre as well as employee-wise costing reports
- It ensures an accurate & timely Salary Processing, Employee Statutory Deductions & Employer Statutory Contributions with the help of predefined processes
- It provides auto-fill facility to expedite the Attendance, Payroll & Employer Contributions processes.
- It facilitates an accurate computation and deduction of ESI, EPF, Professional Tax, Gratuity etc.
- It helps in the generation of Statutory Forms & Challans for EPF & ESI, as prescribed.
- It allows drill-down facility to voucher level for any kind of alteration.
- It facilitates computation of arrears pertaining to prior period(s).
- It helps in tracking employee loan details

### 22.1.2 Enabling Payroll in Tally.ERP 9

It takes a one-time configuration in Tally.ERP 9 for the Payroll functionality to be activated. Create a new company in Tally.ERP 9 and follow the steps given below to enable Payroll.

Let us consider **M/s. Indus Solutions Pvt. Ltd.**, which is engaged in the business of Software services. It is based at Bangalore with the following three major departments:

- Sales
- Administration
- R & D

#### Step 1: Company Setup

Go to **Gateway of Tally > Company Info. > Create Company**

In the Company Creation screen,

- Select **India** in the field **Statutory compliance for** from the List of Countries provided
- Type **1-4-2009** as **Financial Year from** date and press **Enter**

The completed **Company Creation** screen is displayed as shown:

Company Creation		Ctrl + M	
Directory	: C:\Tally.ERP9\Data		
Name	: Indus Solutions Pvt. Ltd.		
<b>Mailing &amp; Contact Details</b>		<b>Company Details</b>	
Mailing Name	: Indus Solutions Pvt. Ltd.	Currency Symbol	: Rs.
Address	: 4/1 St. Mark's Road, Bangalore	Maintain	: Accounts with Inventory
		Financial Year from	: 1-4-2009
		Books beginning from	: 1-4-2009
<b>Statutory compliance for</b>		<b>Security Control</b>	
State	: India	Disallow opening in Educational mode ?	No
PIN Code	: Karnataka	TallyVault Password (if any)	:
Telephone No.	: 560001	Repeat Password	:
Mobile No.	: 08040019000	<i>(WARNING: forgetting your TallyVault password will render your data unusable!!)</i>	
E-Mail	: 9741432201	Use Security Control	? No
	: sales@indussolutions.com	<i>(Enable Security to avail Tally.NET Features)</i>	
<b>Base Currency Information</b>			
Base Currency Symbol	: Rs.	Show Amounts in Millions	? No
Formal Name	: Indian Rupees	Put a SPACE between Amount and Symbol	? No
Number of Decimal Places	: 2	Decimal Places for Printing Amounts in V	? No
Is Symbol SUFFIXED to Amounts ?	No	<b>Accept ?</b> Yes or No	
Symbol for Decimal Portion	: paise		

Figure 22.1 Company Creation screen

- Press **Enter** to **Accept** the completed Company Creation screen

### Step 2 : Enable Payroll

Go to **Gateway of Tally > Press F11: Company Features > press F1: Accounting Features**

In the **F11: Accounting Features** screen:

- Set **Maintain Payroll** to **Yes**
- Set **More than ONE Payroll / Cost Category** to **Yes**

The completed **F11: Accounting Features** screen is displayed as shown:

Company: **Indus Solutions Pvt. Ltd.**

**Accounting Features**

<b>General</b>		<b>Invoicing</b>	
Integrate Accounts and Inventory	? <b>Yes</b>	Allow Invoicing	? <b>Yes</b>
Income/Expense Statement instead of P & L	? <b>No</b>	Enter Purchases in Invoice Format	? <b>Yes</b>
Allow Multi-Currency	? <b>No</b>	Use Debit/Credit Notes	? <b>No</b>
		Use Invoice mode for Credit Notes	? <b>No</b>
		Use Invoice mode for Debit Notes	? <b>No</b>
<b>Outstandings Management</b>		<b>Budgets &amp; Scenario Management</b>	
Maintain Bill-wise Details (for Non-Trading A/cs also)	? <b>Yes</b> ? <b>No</b>	Maintain Budgets and Controls	? <b>No</b>
Activate Interest Calculation (use advanced parameters)	? <b>No</b> ? <b>No</b>	Use Reversing Journals & Optional Vouchers	? <b>No</b>
<b>Cost/Profit Centres Management</b>		<b>Other Features</b>	
Maintain Payroll	? <b>Yes</b>	Enable Cheque Printing	? <b>No</b>
Maintain Cost Centres	? <b>No</b>	Set/Alter Cheque Printing Configuration	? <b>No</b>
Use Cost Centre for Job Costing	? <b>No</b>	Allow Zero valued entries	? <b>No</b>
More than ONE Payroll / Cost Category	? <b>Yes</b>		
Use Pre-defined Cost Centre Allocations during Entry	? <b>No</b>		

F1: Accounts    F2: Inventory    F3: Statutory

Figure 22.2 F11: Accounting Features screen

- Press **Enter** to **Accept** the **F11: Accounting Features** screen



*The option **More than ONE Payroll / Cost Category** is set to **Yes**, when separate cost categories are created to allocate Employee cost. In cases, where only one cost category i.e., primary cost category is used to allocate multiple cost centres, this option may be set to **No**.*

Once the **Payroll** feature is activated in Tally.ERP 9, the following two new options get activated in the **F11: Statutory & Taxation Master**

**Step 3: Enable Payroll Statutory Features**

Go to **Gateway of Tally > press F11: Company Features > press F3: Statutory & Taxation**

In **F11: Statutory & Taxation Features** screen:

- Set **Enable Payroll Statutory** to **Yes**
- Set **Set/Alter Payroll Statutory Details** to **Yes**

Company: **Indus Solutions Pvt. Ltd.**

**Statutory & Taxation**

Enable Excise	? No	Enable Tax Deducted at Source (TDS)	? No
Set/Alter Excise Details <i>(Note : 'Enable Maintain Multiple Godowns' for Multiple Excise Units)</i>	? No	Set/Alter TDS Details	? No
Follow Excise rules for Invoicing	? No	Enable Tax Collected at Source (TCS)	? No
Enable Value Added Tax (VAT)	? No	Set/Alter TCS Details	? No
Set/Alter VAT Details	? No	Enable Fringe Benefit Tax (FBT)	? No
Enable Service Tax	? No	Set/Alter FBT Details	? No
Set/Alter Service Tax Details	? No	Enable Payroll Statutory	? <b>Yes</b>
		Set/Alter Payroll Statutory Details	? <b>Yes</b>

**Tax Information**

Local Sales Tax Number :  
Inter-state Sales Tax Number :  
PAN / Income - Tax No. :

F1: Accounts    F2: Inventory    F3: Statutory

Figure 22.3 F11: Statutory & Taxation Features screen

- Press **Enter**

In the **Payroll Statutory Details** screen,

- Enter the **Provident Fund & Employee State Insurance** details of the company as shown:

**Payroll Statutory Details**

**Provident Fund**

Company Code : **KN/BN/12345/0203**  
Company Account Group Code : **KA/BN/12345/0007**  
Company Security Code : **KA/BN/12345/001**

**Employee State Insurance**

Company Code : **KN/BN/34961/0463**  
ESI Branch Office : **Koramangala**  
Eligibility Amount : **15,000.00**  
Standard Working Days (per month) : **26 Days**

Figure 22.4 Payroll Statutory Details screen



#### **Provident Fund :**

- ❑ **Company Code** : This field denotes the Provident Fund Code of the Company allotted by the Department.
- ❑ **Company Account Group Code** : This field denotes the Provident Fund Group Code of the Company allotted by the Department.
- ❑ **Company Security Code** : This field denotes the Security Code of the Company allotted by the Department.

#### **Employee State Insurance :**

- ❑ **Company Code** : This field denotes the ESI Code of the Company allotted by the Department.
  - ❑ **ESI Branch Office** : This field denotes the nearest ESI office under whose jurisdiction, the company is situated.
  - ❑ **Eligibility Amount** : This field denotes the threshold limit, beyond which the Employee will not be eligible for ESI.
  - ❑ **Standard Working days (per month)** : This field denotes the consistent Pay Period to be considered for ESI Calculation. If this field is left blank, the calculation is done based on the Calendar days in each month.
- ❑ Press **Enter** to **Accept** the screen and go back to **F11: Statutory & Taxation Features** screen
  - ❑ Press **Ctrl+A** to **Accept** the screen

## **22.2 Creating Payroll Masters**

Tally.ERP 9's Payroll features require minimal effort for accurate payroll processing. It takes five easy steps to process payroll & generate Payslip in Tally.ERP 9.

Essentially, Payroll involves the calculation of amounts due for an employee on the following basis.

- ❑ On hourly wages
- ❑ Pay on a fixed basis such as certain amount per week, per month and so on
- ❑ Pay to sales persons on commission
- ❑ Reimbursement of expenses such as travel expenses, either as paid by the employee or based on per item rate
- ❑ Pay on number of pieces produced/ manufactured/ sold

It is therefore essential to quantify the following payroll information for the purpose of computation of payments to employees. For this purpose the following Payroll masters are required to be created in Tally.ERP 9 in the manner as discussed:

- ❑ Employee Masters
- ❑ Payroll Masters
- ❑ Pay Heads
- ❑ Salary Details

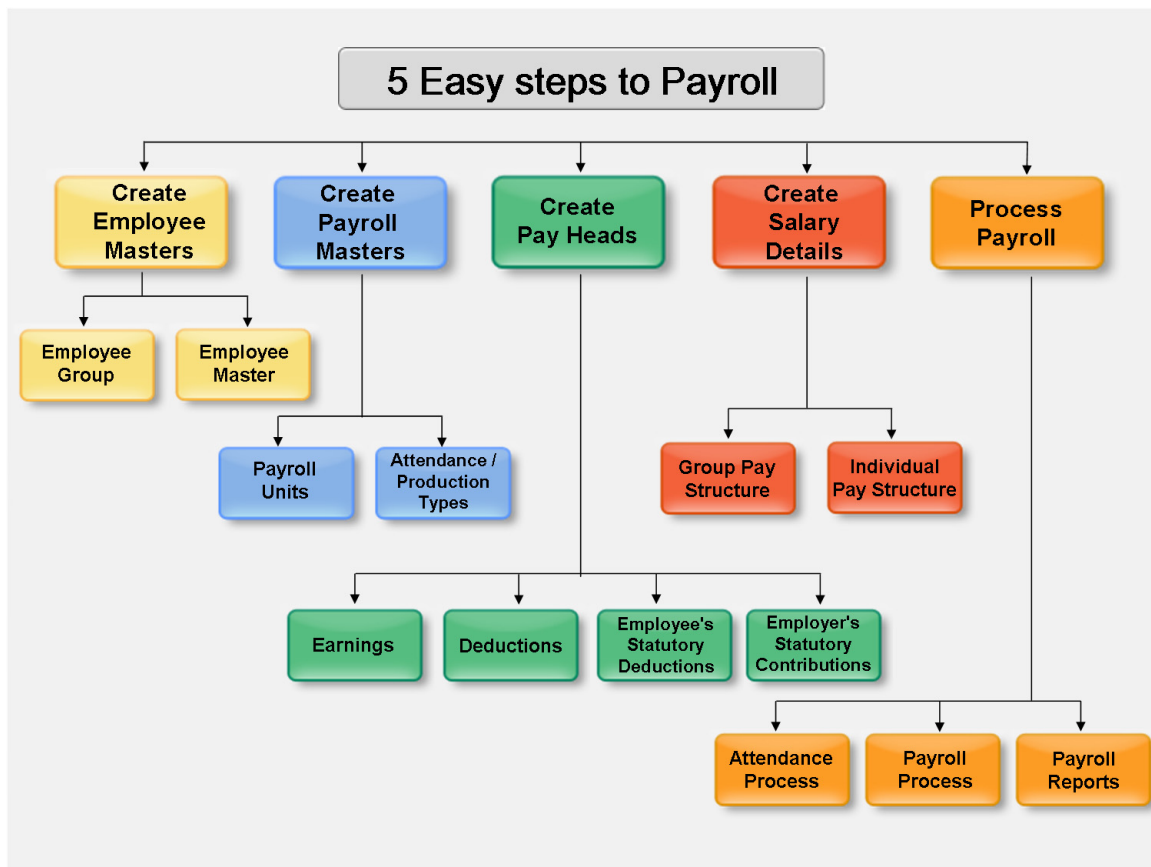


Figure 22.5 Payroll Cycle

### 22.2.1 Employee Setup

The Employee Master records employee information – department, date of joining, date of leaving, ID number, designation, location, function, employee bank details, statutory details, Passport and Visa details and so on.

## Employee Group Master

Businesses with multiple departments, divisions, functions or activities may create the required employee groups and classify individual employees under a specified group i.e., Production, Sales, Marketing, Stores, Support or a particular group of employees such as managers, supervisors, sub-staff and so on.

To create **Sales** as an **Employee Group**:

Go to **Gateway of Tally > Payroll Info. > Employee Groups > Create**

In the **Employee Group Creation** screen,

1. Select **Primary Cost Category** as the **Category** (You can also create a separate cost category to segregate Employee Cost based on respective categories)
2. Type **Sales** as the **Name** of the Employee Group
3. Select the group as **Primary** (Tally.ERP 9 allows an unlimited grouping of Employee Groups)

The **Employee Group Creation** screen is displayed as shown:

Employee Group Creation		Indus
Category	: Primary Cost Category	
Name (alias)	: Sales	
Under	: I Primary	
		Accept ? Yes or No

Figure 22.6 Employee Group Creation screen

4. Press **Enter** to **Accept** the **Employee Group Creation** screen

Similarly, create the other Employee Groups such as **Administration** and **R&D**.

## Employee Master

Now that you have created the Employee Groups, create individual Employee Masters, with or without grouping them, under the Employee Group Master.

In Tally.ERP 9, you can record all the necessary information of the employees in the Employee Masters. Tally.ERP 9 also allows you to enter the Statutory, Expat and Contract details of the employees.

To display the options for entering the Statutory, Expat and Contract details, enable these options from the Company Configuration screen as explained below:

Go to **Gateway of Tally > F12:Configure > Payroll Configuration**



Set the following options:

- ❑ **Show Statutory Details to Yes**
- ❑ **Show Passport & Visa Details to Yes**
- ❑ **Show Contact Details to Yes**

The **F12: Payroll Configuration** screen is displayed as shown:

**Payroll Configuration**

Show Statutory Details	? <b>Yes</b>
Show Passport & Visa Details	? <b>Yes</b>
Show Contract Details	? <b>Yes</b>
Show Deactivated Employees	? <b>Yes</b>
Information in Payment Advice	: Please make the payroll transfer from above account number to the below mentioned account numbers towards employee salaries:
Pay Slip Note	: This is a Computer Generated Pay Slip and does not require any signature.
Pay Slip Message	: <b>Happy New Year!!!</b>

Figure 22.7 F12: Payroll Configuration screen

- ❑ **Press Enter to Accept**



- ❑ *Tally.ERP 9 allows you to configure the above settings from the **Employee Creation** screen, by pressing **F12: Configure**.*
- ❑ *The information to be printed in the **Payment Advice** is automatically pre-filled in Tally.ERP 9. However, you can also modify the same as per your requirements.*

Create the following Employee Masters

Employee Name	Department	Date of Joining
Rohit Roy	Administration	1-4-2009
Preeti Sinha	R&D	1-4-2009
Atul Sharma	Sales	1-4-2009
Ramesh Arora	Sales	1-4-2009

Go to **Gateway of Tally > Payroll Info. > Employees > Create**

In the **Employee Creation** screen,

1. Select the **Primary Cost Category** as the **Category**
2. Type the **Name** of the Employee as **Rohit Roy**
3. Specify the Name of the Employee Group as **Administration** in the field '**Under**'
4. Specify the **Date of Joining** as **01-04-2009**
5. Type the other details of the employee as shown.

Employee Creation		Indus Solutions Pvt. Ltd.		Ctrl + M	
Category	: Primary Cost Category				
Name (alias)	: Rohit Roy				
Under	: Administration (if Primary)				
Date of Joining	: 1-Apr-2009				
<b>General Info</b>		<b>Payment Details</b>		<b>Passport &amp; Visa Details</b>	
Employee Number	: 469	Bank Name	: HSBC Bank	Passport Number	: KAR324579
Designation	: Manager	Branch	: Koramangala	Country of Issue	: India
Function	: Administration	Bank A/c Number	: 005-005590-104	Passport Expiry Date	: 4-Dec-2012
Location	: Bangalore	<b>Statutory Details</b>		Visa Number	:
Gender	: Male	Income Tax Number (PAN)	: AQBPP8579C	Visa Expiry Date	:
Date of Birth	: 21-Nov-1974	EPS Account Number	: KA/BN/13478/412	<b>Contract Details</b>	
Blood Group	: B Positive	PF Account Number	: KA/BN/13478/412	Work Permit Number	:
Father / Mother Name	: Mr. S.K Roy	PF Date of Joining	: 1-Apr-2009	Contract Start Date	:
Spouse Name	: Reema	PF Date of Relieving	:	Contract Expiry Date	:
Address	: 36, Sarjapur Road Bangalore	ESI Number	:	<div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>Accept ?</b>            Yes or No         </div>	
Contact Numbers	: 080-22534657	ESI Dispensary Name	:		
E-Mail ID	: rohit@indus-admin.com				

Figure 22.8 Employee Creation screen

6. Press **Enter** to **Accept** the screen



*The **Date of Leaving** and **Reason for Leaving** option will be available only in the **Alteration** mode.*

Similarly, create the Employee Masters for other employees with their respective departments.

## 22.2.2 Payroll Masters

As discussed in the above section, Pay components are computed based on the Payroll Units. Therefore, create the following Payroll masters in Tally.ERP 9:

- Payroll Units
- Attendance / Production Types

## Payroll Units

A payroll unit refers to a unit of measurement based on which pay heads are calculated. Payroll units can be classified into two types viz., Simple Payroll Units and Compound Payroll Units. Simple Payroll Units refer to individual units such as Day, Week, Month, Hours, Pcs, Box, Nos etc., Whereas, Compound Payroll Units refer to Units which are combination of two simple units, i.e., an Hour of 60 Minutes, Month of 26 days, Day of 8 Hrs.

Usually, the Pay components are computed based on a single or compound payroll units. Sometimes an employee may be paid on the basis of a combination of two or more units. For example, an employee is paid a regular salary and an hourly rate for the overtime hours. In this case, the two likely units are **Calendar Month** and **Hours**. In Tally.ERP, you can create simple as well as compound units.

By default, Tally.ERP 9 contains four preset **Calculation Periods – Days, Fortnights, Months & Weeks**. However, you can also create new Payroll Units based on your business requirements.

Name	Type	Symbol
Hours	Simple	Hrs
Minutes	Simple	Mins
Hrs of 60 Mins	Compound	Hrs of 60 Mins

### i. Simple Payroll Units

Go to **Gateway of Tally > Payroll Info. > Units (Work) > Create**

In the **Unit Creation** screen,

1. **Simple** is defaulted as the **Type** of Unit
2. Specify **Hrs** as the **Symbol**
3. Type **Hours** as the **Formal Name**
4. Specify **2** as the **Number of Decimal Places**

The completed **Unit Creation** screen is displayed as shown:

The screenshot shows a window titled "Unit Creation" with a light orange background. It contains the following text:

```

Type      : Simple
Symbol   : Hrs
Formal Name : Hours
Number of Decimal Places : 2
  
```

Figure 22.9 Simple Unit Creation screen

5. Press **Enter** to **Accept** the **Unit Creation** screen.

Similarly, create **Minutes** as another Simple Unit.

## ii. Compound Payroll Units

Create **Hrs of 60 Mins** as a Compound Unit.

In the **Unit Creation** screen:

1. Press **Backspace** and select **Compound** as the **Type** of Unit
2. Specify **Hrs** as the **First Unit**
3. Enter **60** as the **Conversion**
4. Specify **Mins** as the **Second Unit**

Unit Creation		Indus Solutions Pvt. Ltd.	
Type	: <b>Compound</b>	Current Date	Wednesday, 1 Apr, 2009
<b>Units with Multiplier Factors</b> (example: Kgs of 1000 gms)		Companies	
First Unit	Conversion	Second Unit	Units
<b>Hrs</b>	of <b>60</b>	<b>Mins</b>	<b>Mins (Minutes)</b>

Figure 22.10 Compound Unit Creation screen

5. Press **Enter** to Accept the Unit Creation screen.

### Types of Units:



- **Simple Units** are individual units with no relationship with other units i.e., Hrs, Nos, Pieces and so on.
- **Compound Units** are a combination of two simple units, where the two units have an arithmetical relationship with each other. For example, an Hour of 60 Minutes.

### 22.2.3 Attendance/ Production Types

Attendance/Production Type masters are used to record the nature of attendance/ production i.e., time and work rate. In Tally.ERP 9, you can create Attendance types based on time such as **Present** and **Absent** or based on work based production units such as **Piece productions**, **Sales performance** and so on.

Create the following Attendance Types for M/s. Indus Solutions Pvt. Ltd.,

Name	Under	Attendance/Production Type	Period Type
Present	Primary	Attendance/ Leave with Pay	Days
Absent	Primary	Leave without Pay	Days
Overtime	Primary	Production	Hrs of 60 Mins

### i. Present Attendance Type

Go to **Gateway of Tally > Payroll Info. > Attendance / Production Types > Create**

In the **Attendance Type Creation** screen,

1. Type **Present** as the **Name** of the **Attendance type**
2. Specify the group as **Primary** in the field '**Under**'. By default primary is selected.
3. Select **Attendance/ Leave with Pay** as the **Attendance Type** and the **Period Type** appears as **Days**, by default.

Attendance/Production Type Creation		Indus Solutions Pvt. Ltd.	
Name	: Present		
(alias)	:		
Under	: <input checked="" type="checkbox"/> Primary	List of Attendance Types	
Attendance Type	: <b>Attendance / Leave with Pay</b>	<b>Attendance / Leave with Pay</b>	
Period Type	: Days	Leave without Pay	
		Production	
		User Defined Calendar Type	

Figure 22.11 Attendance/ Production Type Creation screen

#### Attendance/Production Types :



- ❑ **Attendance / Leave with Pay** : This Attendance Type is used when the Salary is computed based on the number of days present.
- ❑ **Leave without Pay** : This Attendance Type is used when the Salary is computed number of days absent.
- ❑ **Production** : This Attendance Type is used when the Salary is computed on the basis of units produced.
- ❑ **User Defined Calendar Type** : This Attendance Type is used when the Salary is computed based on the number of days present in a user defined calendar period.

The completed **Attendance Type Creation** screen is displayed as shown.:

Attendance/Production Type Creation		Indus
Name	: Present	
(alias)	:	
Under	: Primary	
Attendance Type	: Attendance / Leave	Accept ?
Period Type	: Days	
		Yes or No

Figure 22.12 Attendance/Production Type Creation Screen

4. Press **Enter** to Accept the **Attendance Type** Creation screen.

### ii. Absent Attendance Type

Similarly, create another Attendance Type as **Absent**. Enter **Leave without Pay** in the field **Attendance Type**.

The completed **Attendance Type Creation** screen is displayed as shown:

Attendance/Production Type Creation		Indus
Name	: Absent	
(alias)	:	
Under	: Primary	
Attendance Type	: Leave Without Pay	Accept ?
Period Type	: Days	
		Yes or No

Figure 22.13 Attendance/ Production Type Creation screen

□ Press **Enter** to **Accept** the **Attendance Type** Creation screen.

In the same way, create **Overtime** as the **Production Type** with **Production** as the **Attendance Type**.

### iii. Calendar Month

In the **Attendance Type Creation** screen,

1. Type **Calendar Month** as the **Name** of the **Attendance type**
2. Specify the group as **Primary** in the **Under** field.

3. Select **User Defined Calendar Type** as the **Attendance Type** and the **Period Type** appears as **Days**, by default.

Attendance/Production Type Creation		Indus Solutions Pvt. Ltd.					
Name (alias)	: <b>Calendar Month</b>						
Under	: <b>Primary</b>	<table border="1"> <thead> <tr> <th>List of Attendance Types</th> </tr> </thead> <tbody> <tr> <td>Attendance / Leave with Pay</td> </tr> <tr> <td>Leave without Pay</td> </tr> <tr> <td>Production</td> </tr> <tr> <td><b>User Defined Calendar Type</b></td> </tr> </tbody> </table>	List of Attendance Types	Attendance / Leave with Pay	Leave without Pay	Production	<b>User Defined Calendar Type</b>
List of Attendance Types							
Attendance / Leave with Pay							
Leave without Pay							
Production							
<b>User Defined Calendar Type</b>							
Attendance Type Period Type	: <b>User Defined Calendar Type</b> : <b>Days</b>						

Figure 22.14 User Defined Calendar Type Creation screen

#### iv. Overtime Production Type

The completed **Overtime - Production Type Creation** screen is displayed as shown below:

Attendance/Production Type Creation		Indus		
Name (alias)	: <b>Overtime</b>			
Under	: <b>Primary</b>			
Attendance Type	: <b>Production</b>	<table border="1"> <tr> <td><b>Accept ?</b></td> </tr> <tr> <td><b>Yes</b> or <b>No</b></td> </tr> </table>	<b>Accept ?</b>	<b>Yes</b> or <b>No</b>
<b>Accept ?</b>				
<b>Yes</b> or <b>No</b>				
Unit	: <b>Hrs of 60 Mins</b>			

Figure 22.15 Overtime - Production Type Creation screen

- Press **Enter** to **Accept** the **Production Type** Creation screen.

#### *Attendance/Production Types details:*



- **Present Attendance Type** may be used when the pay value is measured on the basis of positive attendance units, i.e. number of days present.
- **Absent Attendance Type** may be used when the pay value is measured on the basis of negative attendance units, i.e. number of days absent.
- **Production Attendance Type** may be used when the pay value is measured on the basis of units produced, for e.g., number of boxes produced.
- **Calendar Month Attendance Type** may be used when the pay value is measured on the basis of positive attendance units (i.e. number of days present) in a user defined calendar period.

### 22.2.4 Pay Heads

Pay Heads may be broadly considered as Earnings and Deductions from an employee's point of view. However, these pay heads would still be Expense and Liability from the employer's view point.

Some examples of Earnings Pay Heads are Basic Salary, Dearness Allowance, City Compensatory Allowance, House Rent Allowance, Night Shift Allowance, Uniform Allowance, Sales Commission and so on. Some examples of Deductions pay heads are Employees' Provident Fund (EPF), Employees' State Insurance (ESI), Professional Tax, Income Tax, TDS, Advance (if any).

In Tally.ERP 9, each pay head is to be created as an individual ledger account and grouped under its respective group i.e., all Earnings pay heads under Indirect Expenses group or Direct Expenses group and all Deductions pay heads under Current Liabilities, Current Assets and Duties & Taxes group.

The preset Pay Head types in Tally.ERP 9 are:

1. Earnings for Employees
2. Deductions from Employees
3. Employees' Statutory Deductions
4. Employer's Statutory Contributions
5. Employer's Other Charges
6. Bonus
7. Gratuity
8. Loans and Advances
9. Reimbursements to Employees



The pay heads marked with the above pay head types will be available during payroll processing, and if the Pay Head Type is marked as **Not Applicable**, will not be available. The Salary Payable, PF Payable, ESI Payable ledgers are required to be created, by selecting **Not Applicable** as **Pay Head Type**.

Create the following pay heads in the books of M/s. Indus Solutions Pvt. Ltd.

### I. Earning Pay Heads

Create the following Earnings Pay Heads:

Pay Head Name	Pay Head Type	Under	Affect Net Salary	Name to Appear in Payslip	Use for Gratuity	Calculation Type	Calculation Period/ Production Type
Basic Pay	Earnings for Employees	Indirect Expenses	Yes	Basic	Yes	On Attendance	Months
House Rent Allowance	Earnings for Employees	Indirect Expenses	Yes	House Rent Allowance	No	As Computed Value	—
Conveyance	Earnings for Employees	Indirect Expenses	Yes	Conveyance	No	Flat Rate	Months
Overtime Pay	Earnings for Employees	Indirect Expenses	Yes	Overtime Pay	No	On Production	Overtime
Variable Pay	Earnings for Employees	Indirect Expenses	Yes	Variable Pay	No	As User Defined Value	—

#### i. Basic Pay Head Creation

Go to **Gateway of Tally > Payroll Info. > Pay Heads > Create**

In the **Pay Heads** Creation screen,

1. Type **Basic Pay** as the **Name** of the Pay Head
2. Select **Earnings for Employees** in the field **Pay Head Type**.

The **Pay Head Creation** screen appears as shown:

Pay Head Creation		Indus Solutions Pvt. Ltd.	
Name	: Basic Pay	Total Op. Bal.	
(alias)	:		
<p><b>Pay Head Info</b></p> Pay Head Type : <b>Earnings for Employees</b> Under : <b>Direct Expenses</b>  Affect Net Salary ? <b>Yes</b> Name to appear in Payslip : <b>Basic Pay</b> Use for Gratuity ? <b>No</b> Calculation Type : <b>As User Defined Value</b>		<p>List of Pay Head Types</p> <ul style="list-style-type: none"> <li>▣ Not Applicable</li> <li>Bonus</li> <li>Deductions from Employees</li> <li><b>Earnings for Employees</b></li> <li>Employees' Statutory Deductions</li> <li>Employer's Other Charges</li> <li>Employer's Statutory Contributions</li> <li>Gratuity</li> <li>Loans and Advances</li> <li>Reimbursements to Employees</li> </ul>	
Opening Balance ( on 1-Apr-2009 ) :			

Figure 22.16 Basic Pay Head Creation – Pay Head Type Selection

3. Specify the group as **Indirect Expenses** in the field **Under** and press **Enter**
4. Set **Affect Net Salary** to **Yes**
5. Specify **Basic** in the field **Name to appear in Payslip**
6. Set **Use for Gratuity** to **Yes**
7. Select **On Attendance** in the field **Calculation Type** and press **Enter**

*Description of general parameters in Pay Head creation:*



- ▣ **Affect Net Salary** – If this option is set to Yes, then the Pay Head will appear in the Salary Slip for calculation of Net salary.
- ▣ **Name to appear in the Payslip** – If **Affect Net Salary** is set to Yes, then the required name for the Pay Head that appears in the Payslip should be specified against this field.
- ▣ **Use for Gratuity** – This parameter should be set to Yes, for the Pay Head components that will be used for the **Gratuity calculation** (e.g. **Basic** and **DA**).

The Pay Head Creation screen with the List of Calculation is displayed as shown:

Pay Head Creation		Indus Solutions Pvt. Ltd.	
Name : Basic Pay		Total Op. Bal.	
(alias) :			
<p><b>Pay Head Info</b></p> <p>Pay Head Type : Earnings for Employees</p> <p>Under : Indirect Expenses</p> <p>Affect Net Salary ? Yes</p> <p>Name to appear in Payslip : Basic</p> <p>Use for Gratuity ? Yes</p> <p>Calculation Type : <b>On Attendance</b></p> <p>Attendance / Leave with Pay :</p>		<p><b>List of Calculation</b></p> <p>As Computed Value</p> <p>As User Defined Value</p> <p>Flat Rate</p> <p><b>On Attendance</b></p> <p>On Production</p>	
<p><b>Rounding Info</b></p> <p>Rounding Method : I Not Applicable</p>			
Opening Balance ( on 1-Apr-2009 ) :			

Figure 22.17 Basic Pay Head Creation - Calculation Type

**Calculation Type** refers to the method of computation of pay components. In Tally.ERP 9, there are basically 5 calculation types.



- ❑ **As Computed Value** – This method is used when the pay value is computed based on certain predefined factors i.e., slab rates, pay heads and so on.
- ❑ **As User-Defined Value** – This method is used when the value of pay is not fixed and does not depend upon any pay components.
- ❑ **Flat Rate** – This method is used when the value of the pay heads is fixed for the given month. This calculation type is not dependant upon attendance/production. For example, conveyance of Rs. 700 per month.
- ❑ **On Attendance** — This calculation type depends upon Attendance records and is used along with rate per unit of attendance. For example, Overtime of Rs. 25 per hour.
- ❑ **On Production** — This method is used when the pay value is measured based on work done i.e., pieces or numbers produced/manufactured.

8. Select **Present** in the field **Attendance/ Leave with Pay**.

The **Pay Head Creation** screen with the **List of Attendance Types** is displayed as shown below:

Pay Head Creation		Indus Solutions Pvt. Ltd.	
Name : Basic Pay		<u>Total Op. Bal.</u>	
(alias) :			
<b>Pay Head Info</b>			
Pay Head Type :	Earnings for Employees		
Under :	Indirect Expenses		
Affect Net Salary :	? Yes		
Name to appear in Payslip :	Basic		
Use for Gratuity :	? Yes		
Calculation Type :	On Attendance		
Attendance / Leave with Pay :	<b>Present</b>		
Calculation Period :	Days		
<b>List of Attendance Types</b>			
<input type="checkbox"/> Not Applicable			
<input checked="" type="checkbox"/> <b>Present</b> # Primary			
<b>Rounding Info</b>			
Rounding Method :	[ Not Applicable		
Opening Balance ( on 1-Apr-2009) :			

Figure 22.18 Pay Head Creation screen with List of Attendance Types



- ❑ If the user intends to record **Negative Attendance** viz., **Absent** (i.e if the pay value is measured on the basis of negative attendance units), select **Not Applicable** in the **Attendance/ Leave with Pay** field and press **Enter** & then select **Absent** in the **Leave without Pay** field.
- ❑ In the above example, we have selected **Positive Attendance** unit i.e **Present**.

9. Select **Months** in **Calculation period** field and press **Enter**

The **Pay Head Creation** screen with the **List of Calculation Periods** is displayed as shown:

Pay Head Creation		Indus Solutions Pvt. Ltd.	Total Op. Bal.
Name	: Basic Pay		
(alias)	:		
<b>Pay Head Info</b>			
Pay Head Type	: Earnings for Employees		
Under	: Indirect Expenses		
Affect Net Salary	? Yes		
Name to appear in Payslip	: Basic		
Use for Gratuity	? Yes		
Calculation Type	: On Attendance		
Attendance / Leave with Pay	: Present		
Calculation Period	: <b>Months</b>		
Per Day Calculation Basis	: As Per Calendar Period		
<b>Rounding Info</b>			
Rounding Method	: <input type="checkbox"/> Not Applicable		
Opening Balance ( on 1-Apr-2009 ) :			

List of Calculation Periods

- Days
- Fortnights
- Months**
- Weeks

Figure 22.19 Pay Head Creation - Calculation Period selection

*Tally.ERP 9 contains four predefined Calculation periods namely,*



- Days
- Fortnights
- Months
- Weeks

10. Select **User defined** in the **Per Day Calculation Basis** field

Pay Head Creation		Indus Solutions Pvt. Ltd.	
Name : Basic Pay		Total Op. Bal.	
(alias) :			
<p style="text-align: center;"><b>Pay Head Info</b></p> Pay Head Type : Earnings for Employees Under : Indirect Expenses  Affect Net Salary ? Yes Name to appear in Payslip : Basic Pay Use for Gratuity ? Yes Calculation Type : On Attendance Attendance / Leave with Pay : Present  Calculation Period : Months Per Day Calculation Basis : <b>User Defined</b> Months of Days		<p style="text-align: center;"><b>Calculation Basis</b></p> As per Calendar Period <b>User defined</b> User Defined Calendar Type	
<p style="text-align: center;"><b>Rounding Info</b></p> Rounding Method : <input type="checkbox"/> Not Applicable			
Opening Balance ( on 1-Apr-2009 ) :			

Figure 22.20 Pay Head Creation screen - Calculation Basis Selection

### 11. Press **Enter** to **Accept**



**Calculation Basis** refers to the **periodicity** of the given calculation period.

- **As per Calendar Period** refers to the perpetual calendar month, i.e. if the payroll process is carried out for the month of March, then the attendance records will be entered for 31 days.
- **User Defined Value** refers to the consistent payroll period irrespective of calendar month, i.e. If an employee's salary is based on a standard month of 30 days irrespective of the calendar month, then you can select **User Defined** as the **Calculation Basis** and define the periodicity of the specified period or month.
  - For example, an employee's monthly salary is Rs. 3,000 and the calculation basis is defined as a month of 30 days. If he takes 3 days leave in January (which consists of 31 days), then the salary per day is computed as (Rs. 3000/30 days, i.e. 100). The net salary after deducting the leave salary [i.e. Rs. 300 (3 days x Rs. 100)] amounts to Rs. 2,700.



- **User Defined Calendar Type** refers to the calendar month as defined by the user, i.e. if the payroll process is carried out for the particular month considering 26 days and in some months with 28 days (where the months extends to 5 weeks).

12. Specify the **Months of 26 Days** and press **Enter**

Pay Head Creation		Indus Solutions Pvt. Ltd.	Total Op. Bal.
Name	: Basic Pay		
(alias)	:		
<b>Pay Head Info</b>			
Pay Head Type	: Earnings for Employees		
Under	: Indirect Expenses		
Affect Net Salary	? Yes		
Name to appear in Payslip	: Basic		
Use for Gratuity	? Yes		
Calculation Type	: On Attendance		
Attendance / Leave with Pay	: Present		
Calculation Period	: Months		
Per Day Calculation Basis	: User Defined		
	Months of <b>26</b> Days		
<b>Rounding Info</b>			
Rounding Method	: I Not Applicable		
Opening Balance ( on 1-Apr-2009 ) :			

Figure 22.21 Pay Head Creation screen - Calculation period

13. Select **Normal Rounding** as the **Rounding Method** and press **Enter**.

Pay Head Creation		Indus Solutions Pvt. Ltd.	
Name : Basic Pay (alias) :			Total Op. Bal.
<b>Pay Head Info</b>			
Pay Head Type	: Earnings for Employees		
Under	: Indirect Expenses		
Affect Net Salary	? Yes		
Name to appear in Payslip	: Basic		
Use for Gratuity	? Yes		
Calculation Type	: On Attendance		
Attendance / Leave with Pay	: Present		
Calculation Period	: Months		
Per Day Calculation Basis	: User Defined		
	Months of 26 Days		
<b>Rounding Info</b>		<b>Rounding Methods</b>	
Rounding Method	: Normal Rounding	<input type="checkbox"/> Not Applicable	
		<input type="checkbox"/> Downward Rounding	
		<input checked="" type="checkbox"/> Normal Rounding	
		<input type="checkbox"/> Upward Rounding	
Open			2009) :

Figure 22.22 Pay Head Creation screen – Rounding Method selection

14. Specify 1 as the rounding **Limit** (The Rounding limit allows the value to be in multiples of the limit specified and is based on the Rounding Method selected)



There are 4 methods of **Rounding Off** in Tally.ERP 9 which are as follows:

- ❑ **Not Applicable** – The decimal points will be taken into consideration, and the amount will not be rounded off.
- ❑ **Downward Rounding** – The decimal points will not be taken in to consideration and the amount will be rounded off to the lower value.
- ❑ **Normal Rounding** – The amount will be rounded off to the nearest currency value.
- ❑ **Upward Rounding** – The amount will be rounded off to the higher value.

The completed **Basic Pay Head Creation** screen is displayed as shown.



Pay Head Creation		Indus Solutions Pvt. Ltd.		Total Op. Bal.
Name	: Basic Pay			
(alias)	:			
<b>Pay Head Info</b>				
Pay Head Type	: Earnings for Employees			
Under	: Indirect Expenses			
Affect Net Salary	? Yes			
Name to appear in Payslip	: Basic			
Use for Gratuity	? Yes			
Calculation Type	: On Attendance			
Attendance / Leave with Pay	: Present			
Calculation Period	: Months			
Per Day Calculation Basis	: User Defined			
	Months of 26 Days			
<b>Rounding Info</b>				
Rounding Method	: Normal Rounding	Limit	: 1	
Opening Balance ( on 1-Apr-2009 ) :				Accept ?
				Yes or No

Figure 22.23 Completed Basic Pay Head Creation screen

15. Press **Enter** to **Accept** the screen.

### ii. House Rent Allowance Pay Head Creation

In the **Pay Head Creation** screen,

1. Type **House Rent Allowance** as the **Name** of the Pay Head
2. Select **Earnings for Employees** in the field **Pay Head Type**
3. Specify the group as **Indirect Expenses** in the field **Under** and then press **Enter**
4. Set **Affect Net Salary** to **Yes**
5. Specify **House Rent Allowance** as the **Name to appear in Payslip**
6. Set **Use for Gratuity** to **No**
7. Select **As Computed Value** in the **Calculation Type** field and press **Enter**

Pay Head Creation		Indus Solutions Pvt. Ltd.													
Name	: House Rent Allowance	<u>Total Op. Bal.</u>													
(alias)	:														
<b>Pay Head Info</b>															
Pay Head Type	: Earnings for Employees	<table border="1"> <thead> <tr> <th colspan="2">List of Calculation</th> </tr> </thead> <tbody> <tr> <td><b>As Computed Value</b></td> <td></td> </tr> <tr> <td>As User Defined Value</td> <td></td> </tr> <tr> <td>Flat Rate</td> <td></td> </tr> <tr> <td>On Attendance</td> <td></td> </tr> <tr> <td>On Production</td> <td></td> </tr> </tbody> </table>		List of Calculation		<b>As Computed Value</b>		As User Defined Value		Flat Rate		On Attendance		On Production	
List of Calculation															
<b>As Computed Value</b>															
As User Defined Value															
Flat Rate															
On Attendance															
On Production															
Under	: Indirect Expenses														
Affect Net Salary	? Yes														
Name to appear in Payslip	: House Rent Allowance														
Use for Gratuity	? No	<p>Opening Balance ( on 1-Apr-2009 ) :</p>													
Calculation Type	:														

Figure 22.24 HRA Pay Head Creation screen - Calculation Type selection

8. Select **Normal Rounding** as the **Rounding Method** and **1** as the rounding **Limit** and press **Enter**
9. In the **Computation Info** screen, select **On Specified Formula** in the **Compute** field.

Pay Head Creation		Indus Solutions Pvt. Ltd.		Total Op. Bal.																		
Name : House Rent Allowance (alias) :																						
<b>Pay Head Info</b> Pay Head Type : Earnings for Employees Under : Indirect Expenses  Affect Net Salary ? Yes Name to appear in Payslip : House Rent Allowance Use for Gratuity ? No Calculation Type : As Computed Value  Calculation Period : Months		<b>Computation Info</b> Compute : On Specified Formula Specified Formula : <table border="1"> <thead> <tr> <th colspan="2">Computation On</th> <th>Value Basis</th> </tr> <tr> <th>Effective From</th> <th>Fr Am</th> <th></th> </tr> </thead> <tbody> <tr> <td>1-Apr-2009</td> <td></td> <td>On Current Deductions Total</td> </tr> <tr> <td></td> <td></td> <td>On Current Earnings Total</td> </tr> <tr> <td></td> <td></td> <td>On Current SubTotal</td> </tr> <tr> <td></td> <td></td> <td>On Specified Formula</td> </tr> </tbody> </table>			Computation On		Value Basis	Effective From	Fr Am		1-Apr-2009		On Current Deductions Total			On Current Earnings Total			On Current SubTotal			On Specified Formula
Computation On		Value Basis																				
Effective From	Fr Am																					
1-Apr-2009		On Current Deductions Total																				
		On Current Earnings Total																				
		On Current SubTotal																				
		On Specified Formula																				
<b>Rounding Info</b> Rounding Method : Normal Rounding    Limit : 1																						
Opening Balance ( on 1-Apr-2009 ) :																						

Figure 22.25 Pay Head Creation screen with Compute method

**Computation on details:**



- ❑ **On Current Deductions Total** – This calculation type is used when the value of a pay head depends upon the total of the deductions pay heads previously defined.
- ❑ **On Current Earnings Total** – This calculation type is used when the value of a pay head depends upon the total earnings pay heads previously defined.
- ❑ **On Current Sub Total** – This calculation type is used when the value of a pay head depends upon the net totals of earnings and deductions previously defined.
- ❑ **On Specified Formula** – This calculation type is used when the pay head value is computed on the value of one or more pay heads already defined in the pay structure. (Tally.ERP 9 allows the addition and subtraction of pay heads already defined in the pay structure and multiplication and divisions using attendance types. For example, HRA is computed as 40% of the basic salary.)

10. Press **Enter** and the **Compute** sub-screen is displayed

11. In the Sub-screen **Compute**:

- Select **Basic Pay** as the **Add Pay Head** function and press **Enter**

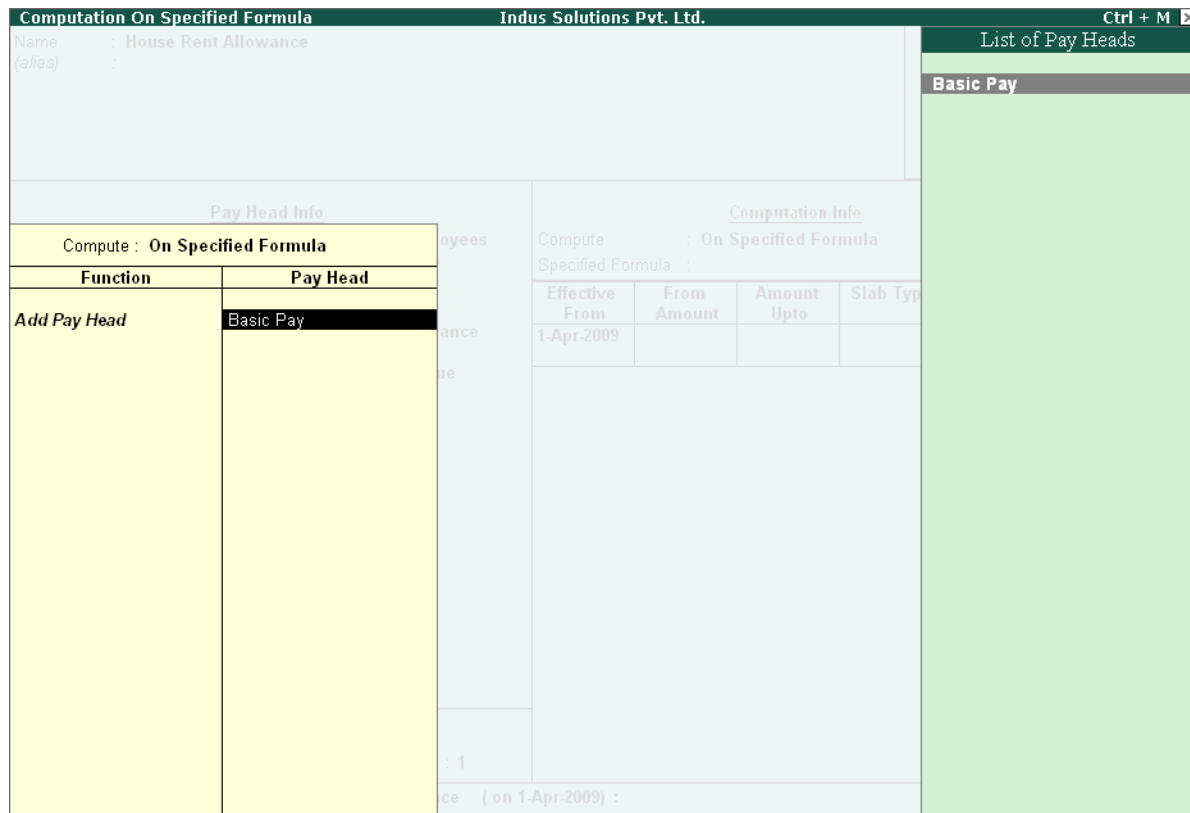


Figure 22.26 Compute sub-screen

The pay head drop-down box contains pay heads already created. If any pay head(s) is a component for the given Pay Head, you may create the required Pay Head by pressing **Alt+C** from the above Pay Head field and make the necessary alterations in the required pay head.

- Select **End of List**

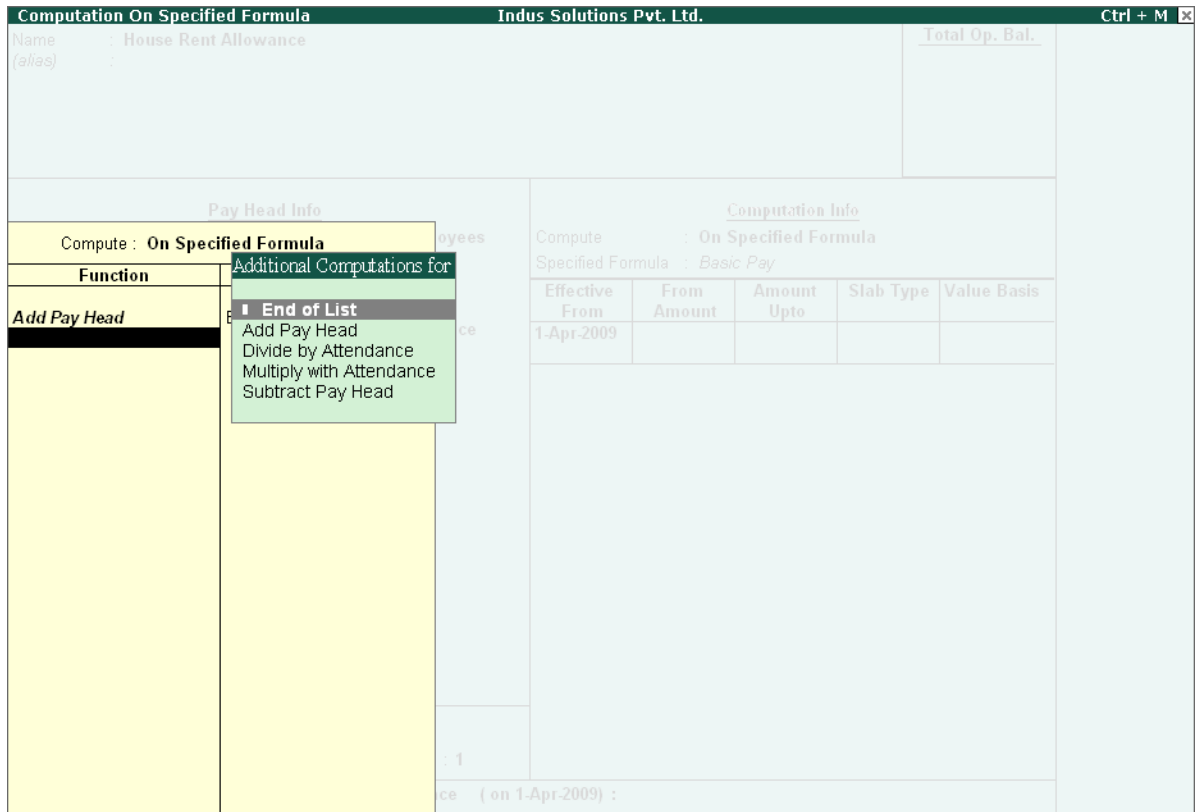


Figure 22.27 Compute: On Specified Formula sub-screen

- Press **Enter** to **Accept** the screen
12. Specify **1-4-2009** as the **Effective From** date (In case of a revision in pay structure, you can define the revised computation information for the given pay head, by giving the effective from date)
  13. The **From Amount** column is automatically skipped, assuming it to be zero. Press **Enter** to skip the **Amount Upto** column
  14. Select **Percentage** as the **Slab Type** from the **List of Slabs**

Pay Head Creation		Indus Solutions Pvt. Ltd.				Total Op. Bal.	Ctrl + M
Name : House Rent Allowance (alias) :							
<p><b>Pay Head Info</b></p> Pay Head Type : Earnings for Employees Under : Indirect Expenses  Affect Net Salary ? Yes Name to appear in Payslip : House Rent Allowance Use for Gratuity ? No Calculation Type : As Computed Value  Calculation Period : Months		<p><b>Computation Info</b></p> Compute : On Specified Formula Specified Formula : Basic Pay					
		Effective From	From Amount	Amount Upto	Slab Type	Value Basis	
		1-Apr-2009			Percentage	Percentage Value	List of Slabs
<p><b>Rounding Info</b></p> Rounding Method : Normal Rounding      Limit : 1							
Opening Balance ( on 1-Apr-2009) :							

Figure 22.28 Pay Head Creation screen - Slab Type selection

**Slab Type Details:**



- ❑ **Percentage** – This Slab rate is used when the amount is stated as a proportion of a whole.
- ❑ **Value** – This Slab rate is used when the amount is stated as absolute value.

15. Specify **40%** in the **Value Basis** field and press **Enter**

Pay Head Creation		Indus Solutions Pvt. Ltd.					
Name : House Rent Allowance					Total Op. Bal.		
(alias) :							
<b>Pay Head Info</b> Pay Head Type : Earnings for Employees Under : Indirect Expenses  Affect Net Salary ? Yes Name to appear in Payslip : House Rent Allowance Use for Gratuity ? No Calculation Type : As Computed Value  Calculation Period : Months			<b>Computation Info</b> Compute : On Specified Formula Specified Formula : Basic Pay				
			Effective From	From Amount	Amount Upto	Slab Type	Value Basis
			1-Apr-2009			Percentage	40 %
<b>Rounding Info</b> Rounding Method : Normal Rounding      Limit : 1							
Opening Balance ( on 1-Apr-2009 ) :							

Figure 22.29 Pay Head Creation - Value Basis screen

The completed **House Rent Allowance (HRA) Pay Head Creation** screen is displayed as shown.

Pay Head Creation		Indus Solutions Pvt. Ltd.													
Name : <b>House Rent Allowance</b> (alias) :					Total Op. Bal.										
<b>Pay Head Info</b> Pay Head Type : <b>Earnings for Employees</b> Under : <b>Indirect Expenses</b>			<b>Computation Info</b> Compute : <b>On Specified Formula</b> Specified Formula : <b>Basic Pay</b>												
Affect Net Salary ? <b>Yes</b> Name to appear in Payslip : <b>House Rent Allowance</b> Use for Gratuity ? <b>No</b> Calculation Type : <b>As Computed Value</b> Calculation Period : <b>Months</b>			<table border="1"> <thead> <tr> <th>Effective From</th> <th>From Amount</th> <th>Amount Upto</th> <th>Slab Type</th> <th>Value Basis</th> </tr> </thead> <tbody> <tr> <td>1-Apr-2009</td> <td></td> <td></td> <td>Percentage</td> <td>40 %</td> </tr> </tbody> </table>	Effective From	From Amount	Amount Upto	Slab Type	Value Basis	1-Apr-2009			Percentage	40 %		
Effective From	From Amount	Amount Upto	Slab Type	Value Basis											
1-Apr-2009			Percentage	40 %											
<b>Rounding Info</b> Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b>															
Opening Balance ( on 1-Apr-2009) :					<b>Accept ?</b> Yes or No										

Figure 22.30 Completed HRA Pay Head Creation screen

16. Press **Enter** to **Accept** the screen

### iii. Conveyance Pay Head Creation

Create the **Conveyance** Pay Head with **Calculation Type** as **Flat Rate**.

The completed **Conveyance Pay Head Creation** screen is displayed as shown.



Pay Head Creation		Indus Solutions Pvt. Ltd.		Total Op. Bal.
Name	: Conveyance			
(alias)	:			
<b>Pay Head Info</b>				
Pay Head Type	: Earnings for Employees			
Under	: Indirect Expenses			
Affect Net Salary	? Yes			
Name to appear in Payslip	: Conveyance			
Use for Gratuity	? No			
Calculation Type	: Flat Rate			
Calculation Period	: Months			
<b>Rounding Info</b>				
Rounding Method	: Normal Rounding	Limit	: 1	
Opening Balance ( on 1-Apr-2009 ) :				Accept ?
				Yes or No

Figure 22.31 Conveyance Pay Head Creation

- Press **Enter** to **Accept** the screen

#### iv. Overtime Pay Head Creation

Create the **Overtime** Pay Head with **Calculation Type** as **Production**.

The completed **Overtime Pay Head Creation** screen is displayed as shown.

Pay Head Creation		Indus Solutions Pvt. Ltd.	
Name : Overtime Pay	(alias) :	Total Op. Bal.	
<p><b>Pay Head Info</b></p> <p>Pay Head Type : Earnings for Employees                      Under : Indirect Expenses</p> <p>Affect Net Salary ? Yes                      Name to appear in Payslip : Overtime Pay                      Use for Gratuity ? No                      Calculation Type : On Production                      Production Type ? Overtime</p>			
<p><b>Rounding Info</b></p> <p>Rounding Method : Normal Rounding      Limit : 1</p>		Accept ?	
Opening Balance ( on 1-Apr-2009) :		Yes or No	

Figure 22.32 Overtime Pay Head Creation screen

- Press **Enter** to **Accept** the screen

**v. Variable Pay Head Creation**

Similarly, create the **Variable Pay Head** with **Calculation Type** as **User Defined Value**.

Pay Head Creation		Indus Solutions Pvt. Ltd.	
Name	: Variable Pay	<u>Total Op. Bal.</u>	
(alias)	:		
<p><b>Pay Head Info</b></p> <p>Pay Head Type : Earnings for Employees Under : Indirect Expenses</p> <p>Affect Net Salary ? Yes Name to appear in Payslip : Variable Pay Use for Gratuity ? No Calculation Type : As User Defined Value</p>		<p><b>Accept ?</b></p> <p>Yes or No</p>	
<p>Opening Balance ( on 1-Apr-2009 ) :</p>			

Figure 22.33 Variable Pay Head Creation

## II. Deduction Pay Heads

Create the following Deductions Pay Heads.

Pay Head Name	Pay Head Type	Statutory Pay Type	Under	Affect Net Salary	Name to Appear in Payslip	Calculation Type	Computation Method
Employees' PF Contribution @ 12%	Employees' Statutory Deductions	PF Account (A/c No.1)	Current Liabilities	Yes	EPF @ 12%	As Computed Value	On Specified Formula

Pay Head Name	Pay Head Type	Statutory Pay Type	Under	Affect Net Salary	Name to Appear in Payslip	Calculation Type	Computation Method
Employees' ESI Contribution @ 1.75%	Employees' Statutory Deductions	Employee State Insurance	Current Liabilities	Yes	ESI @ 1.75%	On Specified Formula	Basic Pay + House Rent Allowance + Conveyance + Overtime Pay (or Current Earnings - Variable Pay)
Professional Tax	Employees' Statutory Deductions	Professional Tax	Current Liabilities	Yes	Professional Tax	As Computed Value	On Current Earnings Total

#### i. Employee's PF Contribution @ 12% Pay Head Creation

Go to **Gateway of Tally > Payroll Info. > Pay Heads > Create**

In the **Pay Head Creation** screen,

1. Type **Employee's PF Contribution @ 12%** as the **Name** of the Pay Head
2. Select **Employees' Statutory Deductions** in the field **Pay Head Type** and press **Enter**

Pay Head Creation		Indus Solutions Pvt. Ltd.	
Name	: Employee's PF Contribution @ 12%		Total Op. Bal.
(alias)	:		
<p><b>Pay Head Info</b></p> <p>Pay Head Type : <b>Earnings for Employees</b></p> <p>Under : <b>Direct Expenses</b></p> <p>Affect Net Salary ? <b>Yes</b></p> <p>Name to appear in Payslip : <b>Employee's PF Contribution @ 12%</b></p> <p>Use for Gratuity ? <b>No</b></p> <p>Calculation Type : <b>As User Defined Value</b></p>		<p>List of Pay Head Types</p> <ul style="list-style-type: none"> <li>Not Applicable</li> <li>Bonus</li> <li>Deductions from Employees</li> <li>Earnings for Employees</li> <li><b>Employees' Statutory Deductions</b></li> <li>Employer's Other Charges</li> <li>Employer's Statutory Contributions</li> <li>Gratuity</li> <li>Loans and Advances</li> <li>Reimbursements to Employees</li> </ul>	
Opening Balance ( on 1-Apr-2009 ) :			

Figure 22.34 Employees' PF Contribution @ 12% Pay Head Creation

3. Select **PF Account (A/c No. 1)** in the **Statutory Pay Type** field as shown

Pay Head Creation		Indus Solutions Pvt. Ltd.		Total Op. Bal.
Name	: Employee's PF Contribution @ 12%			
(alias)	:			
<b>Pay Head Info</b>		<b>Employees' Statutory Deductions</b>		
Pay Head Type	: Employees' Statutory Deductions	Employee State Insurance	Total	
Statutory Pay Type	: PF Account (A/c No. 1)	PF Account (A/c No. 1)	Slab Type	Value Basis
Under	:	Professional Tax		
		Voluntary PF (A/c No. 1)		
Affect Net Salary	? Yes			
Name to appear in Payslip	: Employee's PF Contribution @ 12%			
Calculation Type	: As Computed Value			
Calculation Period	: Months			
<b>Rounding Info</b>				
Rounding Method	: <input type="checkbox"/> Not Applicable			
Opening Balance ( on 1-Apr-2009 ) :				

Figure 22.35 Employees' PF Contribution @ 12% Statutory Pay Type selection

4. Specify the group as **Current Liabilities** in the field '**Under**' and press **Enter** (In Tally.ERP 9, only relevant groups appear during selection, to reduce erroneous data inputs)
5. Set **Affect Net Salary** to **Yes**
6. Specify **EPF @ 12%** in the field **Name to appear in Payslip**
7. **As Computed Value** appears in the field **Calculation Type** by default
8. Select **Normal Rounding** as the **Rounding Method**. Specify **1** as the rounding **Limit** and press **Enter**
9. Select **On Specified Formula** as the **Compute** method and press **Enter**
10. In the **Compute** sub-screen, select **Basic Pay** as the **Add Pay Head** function and press **Enter**

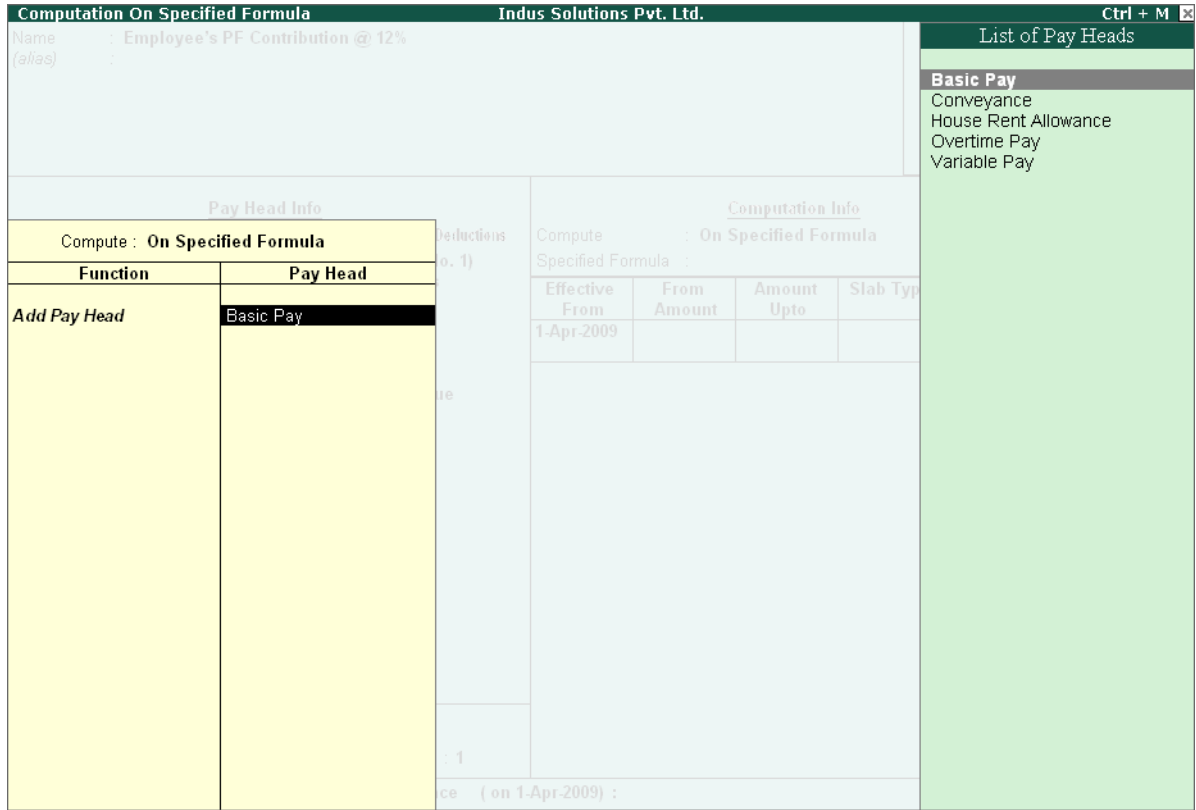


Figure 22.36 Deduction Pay Head Creation screen – Compute On selection

11. Press **Enter** to **Accept** the screen
12. Specify **1-4-2009** as the **Effective From** date
13. The **From Amount** column is automatically skipped, assuming the amount to be zero
14. Specify **6500** in the **Amount Upto** column and press **Enter**

Pay Head Creation		Indus Solutions Pvt. Ltd.				
Name : <b>Employee's PF Contribution @ 12%</b> (alias) :					Total Op. Bal.	
<p><b>Pay Head Info</b></p> Pay Head Type : <b>Employees' Statutory Deductions</b> Statutory Pay Type : <b>PF Account (A/c No. 1)</b> Under : <b>Current Liabilities</b>			<p><b>Computation Info</b></p> Compute : <b>On Specified Formula</b> Specified Formula : <i>Basic Pay</i>			
Affect Net Salary ? <b>Yes</b> Name to appear in Payslip : <b>EPF @ 12%</b>			Effective From	From Amount	Amount Upto	Slab Type
Calculation Type : <b>As Computed Value</b> Calculation Period : <b>Months</b>			1-Apr-2009		<b>6,500.00</b>	
<p><b>Rounding Info</b></p> Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b>						
Opening Balance ( on 1-Apr-2009 ) :						

Figure 22.37 Deduction Pay Head Creation – Computation Info.

15. Select **Percentage** as the **Slab Type** from the **List of Slabs**
16. Specify **12%** as the **Value Basis Percentage** and press **Enter** (the **From Amount** is defaulted as **6500**)
17. Press **Enter** to accept the upper level as **0** and select **Value** as the **Slab Type** from the **List of Slabs**
18. Specify Rs. **780** in the **Value Basis** field and then press **Enter**



Pay Head Creation		Indus Solutions Pvt. Ltd.																	
Name : <b>Employee's PF Contribution @ 12%</b>					<u>Total Op. Bal.</u>														
(alias) :																			
<p style="text-align: center;"><b>Pay Head Info</b></p> Pay Head Type : <b>Employees' Statutory Deductions</b> Statutory Pay Type : <b>PF Account (A/c No. 1)</b> Under : <b>Current Liabilities</b>			<p style="text-align: center;"><b>Computation Info</b></p> Compute : <b>On Specified Formula</b> Specified Formula : <i>Basic Pay</i>																
Affect Net Salary ? <b>Yes</b> Name to appear in Payslip : <b>EPF @ 12%</b>			<table border="1"> <thead> <tr> <th>Effective From</th> <th>From Amount</th> <th>Amount Upto</th> <th>Slab Type</th> <th>Value Basis</th> </tr> </thead> <tbody> <tr> <td>1-Apr-2009</td> <td></td> <td>6,500.00</td> <td rowspan="2">Percentage Value</td> <td>12 %</td> </tr> <tr> <td></td> <td>6,500.00</td> <td></td> <td><b>780</b></td> </tr> </tbody> </table>			Effective From	From Amount	Amount Upto	Slab Type	Value Basis	1-Apr-2009		6,500.00	Percentage Value	12 %		6,500.00		<b>780</b>
Effective From	From Amount	Amount Upto	Slab Type	Value Basis															
1-Apr-2009		6,500.00	Percentage Value	12 %															
	6,500.00			<b>780</b>															
Calculation Type : <b>As Computed Value</b> Calculation Period : <b>Months</b>																			
<p style="text-align: center;"><b>Rounding Info</b></p> Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b>																			
<b>Opening Balance ( on 1-Apr-2009 ) :</b>																			

Figure 22.38 Deduction Pay Head Creation screen with Value Basis

19. Press **Enter** twice

The completed **Employee's PF Contribution @ 12% Pay Head Creation** screen is displayed as shown:

Pay Head Creation		Indus Solutions Pvt. Ltd.					
Name : <b>Employee's PF Contribution @ 12%</b> (alias) :					Total Op. Bal.		
<b>Pay Head Info</b> Pay Head Type : <b>Employees' Statutory Deductions</b> Statutory Pay Type : <b>PF Account (A/c No. 1)</b> Under : <b>Current Liabilities</b>			<b>Computation Info</b> Compute : <b>On Specified Formula</b> Specified Formula : <b>Basic Pay</b>				
Affect Net Salary ? <b>Yes</b> Name to appear in Payslip : <b>EPF @ 12%</b>			<b>Effective From</b> 1-Apr-2009	<b>From Amount</b> 6,500.00	<b>Amount Upto</b> 6,500.00	<b>Slab Type</b> Percentage Value	<b>Value Basis</b> 12 % 780
Calculation Type : <b>As Computed Value</b> Calculation Period : <b>Months</b>							
<b>Rounding Info</b> Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b>							
Opening Balance ( on 1-Apr-2009 ) :					Accept ? Yes or No		

Figure 22.39 Completed Employee's PF @ 12% Pay Head Creation screen

20. Press **Enter** to **Accept** the screen

### ii. Employee's ESI Contribution @ 1.75% Pay Head Creation

Create **Employee's State Insurance (ESI) Pay Head** as discussed.

In the **Pay Head Creation** screen,

1. Type **Employee's ESI Contribution @ 1.75%** as the **Name** of the Pay Head
2. Select **Employees' Statutory Deductions** in the field **Pay Head Type**
3. Select **ESI** in the field **Statutory Pay Type**
4. Specify the group as **Current Liabilities** in the field **Under** and press **Enter**
5. Set **Affect Net Salary** to **Yes**
6. Specify **ESI @ 1.75%** in the field **Name to appear in Payslip**
7. **As Computed Value** appears by default in the field **Calculation Type**
8. Select the option **Normal Rounding** as the **Rounding Method**. Specify **1** as the rounding **Limit** and press **Enter**
9. Select **On Specified Formula** in the field **Compute** and press **Enter**

Pay Head Creation		Indus Solutions Pvt. Ltd.		Total Op. Bal.																		
Name : Employee's ESI Contribution @ 1.75%																						
(alias) :																						
<p><b>Pay Head Info</b></p> Pay Head Type : Employees' Statutory Deductions Statutory Pay Type : Employee State Insurance Under : Current Liabilities  Affect Net Salary ? Yes Name to appear in Payslip : ESI @ 1.75%  Calculation Type : As Computed Value Calculation Period : Months		<p><b>Computation Info</b></p> Compute : <span style="background-color: black; color: black;">XXXXXXXXXX</span> Specified Formula : <b>Computation On</b> <table border="1"> <thead> <tr> <th>Effective From</th> <th>Fr Am</th> <th>value Basis</th> </tr> </thead> <tbody> <tr> <td>1-Apr-2009</td> <td></td> <td>On Current Deductions Total</td> </tr> <tr> <td></td> <td></td> <td>On Current Earnings Total</td> </tr> <tr> <td></td> <td></td> <td>On Current SubTotal</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">0 %</td> </tr> <tr> <td colspan="3" style="background-color: #cccccc;"><b>On Specified Formula</b></td> </tr> </tbody> </table>			Effective From	Fr Am	value Basis	1-Apr-2009		On Current Deductions Total			On Current Earnings Total			On Current SubTotal			0 %	<b>On Specified Formula</b>		
Effective From	Fr Am	value Basis																				
1-Apr-2009		On Current Deductions Total																				
		On Current Earnings Total																				
		On Current SubTotal																				
		0 %																				
<b>On Specified Formula</b>																						
<p><b>Rounding Info</b></p> Rounding Method : Normal Rounding      Limit : 1																						
Opening Balance ( on 1-Apr-2009 ) :																						

Figure 22.40 Employee's ESI Pay Head creation screen - Compute On Selection

10. In the **Compute On** Sub-screen, subscreen,

- ❑ Select **Basic Pay** as the **Add Pay Head** function and press **Enter**
- ❑ Select **House Rent Allowance** as the second Pay Head in the **Add Pay Head** Function
- ❑ Similarly, select **Conveyance** and **Overtime Pay** as the **Add Pay Head** function

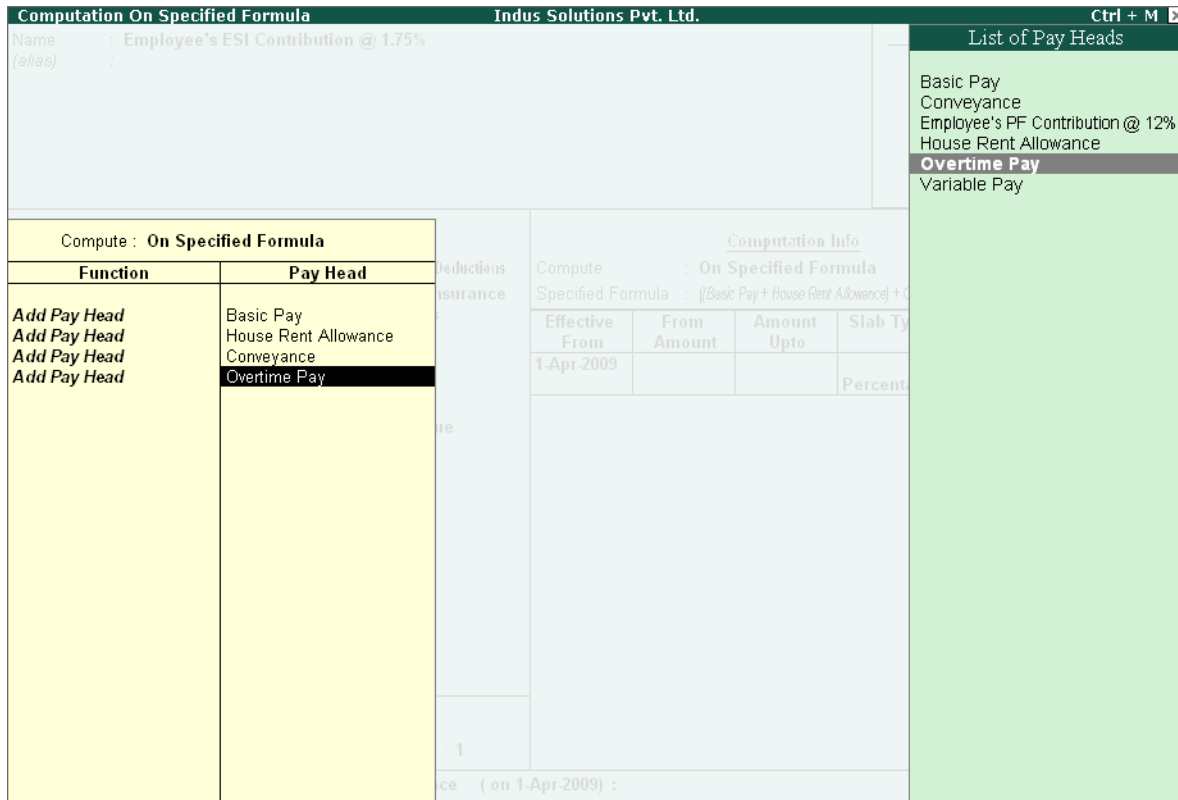


Figure 22.41 Employee's ESI Pay Head creation screen - Add Pay Head selection

- Select **End of List** and press **Enter**



*Any income of a regular nature will be subject to ESI calculation viz., Basic Pay, Dearness Allowance, House Rent Allowance, Conveyance, Overtime etc.*

11. Specify **1-4-2009** as the **Effective From** date
12. The **From Amount** and **Amount Upto** fields are skipped as the amount is already entered in the **Statutory & Taxation** screen
13. Select **Percentage** as the **Slab Type** from the **List of Slabs**
14. Specify **1.75%** as the **Value Basis Percentage** and press **Enter**

The Pay Head creation screen appears as shown:

Pay Head Creation		Indus Solutions Pvt. Ltd.		Total Op. Bal.	
Name : <b>Employee's ESI Contribution @ 1.75%</b>					
(alias) :					
<p><b>Pay Head Info</b></p> Pay Head Type : <b>Employees' Statutory Deductions</b> Statutory Pay Type : <b>Employee State Insurance</b> Under : <b>Current Liabilities</b>  Affect Net Salary ? <b>Yes</b> Name to appear in Payslip : <b>ESI @ 1.75%</b>  Calculation Type : <b>As Computed Value</b> Calculation Period : <b>Months</b>			<p><b>Computation Info</b></p> Compute : <b>On Specified Formula</b> Specified Formula : <b>{(Basic Pay + House Rent Allowance) + Conveyance} + Overtime Pay</b>		
			<b>Effective From</b>	<b>From Amount</b>	<b>Amount Upto</b>
			1-Apr-2009		
				<b>Slab Type</b>	<b>Value Basis</b>
				Percentage	<b>1.75 %</b>
<p><b>Rounding Info</b></p> Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b>					
<b>Opening Balance ( on 1-Apr-2009 ) :</b>					

Figure 22.42 Employee's ESI Pay Head creation screen – Slab Rate

The completed **ESI – Employee's Contribution Pay Head Creation** screen is displayed as shown:

Pay Head Creation		Indus Solutions Pvt. Ltd.					
Name : Employee's ESI Contribution @ 1.75%					Total Op. Bal.		
(alias) :							
<b>Pay Head Info</b>			<b>Computation Info</b>				
Pay Head Type	: Employees' Statutory Deductions		Compute : On Specified Formula				
Statutory Pay Type	: Employee State Insurance		Specified Formula : ((Basic Pay + House Rent Allowance) + Conveyance) + Overtime Pay				
Under	: Current Liabilities		Effective From	From Amount	Amount Upto	Slab Type	Value Basis
Affect Net Salary	? Yes		1-Apr-2009			Percentage	1.75 %
Name to appear in Payslip	: ESI @ 1.75%						
Calculation Type	: As Computed Value						
Calculation Period	: Months						
<b>Rounding Info</b>							
Rounding Method	: Normal Rounding	Limit	: 1				
Opening Balance ( on 1-Apr-2009) :						Accept ?	
						Yes or No	

Figure 22.43 Completed ESI – Employee’s Contribution Pay Head Creation screen

15. Press **Enter** to **Accept** the screen.

### iii. Professional Tax Pay Head Creation

Create **Professional Tax Pay Head** ledger with the required Slab rates.

The completed **Professional Tax Pay Head Creation** screen is displayed as shown:

Pay Head Creation		Indus Solutions Pvt. Ltd.				Total Op. Bal.
Name : Professional Tax (alias) :						
<b>Pay Head Info</b>		<b>Computation Info</b>				
Pay Head Type	: Employees' Statutory Deductions	Compute : On Current Earnings Total				
Statutory Pay Type	: Professional Tax	<b>Effective From</b>	<b>From Amount</b>	<b>Amount Upto</b>	<b>Slab Type</b>	<b>Value Basis</b>
Registration Number	: KA/PT/53487520	1-Apr-2009		5,000.00	Value	0
Under	: Current Liabilities		5,000.00	8,000.00	Value	60
Affect Net Salary	? Yes		8,000.00	10,000.00	Value	100
Name to appear in Payslip	: Professional Tax		10,000.00	15,000.00	Value	150
Calculation Type	: As Computed Value		15,000.00		Value	200
Calculation Period	: Months					
<b>Rounding Info</b>						
Rounding Method	: Normal Rounding	Limit	: 1			
Opening Balance ( on 1-Apr-2009 ) :						Accept ?
						Yes or No

Figure 22.44 Profession Tax Pay Head Creation

- Press **Enter** to **Accept**

### 22.2.5 Gratuity

Apart from the above Pay Heads, create Gratuity Expenses (Provisional) Account in order to get provisional Gratuity liability report for the employer at any given period.

**Gratuity** refers to the monetary benefit given by the employer to the employee at the end of the employment for the services rendered over a period of employment either by law or otherwise. It is calculated provisionally at the end of each financial period to assess the possible liability of the company towards its employees. A Gratuity Provisional Account is created to capture the details required for the calculation of gratuity. Gratuity is calculated based on select salary components.

The formula used for Gratuity calculation is as follows.

<b>Latest eligible salary* for Gratuity</b>	×	<b>Number of days pay eligible for the total months covered in the respective slab period</b>	×	<b>Served period # (in proportionate years) in the respective slabs</b>
<hr/> <b>Number of days in a month to be considered</b>				



- \* **Eligible salary** refers to the sum of pay heads covered in the employee’s latest pay structure, for the relevant period. The pay heads must be set to **Yes for Use for gratuity** and the Gratuity ledger should be part of the pay structure.
- # **Served period** is computed from the date of joining to the end date of calculation period. Served period may be proportionate such as 11 years 10 months and 5 days.
- When Served period covers more than one slab, the total of calculation of all slabs will constitute the gratuity provisional amount of the employee.

### Gratuity Pay Head Creation

Ledger	Pay Head Type	Under
Gratuity Expenses (Provisional)	Gratuity	Provisions (Current Liabilities)

In the **Pay Head Creation** screen,

1. Type **Gratuity Expenses (Provisional)** as the **Name** of the Pay Head
2. Select **Gratuity** in the field **Pay Head Type**. The **Slab Rate details for Gratuity Calculation** screen are displayed.
3. In the **Gratuity Calculation** subscreen, specify the following details:
  - Specify **Gratuity Days of a Month** as **26**
  - Enter **1** and **60** (months) in the **From** and **To** fields under the **Number of Months** column
  - Specify **0** in the field **Eligibility days for Gratuity Calculation per year**
  - Similarly, select **61** and **120** in the **From** and **To** fields
  - Specify **15** in the **Eligibility days for Gratuity Calculation per year** field
  - Press **Enter** to accept **121** in the field **From**
  - Specify **15** in the field **Eligibility days for Gratuity Calculation per year**



The **Slab Rate Details for Gratuity** calculation screen is displayed as shown.

<b>Slab Rate details for Gratuity Calculation</b>		
Gratuity Days of a Month		: 26
<b>Number of Months</b>		<b>Eligibility days for Gratuity Calculation per year</b>
<b>From:</b>	<b>To:</b>	
1	60	0
61	120	15
121	0	15

Figure 22.45 Slab Rate Details for Gratuity Calculation screen

4. Press **Enter** to **Accept** the screen



**Gratuity parameter details:**

- ❑ **Gratuity days of a Month** – The number of days per calendar month varies from 28 to 31. In this case, you can apply a consistent period of 26 days (excluding 4 Sundays) for all employees irrespective of their month of leaving. It can also be fixed by law.
- ❑ **Number of months From and To** – This represents the months until which the eligible days are applicable in the Slab system, beginning from the date of joining.
- ❑ **Eligibility days for Gratuity Calculation per year** – This refers to the Number of days’ pay given as gratuity for the entire slab. If the slab period has not ended, then the slab is applied based on the number of months covered in the previous slab. If the number of days eligible is zero (0), then the eligible days mentioned in the next slab are considered.

5. Specify the group as **Provisions (Current Liabilities)** in the field **Under** and press **Enter**

The completed **Gratuity Expenses (Provisional) Pay Head Creation** screen is displayed as shown.

Pay Head Creation		Indus Solutions Pvt. Ltd.	
Name : Gratuity Expenses (Provisional) (alias) :			Total Op. Bal.
<b>Pay Head Info</b> Pay Head Type : Gratuity Under : Provisions (Current Liabilities)			
<b>Rounding Info</b> Rounding Method : Normal Rounding    Limit : 1			
Opening Balance ( on 1-Apr-2009) :			<b>Accept ?</b> Yes or No

Figure 22.46 Gratuity Expenses Ledger Creation screen

6. Press **Enter** to **Accept** the screen.

### 22.2.6 Salary Details Setup

The Salary Details masters contain information on the Employee Group/ individual employee pay structure, comprising both earnings and deductions pay components for the applicable period.

Businesses having a common pay structure for a particular department or division or set of employees can define salary details for an employee group and classify individual employees under the specified group to inherit the parent pay values. The Employee Group master prefills the parent group values to the individual employee masters created under them. It reduces the possibility of erroneous data entry and expedites data entry. This categorisation also helps in generation of Group-wise reporting.

Pay structure constituting the Pay Heads and basis of calculation should be similar for the employees falling under the same group, but pay values need not be same.

Tally.ERP 9 also allows you to set up individual employee salary details with all parameters applicable for Employee groups. The individual employee masters with separate pay structure are usually created on a case-to-case basis.

To define **Salary Details** for employees,  
Go to **Gateway of Tally > Payroll Info. > Salary Details > Create**

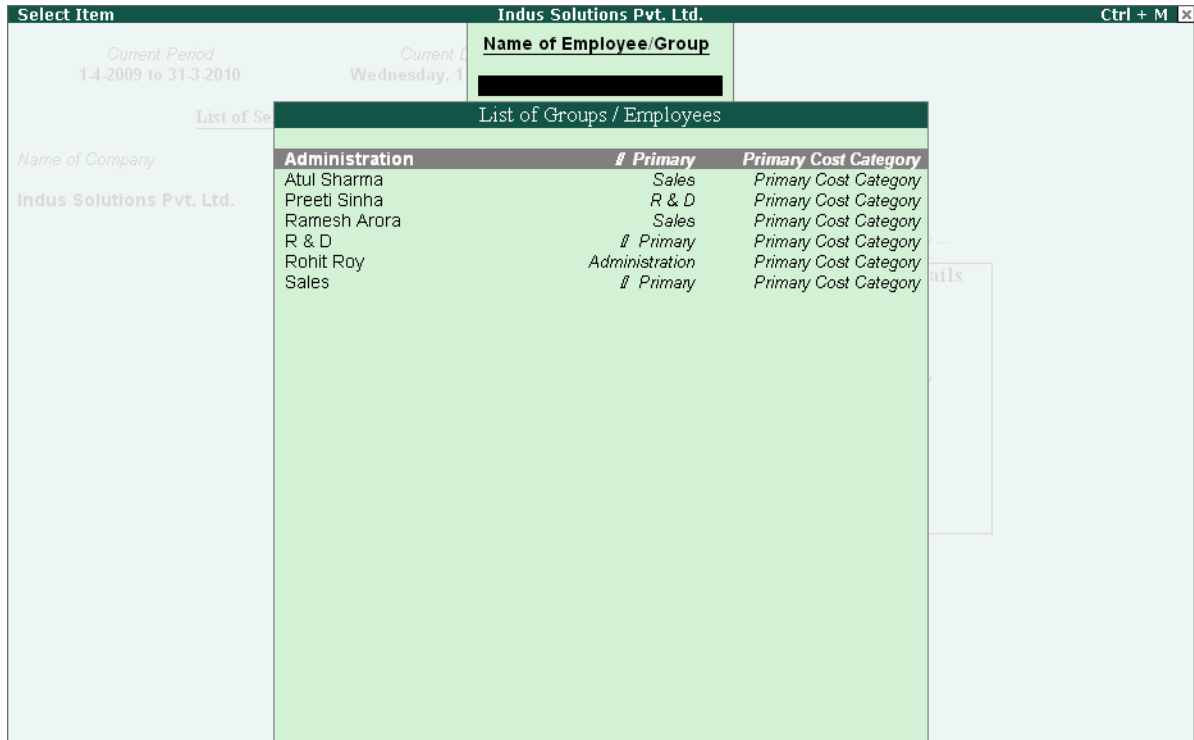


Figure 22.47 List of Employee Groups/ Employees screen

1. Select **Rohit Roy** from the **List of Employees** and press **Enter**  
In the **Salary Details** screen,
  - ❑ The **Effective date** is entered as **01-04-2009** by default based on the **Date of Joining** entered in the Employee Master
  - ❑ Select **Basic Pay** as the **Pay Head** from the **List of Pay Heads**
  - ❑ Specify **7,000** as **Rate**
  - ❑ The **Attendance units**, **Pay Head Type** and **Calculation Type** appear by default, based on the pay head definitions.

The **Salary Details Creation** screen is displayed as shown:

Salary Details Creation						
Indus Solutions Pvt. Ltd.						
Ctrl + M						
Name : Rohit Roy (469)						
Under : Administration (# Primary)						
Salary Details						
Effective From	Pay Head	Rate	Per	Pay Head Type	Calculation Type	Computed On
1-Apr-2009	Basic Pay	7,000.00	Months	Earnings for Employees	On Attendance	

Figure 22.48 Salary Details Creation screen

2. Select **House Rent Allowance** as the second **Pay Head** and press **Enter**
3. Select **Conveyance** as the next **Pay Head**
4. Specify **500** as **Rate** and press **Enter**
5. Select **Overtime Pay** as the **Pay Head**
6. Specify **40** as the **Rate** and press **Enter**
7. Select **Variable Pay** as the **Pay Head** and press **Enter**
8. Select **Professional Tax** against the **Pay Head** and press **Enter**
9. Select **Employee's PF Contribution @ 12%** and **Employee's ESI Contribution @ 1.75%** as **Pay Heads** and press **Enter**
10. Select the **Gratuity Expenses (Provisional)** ledger and press **Enter**



*In case of Employees eligible for Gratuity, the **Gratuity Expenses** ledger is required to be included in the **Salary details** of the respective Employee for provisional assessment of Gratuity.*

The completed **Salary Details Creation** screen for **Mr. Rohit Roy** is displayed as shown:

Salary Details Creation						
Indus Solutions Pvt. Ltd.						
Ctrl + M						
Name : Rohit Roy (469)						
Under : Administration (# Primary)						
Salary Details						
Effective From	Pay Head	Rate	Per	Pay Head Type	Calculation Type	Computed On
1-Apr-2009	Basic Pay	7,000.00	Months	Earnings for Employees	On Attendance	Basic Pay
	House Rent Allowance			Earnings for Employees	As Computed Value	
	Conveyance	500.00	Months	Earnings for Employees	Flat Rate	
	Overtime Pay	40.00	Hrs	Earnings for Employees	On Production	
	Variable Pay			Earnings for Employees	As User Defined Value	
	Professional Tax			Employees' Statutory Deductions	As Computed Value	On Current Earnings Total
	Employee's PF Contribution @ 12%			Employees' Statutory Deductions	As Computed Value	Basic Pay
	Employee's ESI Contribution @ 1.75%			Employees' Statutory Deductions	As Computed Value	(Basic Pay + House Rent Allowance) + Conveyance + Overtime Pay
	Gratuity Expenses (Provisional)			Gratuity		

Accept ?

Yes or No

Figure 22.49 Completed Salary Details screen



Tally.ERP 9 allows you to modify the pre-defined Slab rates, by pressing **F12: Configure** and setting the option **Allow to Override Slab Percentage** to **Yes**.



In case a revision in pay structure is required for any subsequent period, define the latest pay structure by specifying the relevant **Effective from** date.

Similarly, create the pay structure for the other employees as per the details given in the following table:

Pay Head	Preeti Sinha	Atul Sharma	Ramesh Arora
Basic Pay	12,000	20,000	18,000
House Rent Allowance	40%	40%	20%
Conveyance	—	2,500	2,000
Overtime Pay	—	—	150
Variable Pay	User — defined		
Professional Tax	Applicable as Slab Rates		
Employee's PF Contribution @ 12%	Applicable as Slab Rates		
Employee's ESI Contribution @ 1.75%	Applicable as Slab Rates		
Gratuity Expenses (Provisional)	Only for reporting purpose		

Salary Details for **Ramesh Arora** can be created similar to the Salary Details creation for **Rohit Roy**. Since Ramesh Arora and Atul Sharma work for Sales Department, we may create the Salary Details for the Sales Group and inherit the same for the Employees (Ramesh Arora and Atul Sharma).

### Salary Details creation for Sales Group

Go to **Gateway of Tally > Payroll Info. > Salary Details > Create**

1. From the **List of Group / Employees** select **Sales**
2. Select the **Pay Heads** from the **List of Pay Heads** which are applicable to this group.
3. Leave the **Rate** field empty if there is no standard rate.

The completed Salary structure for the **Sales** Group is as shown.

Salary Details Creation						
Indus Solutions Pvt. Ltd. <span style="float: right;">Ctrl + M</span>						
Name : Sales						
Under : I Primary						
Salary Details						
Effective From	Pay Head	Rate	Per	Pay Head Type	Calculation Type	Computed On
1-Apr-2009	Basic Pay			Earnings for Employees	On Attendance	Basic Pay
	House Rent Allowance			Earnings for Employees	As Computed Value	
	Conveyance			Earnings for Employees	Flat Rate	
	Overtime Pay			Earnings for Employees	On Production	
	Variable Pay			Earnings for Employees	As User Defined Value	
	Professional Tax			Employees' Statutory Deductions	As Computed Value	On Current Earnings Total
	Employee's PF Contribution @ 12%			Employees' Statutory Deductions	As Computed Value	Basic Pay
	Employee's ESI Contribution @ 1.75%			Employees' Statutory Deductions	As Computed Value	(Basic Pay + House Rent Allowance) + Conveyance + Overtime Pay
	Gratuity Expenses (Provisional)			Gratuity		

Accept ?

Yes or No

Figure 22.50 Completed Salary Details for Sales Group

The Pay structure created above can be inherited for all the employees belonging to Sales Group. This feature helps in eliminating the repetitions while creating the Salary Details and expedites the pay structuring process.

To define the **Salary Details** for **Mr. Ramesh Arora** belonging to **Sales Group**, follow the steps given below:

Go to **Gateway of Tally > Payroll Info. > Salary Details > Create**

1. From the **List of Group / Employees** select **Ramesh Arora** and press **Enter**
2. Select **Copy From parent Value** from the **Start Type** options under **Pay Head**

The **Salary Details Creation** screen appears as shown:

Salary Details Creation						
Indus Solutions Pvt. Ltd. <span style="float: right;">Ctrl + M</span>						
Name : Ramesh Arora (225)						
Under : Sales (# Primary)						
Salary Details						
Effective From	Pay Head	Rate	Per	Pay Head Type	Calculation Type	Computed On
1-Apr-2009				Start Type		
				Copy From Parent Value		
				Start Afresh		

Figure 22.51 Salary details Creation – Copy From Parent Value



**Start Type Details:**

- ❑ **Copy From Parent Value** will copy the pay structure from the **Group** to which the Employee belongs. This will help you to save time in creating the Salary Details for large number of Employees.
- ❑ **Start Afresh** will allow the user to start selecting the Pay Head from the List of pay Heads already created.

3. The **Pay Structure** (comprising of **Earning & Deductions** pay heads) defined for **Group** is prefilled automatically.
4. Enter the values for each Pay Head for **Ramesh Arora** as per the details mentioned earlier.
5. Press **F12: Configure**, set the option **Allow to Override Slab Percentage** to **Yes**, since the **HRA** calculation percentage is **20%**.



The **Salary Details Configuration** screen is displayed as shown.

Salary Details Configuration						
Indus Solutions Pvt. Ltd.						
Name : Ramesh Arora (225)						
Under : Sales (# Primary)						
Salary Details						
Effective From	Pay Head	Rate	Per	Pay Head Type	Calculation Type	Computed On
1-Apr-2009	Copy From Parent Value					
	Basic Pay			Earnings for Employees	On Attendance	
	House Rent Allowance			Earnings for Employees	As Computed Value	Basic Pay
	Conveyance			Earnings for Employees	Flat Rate	
	Overtime Pay			Earnings for Employees	On Production	
	Variable Pay			Earnings for Employees	As User Defined Value	
	Professional Tax				Imputed Value	On Current Earnings Total
	Employee's PF Contribution @ 12%				Imputed Value	Basic Pay
	Employee's ESI Contribution @ 1.75%				Imputed Value	(Basic Pay + House Rent Allowance) + Conveyance + Overtime Pay
	Gratuity Expenses (Provisional)				Imputed Value	

**Salary Details Configuration**

Allow to Override Slab Percentage ? **Yes**

Show Pay Head Type ? Yes

Show Calculation Type ? Yes

Show Computed On ? Yes

Figure 22.52 Salary Details Configuration

□ Press **Enter** to **Accept**

6. Now, you will be able to enter the user-defined pay rates to compute the HRA, specify **20%** and press **Enter**



*In the **Salary Details Configuration** screen, when the option **Allow to Override Slab Percentage** is set to **Yes**, the predefined slab rates for the **Pay Heads** can be modified as per user requirements.*

The completed **Salary Details** screen of **Mr. Ramesh Arora** is displayed as shown.

Salary Details Creation						
Indus Solutions Pvt. Ltd. <span style="float: right;">Ctrl + M</span>						
Name : Ramesh Arora (225)						
Under : Sales ( <i>Primary</i> )						
Salary Details						
Effective From	Pay Head	Rate	Per	Pay Head Type	Calculation Type	Computed On
1-Apr-2009	Copy From Parent Value					
	Basic Pay	18,000.00	Months	Earnings for Employees	On Attendance	
	House Rent Allowance	20.00	%	Earnings for Employees	As Computed Value	Basic Pay
	Conveyance	2,000.00	Months	Earnings for Employees	Flat Rate	
	Overtime Pay	150.00	Hrs	Earnings for Employees	On Production	
	Variable Pay			Earnings for Employees	As User Defined Value	
	Professional Tax			Employees' Statutory Deductions	As Computed Value	On Current Earnings Total
	Employee's PF Contribution @ 12%			Employees' Statutory Deductions	As Computed Value	Basic Pay
	Employee's ESI Contribution @ 1.75%			Employees' Statutory Deductions	As Computed Value	(Basic Pay + House Rent Allowance) + Conveyance + Overtime Pay
	Gratuity Expenses (Provisional)			Gratuity		

Accept ?
Yes or No

Figure 22.53 Completed Salary Details screen

7. Press **Enter** to **Accept** the screen.

Similarly, you can create the Salary Details for **Atul Sharma**.

### 22.3 Processing Payroll in Tally.ERP 9

Typically, Payroll Processing comprises of the following activities :

- ❑ Recording of Attendance (on time / work)
- ❑ Processing Payroll Vouchers
- ❑ Payment of Salaries

There are three types of Payroll Vouchers namely Attendance Voucher, Payroll Voucher and Payment Voucher, which are by default preset in Tally.ERP 9 to record above Payroll transactions. Payroll Vouchers are used for the purposes of operating your payroll and also records the attendance of the employees for a given period. These vouchers are basically used to input information pertaining to Payroll processing.

### 22.3.1 Attendance Vouchers

An Attendance Voucher is used to record employees' attendance data, based on Attendance/ Production types (i.e., present or absent days, overtime hours and so on).

An Attendance Voucher allows you to record the attendance/ production units for employees. Tally.ERP 9 gives you the flexibility to enter the attendance records through a single attendance voucher for a payroll period, or through multiple attendance vouchers as and when required within a payroll period. You also have the option of recording one attendance/ production voucher per employee per day or collectively for a month or any other variation thereof for all the employees.

In Tally.ERP 9, the auto-fill facility (**Alt+A**) is used to prefill the required Attendance/Production types data for the selected employee group/ employee for the specified period.

**Example 1:**

*On 30th April, 2009 the attendance records of Indus Solutions Pvt. Ltd., displayed the following details :*

Attendance/ Production Types	Rohit Roy	Preeti Sinha	Atul Sharma	Ramesh Arora
Present Days	26	18	20	22
Overtime hours	720 Mins	-	360 Mins	-

In the above scenario, separate attendance vouchers are required to be entered for recording **Present** days and **Overtime** hours.

Go to **Gateway of Tally > Payroll Vouchers**

1. Press **Ctrl+F5** for **Attendance Voucher**

The **Attendance Voucher Creation** screen is displayed as shown:



Figure 22.54 Attendance Voucher Creation screen

2. Press **F2** and specify the date as **30-4-2009**
3. Press **Enter**
4. Press **Alt+A** (Attendance Auto Fill) to prefill employee payroll details

The **Attendance Auto Fill** screen is displayed as shown:

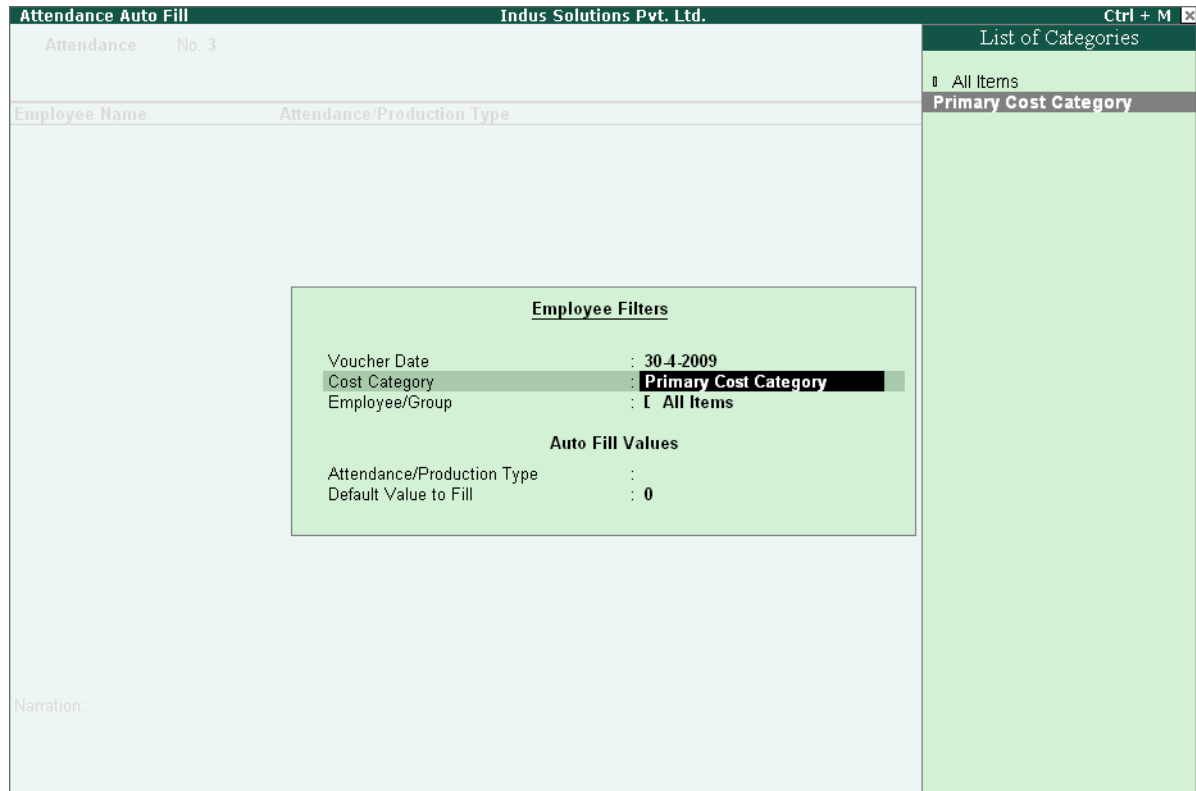


Figure 22.55 Attendance Voucher - Employee Filters screen

5. In the **Attendance Auto Fill** screen,
  - ❑ Specify the **Voucher Date** as **30-04-2009**
  - ❑ Select **Primary Cost Category** as **Cost Category** (If separate cost categories are used to capture employee cost, then select the respective cost category)
  - ❑ Select **All Items** as **Employee/ Group** (if you want to generate payroll voucher for individual employee/ group, select the respective employee or group)

The **Attendance Auto Fill** with **Employee Filters** screen is displayed as shown:

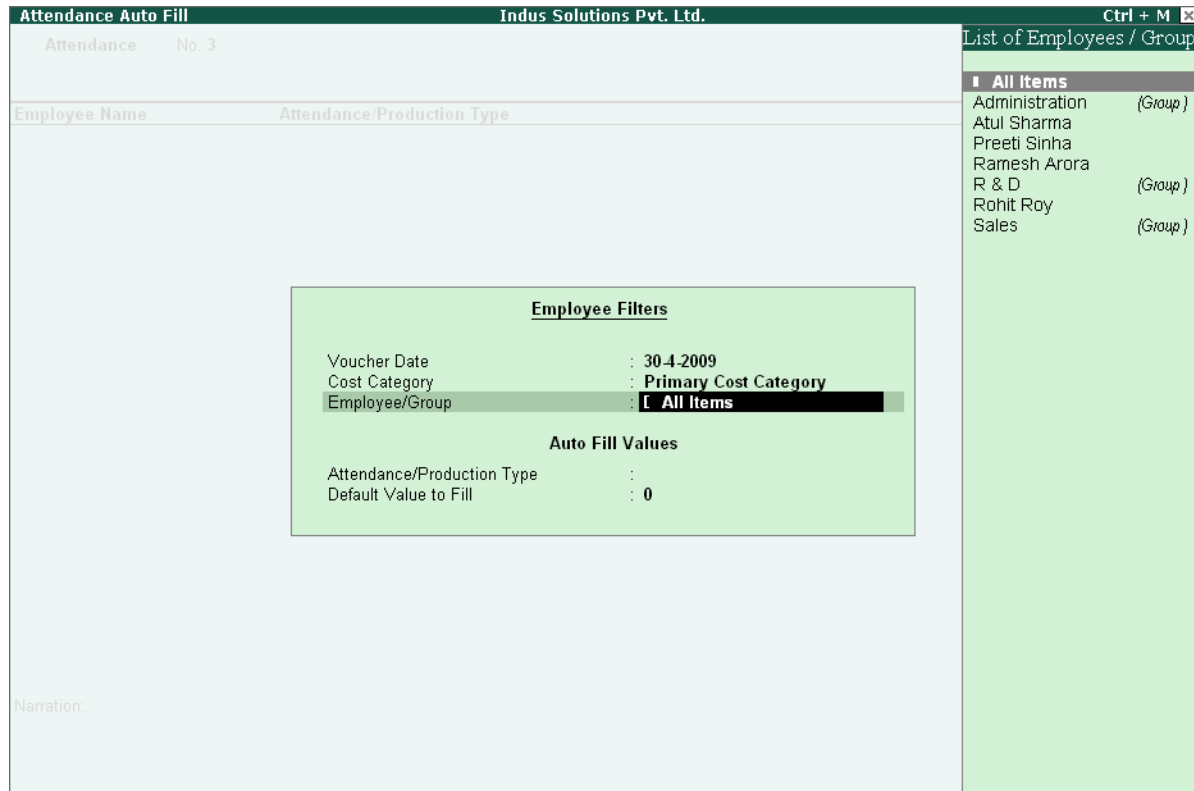


Figure 22.56 Attendance Auto Fill with Employee List

- Select **Present** as **Attendance Type** in the **Attendance/ Production Type** field

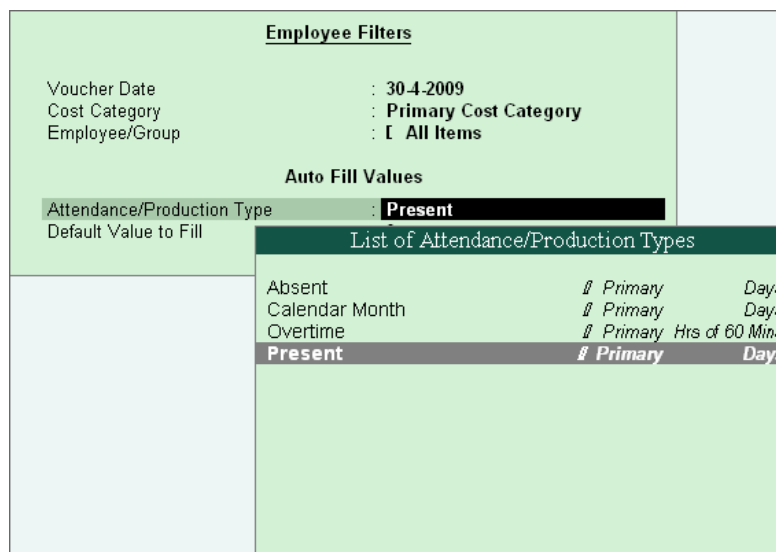


Figure 22.57 Attendance Auto Fill with List of Attendance Type

- Specify the **Default Value to Fill** as **0**
- Press **Enter** to accept the screen



- When **Auto fill** option is used, separate Attendance vouchers are required to be passed for recording attendance on **Work** and **Production**. However, if attendance voucher is passed by manually selecting the employees, then in such cases, you may record attendance on **Work** as well as **Production** in the same Attendance Voucher.
- If **Absent** is opted as **Attendance Type**, then the negative attendance of the employees needs to be recorded. This method help minimise data entry time.

6. Employees pertaining to the respective **Employee Groups** are displayed automatically

Attendance Voucher Creation		Indus Solutions Pvt. Ltd.		Ctrl + M
Attendance No. 1				30-Apr-2009 Thursday
Employee Name	Attendance/Production Type	Value	Unit	
Atul Sharma	Present	Cur Bal: 0 Days	0 Days	
Preeti Sinha	Present	Cur Bal: 0 Days	0 Days	
Ramesh Arora	Present	Cur Bal: 0 Days	0 Days	
Rohit Roy	Present	Cur Bal: 0 Days	0 Days	
Narration:				

Figure 22.58 Attendance Voucher

7. Specify the attendance details as given in the table above

The **Attendance Voucher Creation** screen with the attendance details screen is displayed as shown:

Attendance Voucher Creation		Indus Solutions Pvt. Ltd.		Ctrl + M
<b>Attendance</b> No. 1				30-Apr-2009 Thursday
Employee Name	Attendance/Production Type	Value	Unit	
Atul Sharma	Present	Cur Bal: 20 Days	20 Days	
Preeti Sinha	Present	Cur Bal: 18 Days	18 Days	
Ramesh Arora	Present	Cur Bal: 22 Days	22 Days	
Rohit Roy	Present	Cur Bal: 0 Days	26 Days	
Narration:				

Figure 22.59 Attendance Voucher

8. Press **Enter**
9. Enter the details of the transaction in the **Narration** field

The completed **Attendance Voucher Creation** for **Present Attendance** is displayed as shown:



Attendance Voucher Creation		Indus Solutions Pvt. Ltd.		Ctrl + M	
Attendance No. 1				30-Apr-2009 Thursday	
Employee Name	Attendance/Production Type	Value	Unit		
Atul Sharma	Present	Cur Bal: 20 Days	20 Days		
Preeti Sinha	Present	Cur Bal: 18 Days	18 Days		
Ramesh Arora	Present	Cur Bal: 22 Days	22 Days		
Rohit Roy	Present	Cur Bal: 26 Days	26 Days		
Narration: Attendance for April 2009				Accept ? Yes or No	

Figure 22.60 Completed Attendance Voucher Screen

10. Press **Enter** to accept the completed Attendance Voucher screen



*Days with **Loss of Pay (LOP)** are treated as a **Deductible** with respect to the **Earnings Pay Head type** and as a **Payable** with respect to the **Deductions Pay Head type**. For example, **LOP** is deducted from the Basic salary (Earnings Pay Head) and Canteen expenses (Deductions Pay Head) are treated as a payable.*

In the same way, create an Attendance Voucher for **Overtime hours**.

The completed **Attendance Voucher for Overtime Hours** is displayed as shown.

Attendance Voucher Creation		Indus Solutions Pvt. Ltd.		Ctrl + M
Attendance No. 2				30-Apr-2009 Thursday
Employee Name	Attendance/Production Type	Value	Unit	
Atul Sharma	Overtime	Cur Bal: 6- 0 Hrs	360 mins	
Preeti Sinha	Overtime	Cur Bal: 0- 0 Hrs		
Ramesh Arora	Overtime	Cur Bal: 0- 0 Hrs		
Rohit Roy	Overtime	Cur Bal: 12- 0 Hrs	720 mins	
Narration:				Accept ? Yes or No

Figure 22.61 Attendance Voucher Screen - Overtime

- Press **Enter** to accept



You can also record **Overtime in hours**, provided the **Unit of Measurement** for the Payroll unit is defined as **Hrs**.

After creating the Attendance Voucher, you can change any attendance value for a particular employee, if required, in the Voucher Alteration mode.

### 22.3.2 Payroll Vouchers

A payroll voucher is used to record all employee-related transactions. It enables you to compute all the values for the respective Pay Heads (Earnings and Deductions).

The calculations are made on the basis of the definitions specified in the pay head masters, pay structure and attendance entries. In Tally.ERP 9, you can pass payroll vouchers manually for individual employee as well as for the entire group/ organisation by using the Auto Fill facility (**Alt+A**).

In Tally.ERP 9, the disbursement of salaries can be effected in any of the following modes.

- **Direct Remittance** – in cash or by cheque
- **Bank Transfer** – a direct transfer is made to an employee’s bank account and the list of disbursement is printed separately.

### I. Cash (or Direct) Remittance

#### Example 2:

*On 30th April, 2009, Indus Solutions Pvt. Ltd., processes Payroll for all the employees and entitled the following employees for Variable Pay.*

Particulars	Rohit Roy	Preeti Sinha	Atul Sharma	Ramesh Arora
Variable Pay	1500	-	1000	-

Go to **Gateway of Tally > Payroll Vouchers**

1. Press **Ctrl+F4** for **Payroll Voucher**
2. Press **F2**, specify the date as **30-4-2009** and press **Enter**
3. Press **Alt+A** (Payroll Auto Fill) to prefill employee payroll details
4. In the **Employee Filters** screen,
  - Select **Salary** in the **Process for** field

Employee Filters		Process List
Process for	: <b>Salary</b>	ESI Contribution
From (blank for beginning)	: 14-2009	PF Contribution
To (blank for end)	: 30-4-2009	<b>Salary</b>
Cost Category	: Primary Cost Category	
Employee/Group	: [ All Items	
Payroll Ledger	:	

Figure 22.62 Payroll Autofill with Process List



*In Tally.ERP 9, the following processes are preset for faster processing of Payroll :*

- **Salary** : This process is used for processing salaries for a specified period wherein Salaries are disbursed through Cash or a bank transfer.
- **ESI Contribution** : This process is used for processing Employer’s contributions towards ESI for a specified period.
- **PF Contribution** : This process is used for processing Employer’s Provident Fund (PF) contributions for a specified period.

- Specify **1-4-2009** in the **From** field
- Specify **30-4-2009** in the **To** field

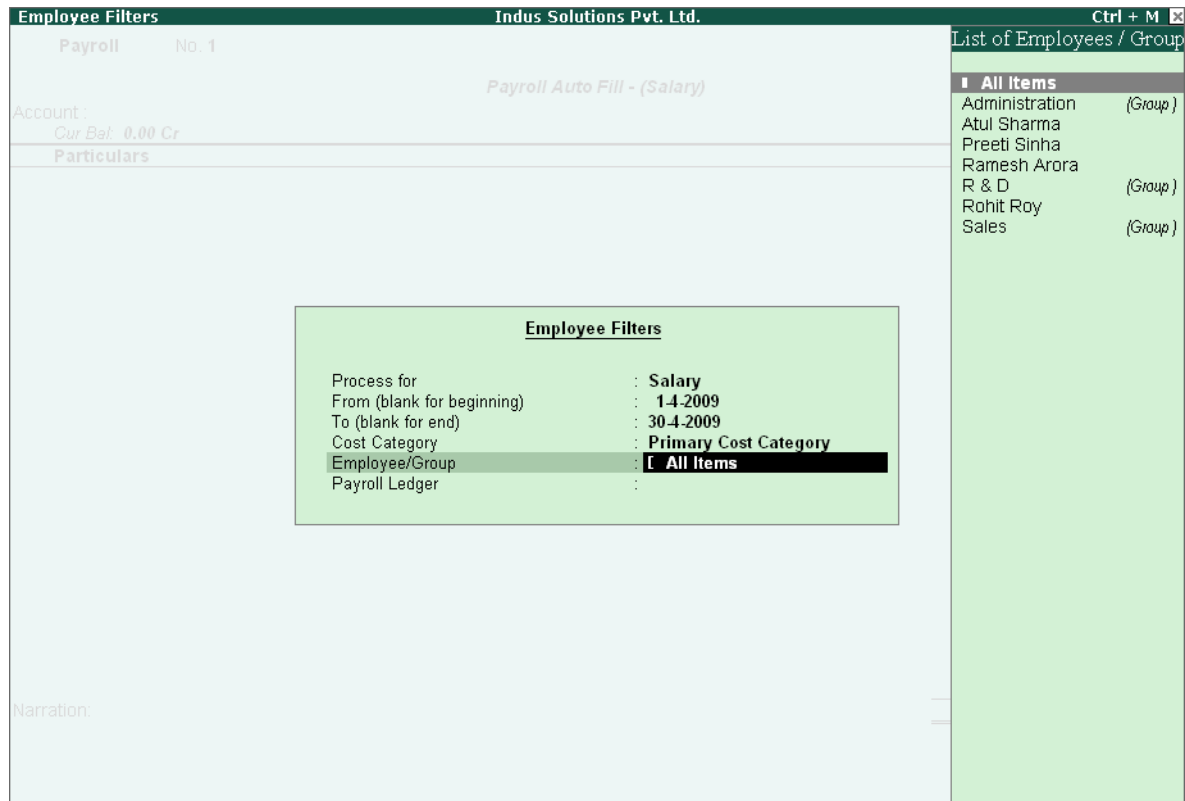


Figure 22.63 Payroll Autofill with List of Employees

- Select **All Items** as **Employee/Group**

The completed **Employee Filters** screen is displayed as shown:

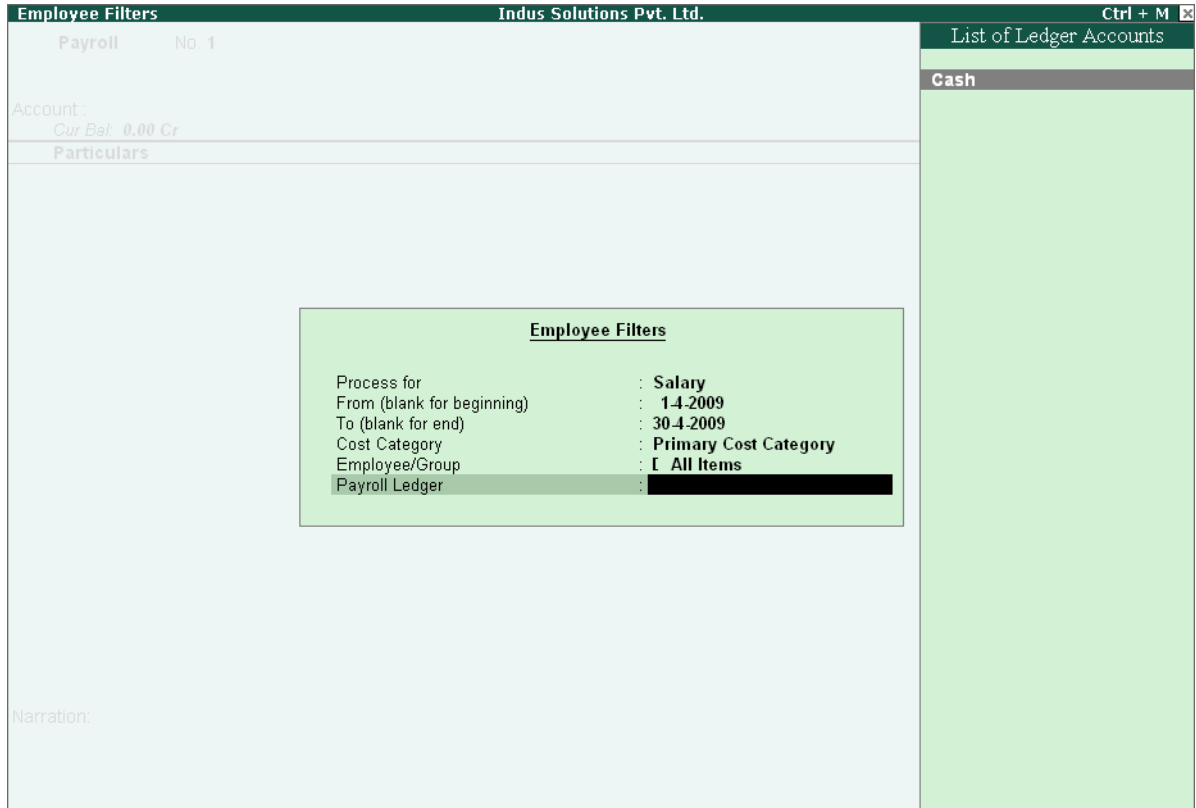


Figure 22.64 Payroll Autofill with payment Ledger list

- Select **Cash** in the **Payroll Ledger** field
- Press **Enter** to accept the screen (the **Cash** ledger is prefilled in the **Account** field)

All the pay values are calculated for the applicable pay heads for each employee grouped under the selected group.

The **Payroll Voucher Creation** screen is displayed as shown:

Payroll Voucher Creation		Indus Solutions Pvt. Ltd.		Ctrl + M
<b>Payroll</b> No. 1				30-Apr-2009 Thursday
Account: <b>Cash</b>		Payroll Auto Fill - (Salary)		
Cur Bal: <b>0.00 Cr</b>				
Particulars				Amount
<b>Primary Cost Category</b>				<b>62,907.00 Dr</b>
<b>Atul Sharma</b>				<b>23,059.00 Dr</b>
Basic Pay	15,385.00 Dr	Cur Bal: 55,385.00 Dr		
House Rent Allowance	6,154.00 Dr	Cur Bal: 22,154.00 Dr		
Conveyance	2,500.00 Dr	Cur Bal: 7,500.00 Dr		
Variable Pay		Dr Cur Bal: 0.00 Dr		
Professional Tax	200.00 Cr	Cur Bal: 400.00 Cr		
Employee's ESI Contribution @ 1.75%		Cr Cur Bal: 0.00 Cr		
Employee's PF Contribution @ 12%	780.00 Cr	Cur Bal: 1,560.00 Cr		
<b>Preeti Sinha</b>				<b>10,701.00 Dr</b>
Basic Pay	8,308.00 Dr	Cur Bal: 28,616.00 Dr		
House Rent Allowance	3,323.00 Dr	Cur Bal: 11,446.00 Dr		
Variable Pay		Dr Cur Bal:		
Professional Tax	150.00 Cr	Cur Bal: 350.00 Cr		
Employee's ESI Contribution @ 1.75%		Cr Cur Bal: 0.00 Cr		
Employee's PF Contribution @ 12%	780.00 Cr	Cur Bal: 1,560.00 Cr		
<b>Ramesh Arora</b>				<b>19,297.00 Dr</b>
Basic Pay	15,231.00 Dr	Cur Bal: 43,615.00 Dr		
House Rent Allowance	3,046.00 Dr	Cur Bal: 8,723.00 Dr		
Conveyance	2,000.00 Dr	Cur Bal: 6,000.00 Dr		
Overtime Pay		Dr Cur Bal: 1,800.00 Dr		
				<b>13 more ... ↓</b>
Narration:				<b>62,907.00 Dr</b>
Pay Period : 1-Apr-2009 to 30-Apr-2009				

Figure 22.65 Payroll Voucher Creation

5. Press **Enter** and specify the pay values for the pay heads defined as user-definable values against each employee (in this case, define the **Variable Pay**)
  - Specify **1000** as **Variable Pay** for **Atul Sharma**

Payroll Voucher Creation		Indus Solutions Pvt. Ltd.		Ctrl + M
<b>Payroll</b> No. 1				30-Apr-2009 Thursday
Account: <b>Cash</b>		Payroll Auto Fill - (Salary)		
Cur Bal: 0.00 Cr				
Particulars				Amount
↑ ... 9 more				
<b>Preeti Sinha</b>				
Basic Pay	8,308.00	Dr	Cur Bal: 28,616.00	10,701.00 Dr
House Rent Allowance	3,323.00	Dr	Cur Bal: 11,446.00	
Variable Pay			Dr Cur Bal:	
Professional Tax	150.00	Cr	Cur Bal: 350.00	
Employee's ESI Contribution @ 1.75%			Cr Cur Bal: 0.00	
Employee's PF Contribution @ 12%	780.00	Cr	Cur Bal: 1,560.00	
<b>Ramesh Arora</b>				19,297.00 Dr
Basic Pay	15,231.00	Dr	Cur Bal: 43,615.00	
House Rent Allowance	3,046.00	Dr	Cur Bal: 8,723.00	
Conveyance	2,000.00	Dr	Cur Bal: 6,000.00	
Overtime Pay			Dr Cur Bal: 1,800.00	
Variable Pay			Dr Cur Bal: 1,200.00	
Professional Tax	200.00	Cr	Cur Bal: 400.00	
Employee's ESI Contribution @ 1.75%			Cr Cur Bal: 0.00	
Employee's PF Contribution @ 12%	780.00	Cr	Cur Bal: 1,560.00	
<b>Rohit Roy</b>				9,850.00 Dr
Basic Pay	7,000.00	Dr	Cur Bal: 20,731.00	
House Rent Allowance	2,800.00	Dr	Cur Bal: 8,292.00	
Conveyance	500.00	Dr	Cur Bal: 1,500.00	
Overtime Pay	480.00	Dr	Cur Bal: 560.00	
Variable Pay	1500	Dr	Cur Bal: 500.00	
				3 more ... ↓
Narration:				63,907.00 Dr
Pay Period : 1-Apr-2009 to 30-Apr-2009				

Figure 22.66 Payroll Voucher - adding Variable pay

- Similarly, specify **1500** as **Variable Pay** for **Rohit Roy** and press **Enter**

The completed **Payroll Voucher Creation** screen is displayed as shown:

Payroll Voucher Creation		Indus Solutions Pvt. Ltd.		Ctrl + M
<b>Payroll</b>	No. 1			30-Apr-2009 Thursday
<i>Payroll Auto Fill - (Salary)</i>				
Account : <b>Cash</b> Cur Bal: 0.00 Cr				
Particulars				Amount
↑ ... 12 more				
Variable Pay		Dr	Cur Bal:	
Professional Tax	150.00	Cr	Cur Bal: 350.00	Cr
Employee's ESI Contribution @ 1.75%		Cr	Cur Bal: 0.00	Cr
Employee's PF Contribution @ 12%	780.00	Cr	Cur Bal: 1,560.00	Cr
<b>Ramesh Arora</b>				<u>19,297.00</u> Dr
Basic Pay	15,231.00	Dr	Cur Bal: 43,615.00	Dr
House Rent Allowance	3,046.00	Dr	Cur Bal: 8,723.00	Dr
Conveyance	2,000.00	Dr	Cur Bal: 6,000.00	Dr
Overtime Pay		Dr	Cur Bal: 1,800.00	Dr
Variable Pay		Dr	Cur Bal: 1,200.00	Dr
Professional Tax	200.00	Cr	Cur Bal: 400.00	Cr
Employee's ESI Contribution @ 1.75%		Cr	Cur Bal: 0.00	Cr
Employee's PF Contribution @ 12%	780.00	Cr	Cur Bal: 1,560.00	Cr
<b>Rohit Roy</b>				<u>11,350.00</u> Dr
Basic Pay	7,000.00	Dr	Cur Bal: 20,731.00	Dr
House Rent Allowance	2,800.00	Dr	Cur Bal: 8,292.00	Dr
Conveyance	500.00	Dr	Cur Bal: 1,500.00	Dr
Overtime Pay	480.00	Dr	Cur Bal: 560.00	Dr
Variable Pay	1,500.00	Dr	Cur Bal: 2,000.00	Dr
Professional Tax	150.00	Cr	Cur Bal: 300.00	Cr
Employee's PF Contribution @ 12%	780.00	Cr	Cur Bal: 1,560.00	Cr
Narration:				<u>65,107.00</u> Dr
Pay Period : 1-Apr-2009 to 30-Apr-2009				Accept ?
				Yes or No

Figure 22.67 Completed Payroll Voucher

6. Press **Enter** to accept



Press **Alt+S** to pass the above voucher in the Voucher mode.

## II. Bank Transfer

Bank transfer refers to disbursement of Salaries directly into the Employee Bank Accounts by intimating the Bank through Payment advice. Tally.ERP 9 facilitates processing salaries through Bank transfer with the help of predefined Salary process.

### Example 3:

**On 31st May, 2009 Indus Solutions Pvt. Ltd., disbursed Salaries payable for the month of May 2009 through Bank Transfer. The attendance records displayed the following details :**



:

Attendance/Production Types	Rohit Roy	Preeti Sinha	Atul Sharma	Ramesh Arora
Present Days	25	20	26	21
Overtime Hours	-			120 Min (2hr x 60min)

*On 31st May 2009, Indus Solutions Pvt. Ltd., processes Payroll for all the employees and entitled the following employees for Variable Pay.*

Particulars	Rohit Roy	Preeti Sinha	Atul Sharma	Ramesh Arora
Variable Pay	500		-	1200

**Step 1 : Create Attendance Voucher**

Create Attendance Vouchers for **Present days** and **Overtime hours** for May 2009 as per the details given in the above table.

The completed **Attendance Voucher for Present days** is displayed as shown:

Attendance Voucher Creation		Indus Solutions Pvt. Ltd.		Ctrl + M
<b>Attendance</b> No. 3				31-May-2009 Sunday
Employee Name	Attendance/Production Type		Value	Unit
Rohit Roy	Present	<i>Cur Bal: 51 Days</i>	25	Days
Preeti Sinha	Present	<i>Cur Bal: 38 Days</i>	20	Days
Atul Sharma	Present	<i>Cur Bal: 46 Days</i>	26	Days
Ramesh Arora	Present	<i>Cur Bal: 43 Days</i>	21	Days
Narration:				
				Accept ? Yes or No

Figure 22.68 Attendance Voucher for Present days

- Press **Enter** to accept

In the same way, create an Attendance Voucher for **Overtime Hours**.

The completed **Attendance Voucher for Overtime Hours** is displayed as shown:

Attendance Voucher Creation		Indus Solutions Pvt. Ltd.		Ctrl + M
<b>Attendance</b> No. 4				31-May-2009 Sunday
Employee Name	Attendance/Production Type		Value	Unit
Ramesh Arora	Overtime	Cur Bal: 2- 0 Hrs	120	mins
Atul Sharma	Overtime	Cur Bal: 6- 0 Hrs		
Preeti Sinha	Overtime	Cur Bal: 0- 0 Hrs		
Rohit Roy	Overtime	Cur Bal: 12- 0 Hrs		
Narration:				
				Accept ? Yes or No

Figure 22.69 Attendance Voucher for Overtime Hours

- Press **Enter** to accept

**Step 2 : Create Salary Payable Ledger**

Before passing the Salary payment voucher, create the following ledger:

Ledger	Pay Head Type	Under
Salary Payable	Not Applicable	Current Liabilities

Go to **Gateway of Tally > Payroll Info. > Pay Heads > Create**

The completed **Salary Payable Ledger** creation screen is displayed as shown:

Pay Head Creation		Indus Solutions Pvt. Ltd.	
Name	: Salary Payable	Total Op. Bal.	
(alias)	:		
<p><u>Pay Head Info</u></p> Pay Head Type : <input type="checkbox"/> Not Applicable Under : <input type="checkbox"/> Current Liabilities		Accept ? Yes or No	
Opening Balance ( on 1-Apr-2009 ) :			

Figure 22.70 Salary Payable Ledger Creation

- Press **Enter** to accept

**Step 3 : Create Payroll Voucher**

Go to **Gateway of Tally > Payroll Vouchers**

1. Press **Ctrl+F4** for **Payroll Voucher**
2. Press **F2**, specify the date as **31-05-2009** and press **Enter**
3. Press **Alt+A** (Payroll Auto Fill) to prefill employee payroll details
4. In the **Employee Filters** screen,
  - Select **Salary** in the **Process for** field as shown

Employee Filters		Process List
Process for	: <b>Salary</b>	ESI Contribution
From (blank for beginning)	: 1-5-2009	PF Contribution
To (blank for end)	: 31-5-2009	<b>Salary</b>
Cost Category	: <b>Primary Cost Category</b>	
Employee/Group	: <input type="checkbox"/> All Items	
Payroll Ledger	:	

Figure 22.71 Payroll Autofill with List of Processes

- ❑ Specify **01-05-2009** in the **From** field
- ❑ Specify **31-05-2009** in the **To** field
- ❑ Select **All Items** as **Employee/Group**
- ❑ Select **Salary Payable** in the **Payroll Ledger** field as shown

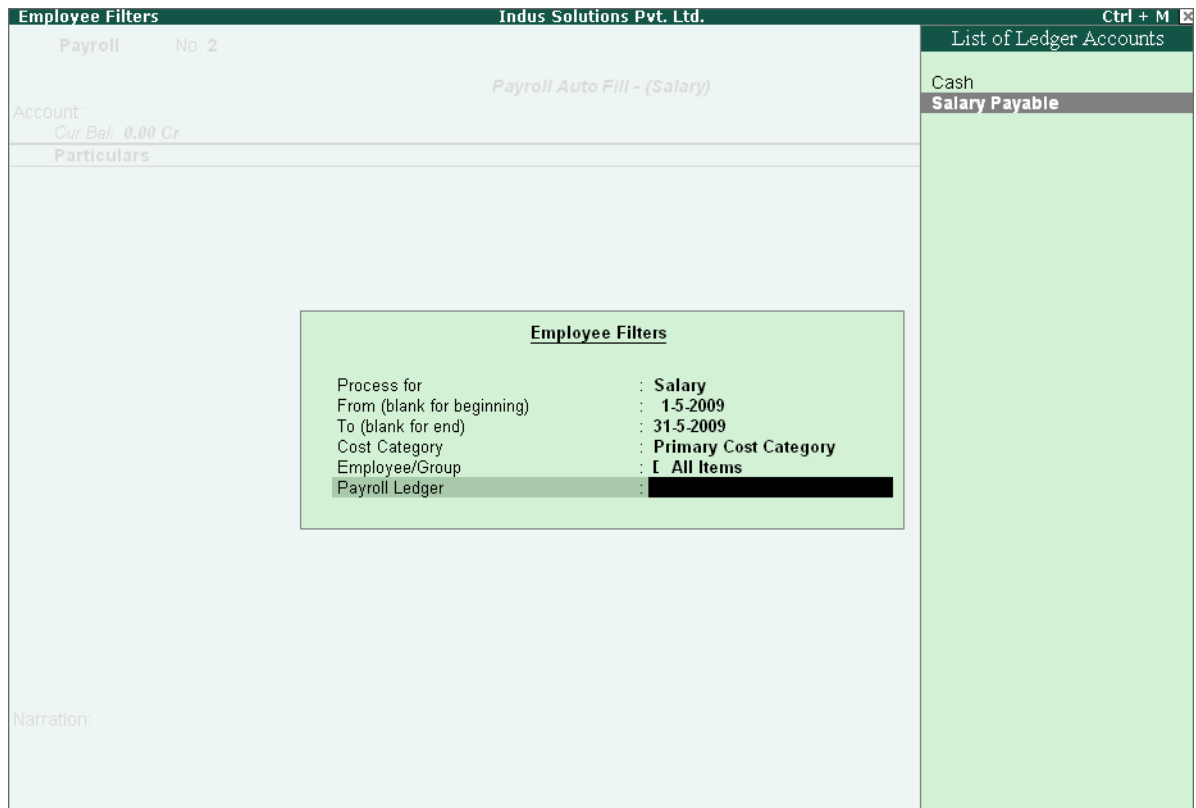


Figure 22.72 Payroll Autofill - List of Ledger Accounts

5. Press **Enter** (All the pay values are calculated for the applicable pay heads for each employee grouped under the selected group).
6. Press **Enter** and specify the pay values for the pay heads defined as user-definable values against each employee
  - ❑ Specify **1200** as **Variable Pay** for **Ramesh Arora**
  - ❑ Specify **500** as **Variable Pay** for **Rohit Roy**

The completed **Payroll Voucher** for the month of May 2009 is displayed as shown:

Payroll Voucher Creation		Indus Solutions Pvt. Ltd.		Ctrl + M
<b>Payroll</b>	No. 3			31-May-2009 Sunday
Account : <b>Salary Payable</b> Cur Bal: 0.00 Cr				Payroll Auto Fill - (Salary)
Particulars				Amount
↑ ... 7 more				
<b>Preeti Sinha</b>				
Basic Pay	9,231.00	Dr	Cur Bal: 28,616.00	Dr
House Rent Allowance	3,692.00	Dr	Cur Bal: 11,446.00	Dr
Employee's PF Contribution @ 12%	780.00	Cr	Cur Bal: 1,560.00	Cr
Professional Tax	150.00	Cr	Cur Bal: 350.00	Cr
				<u>11,993.00 Dr</u>
<b>Ramesh Arora</b>				
Basic Pay	14,538.00	Dr	Cur Bal: 43,615.00	Dr
House Rent Allowance	2,908.00	Dr	Cur Bal: 8,723.00	Dr
Conveyance	2,000.00	Dr	Cur Bal: 6,000.00	Dr
Overtime Pay	300.00	Dr	Cur Bal: 1,800.00	Dr
Variable Pay	1,200.00	Dr	Cur Bal: 1,200.00	Dr
Professional Tax	200.00	Cr	Cur Bal: 400.00	Cr
Employee's PF Contribution @ 12%	780.00	Cr	Cur Bal: 1,560.00	Cr
				<u>19,966.00 Dr</u>
<b>Rohit Roy</b>				
Basic Pay	6,731.00	Dr	Cur Bal: 20,731.00	Dr
House Rent Allowance	2,692.00	Dr	Cur Bal: 8,292.00	Dr
Conveyance	500.00	Dr	Cur Bal: 1,500.00	Dr
Variable Pay	500.00	Dr	Cur Bal: 2,000.00	Dr
Professional Tax	150.00	Cr	Cur Bal: 300.00	Cr
Employee's PF Contribution @ 12%	780.00	Cr	Cur Bal: 1,560.00	Cr
				<u>9,493.00 Dr</u>
Narration: Pay Period : 1-May-2009 to 31-May-2009				<u>70,979.00 Dr</u>
				Accept ? Yes or No

Figure 22.73 Completed Payroll Voucher

7. Press **Enter** to accept

After passing the above entry, the salaries payable for the month of May 2009 are transferred to the Salary Payable Ledger, at the time of payment of salaries, the amount is reversed.

**22.3.3 Payment of Salaries (Salary Disbursement)**

In Tally.ERP 9, Payment voucher can be used to effect salary disbursement to employees. The payment voucher for the salaries payable may be passed through regular payment voucher or automated using the preset Salary Payment process available in Tally.ERP 9 for error free data input during Payroll Payment entry with the help of Auto Fill facility.

**Example 4:**

*On 31st May 2009, Indus Solutions Pvt. Ltd., paid the salaries due for the month of May 2009.*

Before passing the payment voucher, necessary Bank Accounts should be created. To make the Salary payment, follow the steps given below:

Go to **Gateway of Tally > Accounting Vouchers**

1. Press **F5** for **Payment Voucher**
2. Press **F2**, specify the date as **31-05-2009** and press **Enter**
3. Press **Alt+A** (Payroll Auto Fill) to prefill employee payroll details
4. In the **Employee Filters** screen,
  - Select **Salary Payment** in the **Process for** field as shown.

Employee Filters		Process List
Process for	: <b>Salary Payment</b>	ESI Challan
From (blank for beginning)	: <b>1-5-2009</b>	PF Challan
To (blank for end)	: <b>31-5-2009</b>	Professional Tax Payment
Voucher Date	:	<b>Salary Payment</b>
Cost Category	: <b>Primary Cost Category</b>	
Employee/Group	: <b>[ All Items</b>	
Bank / Cash Ledger	:	
Payroll Ledger	:	

Figure 22.74 Disburse Employee Filters - Payment Process Selection

- Specify **01-05-2009** as **From** period
- Specify **31-05-2009** as **To** period
- Select **All Items** in the **Employee/Group** field
- Select **HDFC Bank** in the **Bank / Cash Ledger** field as shown.
- Select **Salary Payable** in the **Payroll Ledger** field

The completed **Employee Filters** screen displays as shown.

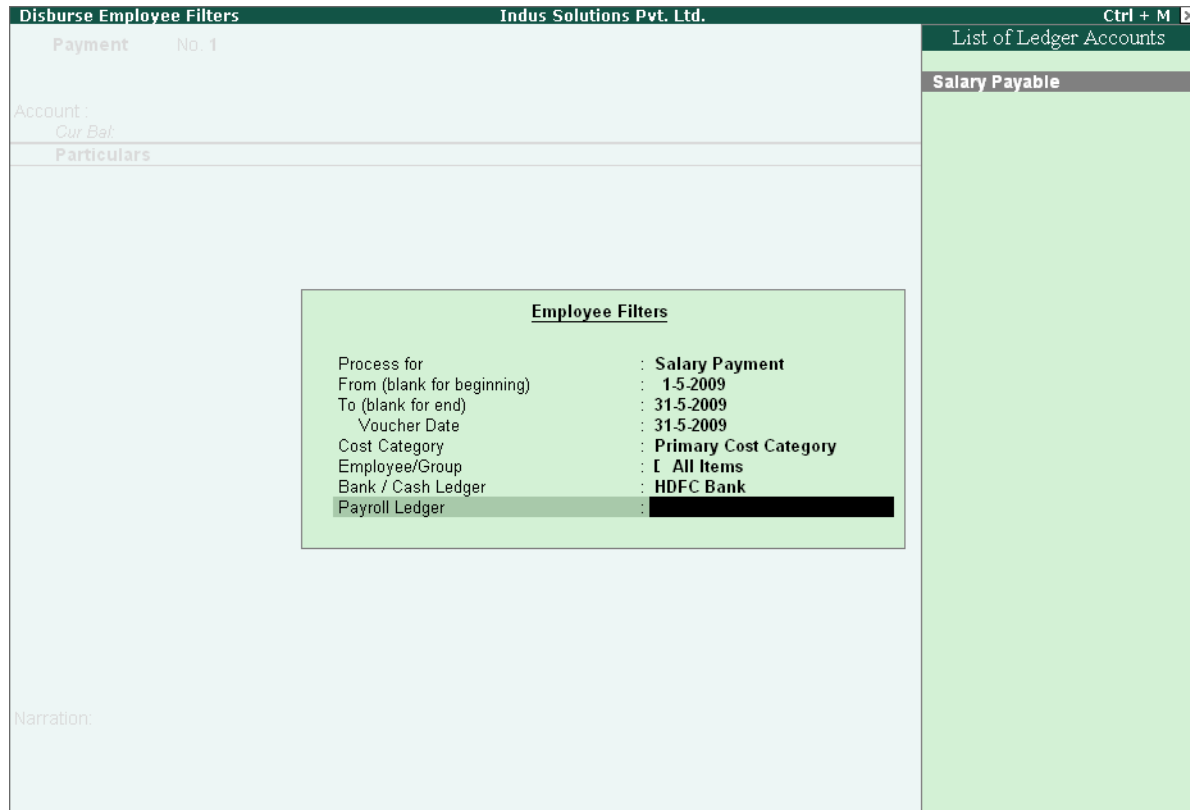


Figure 22.75 Disburse Employee Filters screen

5. Press **Enter** and the employee payroll details appear by default.
6. Enter the details of the transactions in the **Narration** field

The completed **Payroll Payment Entry** screen is displayed as shown.



Accounting Voucher Creation		Indus Solutions Pvt. Ltd.	Ctrl + M
<b>Payment</b> No. 1			31-May-2009 Sunday
<i>Payroll Auto Fill - (Salary Payment)</i>			
Account: <b>HDFC Bank</b> Cur Bal: 70,972.00 Dr			
Particulars			Amount
<b>Salary Payable</b>			70,972.00
Cur Bal: 0.00 Dr			
<b>Primary Cost Category</b>			
Atul Sharma	29,520.00	Dr	
Preeti Sinha	11,993.00	Dr	
Ramesh Arora	19,966.00	Dr	
Rohit Roy	9,493.00	Dr	
Narration: Ch. No. : 711255, HDFC Bank for Salaries for May 2009			70,972.00
			<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>Accept ?</b>                      Yes or No                 </div>

Figure 22.76 Payment Voucher

7. Press **Enter** to accept

If a partial payment of salaries is made to a particular group of employees, then generate a separate payroll voucher for their payables and pass a separate payment entry based on the settlement. However, Tally.ERP 9 also allows you to modify the payment amount to the Employees. The unpaid salary will remain as outstanding in the Salary payable account and can be auto-filled in the payment voucher as and when the actual payments are made.



- ❑ *If any cash disbursements are made prior to the payment voucher entry, after using the **Auto-Fill** facility, select the unpaid salaries and enter zero (0) in the amount payable.*
- ❑ *If salaries are disbursed by cheque, select individual employee in the **Auto Fill Employee Filter** and print the cheque for the payment voucher. In such cases, a separate payroll payment entries for each employee has to be made.*

## 22.4 Accounting for Employer PF Contributions

The Employees' Provident Funds and Miscellaneous Provisions Act is a social security legislation which administers provident fund, family pension and insurance to employees. The Act covers three schemes namely, PF (Provident Fund scheme), EPS (Employees' Pension Fund Scheme), EDLI (Employees Deposit Linked Insurance scheme).

Under the Employees' Provident Fund scheme, both the employees and employer contribute to the fund at the rate of 12% of the basic wages, dearness allowance, cash value of food concession and retaining allowance (if any), payable to employees per month. The rate of contribution is 10% in the case of following establishments:

- ❑ Any covered establishment with less than 20 employees
- ❑ Any sick industrial company as specified in the relevant section of Sick Industrial Companies (Special Provisions) Act, 1985 and which has been declared as such by the Board for Industrial and Financial Reconstruction
- ❑ Any establishment which has at the end of any financial year accumulated losses equal to or exceeding its entire net worth and
- ❑ Any establishment engaged in manufacturing of (a) jute (b) Breed (d) coir and (e) Guar gum Industries/ Factories.

The Contribution payable by the Employer is not allowed to be deducted from the wages of the employee. However, the employer has to deduct employee's share from their Salaries and pay the same in EPF scheme. The deduction can be only from the wages pertaining to a period for which contribution is paid. However, if there is an accidental omission, the amount can be recovered later.

Out of employer's contribution of 12% or 10%, the Employer's contribution of 8.33% is diverted to Employees' Pension Scheme and the balance is retained in the EPF scheme. On retirement, the employee gets his full share plus the balance of Employer's share retained to his credit in EPF account.

Once an establishment is covered under PF, all its departments and branches wherever they are situated are also covered.

### **i. Employees' Pension Scheme :**

As discussed above, the employer's contribution of 8.33% is diverted to the fund of Pension Scheme and the balance 3.67% (1.67%, if the contribution is 10%) is credited in employee's name in Provident Fund account. The contribution of 8.33% is on maximum salary of Rs. 6,500. However, if the some employers are paying contribution on salary in excess of Rs. 6,500, the excess contribution will be credited to Provident Fund account and not to Pension scheme.

### **Benefits under the Scheme**

Members will get pension on superannuation or retirement from service and upon disablement during employment. Family pension will be available to widow/widower for life or till he/she remarries. In addition, children will be entitled to pension, upto 25 years of their age. In case of orphans, pension at enhanced rate is available upon death of widow/widower or ceasing payment of widow

pension. Benefit of pension to children or orphan is only restricted for two children/orphans. If the person is unmarried or has no family, pension is available to nominee for a specified period.

## **ii. Employees Deposit Linked Insurance Scheme :**

The purpose of the scheme is to provide life insurance benefits to employees who are already covered under PF/EPF. The employer has to pay contribution equal to 0.50% of the total wages of employees. In addition, administrative charges of 0.1% of total wages. The employee does not have to contribute any amount to the scheme. The salary limit for coverage of employees is same as that of Provident Fund.

### ***Benefit to nominee of employee***

In case of death of an employee during employment, his nominee or family member gets an amount equal to average balance in the Provident Fund Account of the deceased employee during last 12 months.

As discussed earlier, the statutory features viz., EPF & ESI etc., are required to be configured in **F11: Statutory & Taxation** Features. In this section, we will discuss, recording of transactions related to computation and contribution of Provident Fund.

### **Example 5:**

***On 30th April, 2009 M/s. Indus Solutions Pvt. Ltd., processed Provident Fund contributions for the month of April 2009 and paid the amount in full to EPFO.***

### ***The same is accounted as shown :***

In Tally.ERP 9, follow the steps given below to process Employer contribution towards Provident Fund:

- ❑ Create Employer PF Contribution Masters
- ❑ Alter/Modify Salary Details
- ❑ Processing Employer PF Contribution
- ❑ Processing PF Admin Expenses
- ❑ Payment of Provident Fund

## **22.4.1 Creating Employer PF Contribution Masters**

In Tally.ERP 9, Employer contribution towards Employees' Pension Fund (Employees' Pension Scheme), Provident Fund, Admin Charges and other PF related ledgers are required to be created separately for appropriate Accounting and reporting. Create the following ledgers in Tally.ERP 9,

1. Employer Contributions Pay Head
2. Employer PF Admin Charges

3. PF Payable Ledger
4. PF Admin Expenses Ledger

### I. Employer Contributions Pay Head

Pay Head Name	Pay Head Type	Statutory Pay Type	Under	Affect Net Salary	Calculation Type
Employer EPS @ 8.33%	Employer's Statutory Contributions	EPS Account (A/c No.10)	Indirect Expenses	No	As computed value
Employer EPF @ 3.67%	Employer's Statutory Contributions	PF Account (A/c No.1)	Indirect Expenses	No	As computed value

#### *i. Employer Contribution EPS @ 8.33% Pay Head Creation*

Go to **Gateway of Tally > Payroll Info. > PayHeads > Create**

In the **Pay Heads** Creation screen,

1. Type **Employer EPS @ 8.33%** as the **Name** of the Pay Head
2. Select **Employer's Statutory Contributions** in the field **Pay Head Type**
3. In **Statutory Pay Type** field, select **EPS Account (A/c No. 10)** as shown

Pay Head Creation		Indus Solutions Pvt. Ltd.		Total Op. Bal.
Name	: Employer EPS @ 8.33%			
(alias)	:			
<b>Pay Head Info</b>		<b>Employer's Statutory Contributions</b>		
Pay Head Type	: Employer's Statutory Contributions	Employee State Insurance		
Statutory Pay Type	: EPS Account (A/c No. 10)	EPS Account (A/c No. 10)		
Under	: Direct Expenses		Slab Type	Value Basis
Affect Net Salary	? No			
Calculation Type	: As Computed Value	PF Account (A/c No. 1)		
Calculation Period	: Months			
<b>Rounding Info</b>				
Rounding Method	: I Not Applicable			
Opening Balance (on 1-Apr-2009) :				

Figure 22.77 Employer EPS @ 8.33% Pay Head Creation

4. Specify the **Group** as **Indirect Expenses** in the **Under** field and press **Enter**
5. Set **Affect Net Salary** to **No**
6. The **Calculation Type** is defaulted automatically as **As Computed Value** and **Calculation Period** as **Months**
7. Select **Normal Rounding** as the **Rounding Method** and **1** as the rounding **Limit** and press **Enter**
8. In the **Computation Info** section,
  - Select **On Specified Formula** in the **Compute** field
  - Press **Enter**, the **Compute** subscreen appears
  - In the **Compute** Sub screen,
    - Select **Basic Pay** as the **Add Pay Head** function from the **list of Pay Heads** as shown.

Compute : On Specified Formula		Indus Solutions Pvt. Ltd.		Ctrl + M	
Name : Employer EPS @ 8.33%				List of Pay Heads	
(alias) :				<b>Basic Pay</b> Conveyance Employee's ESI Contribution @ 1.75% Employee's PF Contribution @ 12% Gratuity Expenses (Provisional) House Rent Allowance Overtime Pay Professional Tax Variable Pay	
Compute : On Specified Formula		Compute : On Specified Formula		Computation Info	
Function	Pay Head	Specified Formula : Basic Pay			
Add Pay Head	Basic Pay	Effective From	From Amount	Amount Upto	Slab Type
		1-Apr-2009			

Figure 22.78 Compute Subscreen

- Select **End of List**

- Specify **1-4-2009** as the **Effective From** date
- Specify **6500** in the **Amount Upto** column
- Select **Percentage** as the **Slab Type** from the **List of Slabs** and specify **8.33%** in the **Value Basis** field and press **Enter**
- The **From Amount** is prefilled as **6500**, press **Enter** to skip the **Amount Upto** field
- Select **Value** as the **Slab Type** from the **List of Slabs**
- Specify **541** in the **Value Basis** field and press **Enter**

The completed **Employer EPS @ 8.33% Pay Head Creation** screen is displayed as shown:

Pay Head Creation		Indus Solutions Pvt. Ltd.				
Name : <b>Employer EPS @ 8.33%</b>						Total Op. Bal.
(alias) :						
<b>Pay Head Info</b>			<b>Computation Info</b>			
Pay Head Type : <b>Employer's Statutory Contributions</b>			Compute : <b>On Specified Formula</b>			
Statutory Pay Type : <b>EPS Account (A/c No. 10)</b>			Specified Formula : <i>Basic Pay</i>			
Under : <b>Indirect Expenses</b>			<b>Effective From</b>	<b>From Amount</b>	<b>Amount Upto</b>	<b>Slab Type</b>
Affect Net Salary : <b>? No</b>			1-Apr-2009		6,500.00	Percentage Value
Calculation Type : <b>As Computed Value</b>						8.33 %
Calculation Period : <b>Months</b>						541
<b>Rounding Info</b>						
Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b>						
Opening Balance ( on 1-Apr-2009 ) :						<b>Accept ?</b>
						<b>Yes or No</b>

Figure 22.79 Completed Employer EPS Pay Head Creation Screen

15. Press **Enter** to accept

**ii. Employer Contribution EPF @ 3.67% Pay Head**

Go to **Gateway of Tally > Payroll Info > PayHeads > Create**

In the **Pay Heads** Creation screen,

1. Type **Employer EPF @ 3.67%** as the **Name** of the Pay Head
2. Select **Employer's Statutory Contributions** in the field **Pay Head Type**
3. In **Statutory Pay Type** filed select **PF Account (A/c No. 1)**

The Pay Head Creation screen appears as shown:

Pay Head Creation		Indus Solutions Pvt. Ltd.		Total Op. Bal.
Name	: Employer EPF @ 3.67%			
(alias)	:			
<b>Pay Head Info</b>		<b>Employer's Statutory Contributions</b>		<b>to</b>
Pay Head Type	: Employer's Statutory Contributions			<b>to</b>
Statutory Pay Type	: PF Account (A/c No. 1)	Employee State Insurance		<b>to</b>
Under	: Direct Expenses	EPS Account (A/c No. 10)		<b>to</b>
		PF Account (A/c No. 1)		<b>to</b>
Affect Net Salary	? No			
Calculation Type	: As Computed Value			
Calculation Period	: Months			
<b>Rounding Info</b>				
Rounding Method	: <input type="checkbox"/> Not Applicable			
Opening Balance ( on 1-Apr-2009 ) :				

Figure 22.80 Employer EPF @ 3.67% Pay Head Creation

4. Specify the **group** as **Indirect Expenses** in the **Under** field and press **Enter**
5. Set **Affect Net Salary** to **No**
6. The **Calculation Type** is defaulted automatically as **As Computed Value** and **Calculation Period** as **Months**
7. Select **Normal Rounding** as the **Rounding Method** and **1** as the rounding **Limit** and press **Enter**
8. In the **Computation Info** section,
  - Select **On Specified Formula** in the **Compute** field
  - Press **Enter** and the **Compute On** subscreen displays
  - In the **Compute** sub-screen,
    - Select **Employee's PF Contribution @ 12%** from the **List of Pay Heads** as the **Add Pay Head** function and press **Enter**
    - Select **Subtract Pay Head in Function** and under **Pay Head** select **Employer EPS @ 8.33%** from the **List of Pay Heads**.

The **Compute** sub-screen appears as shown:



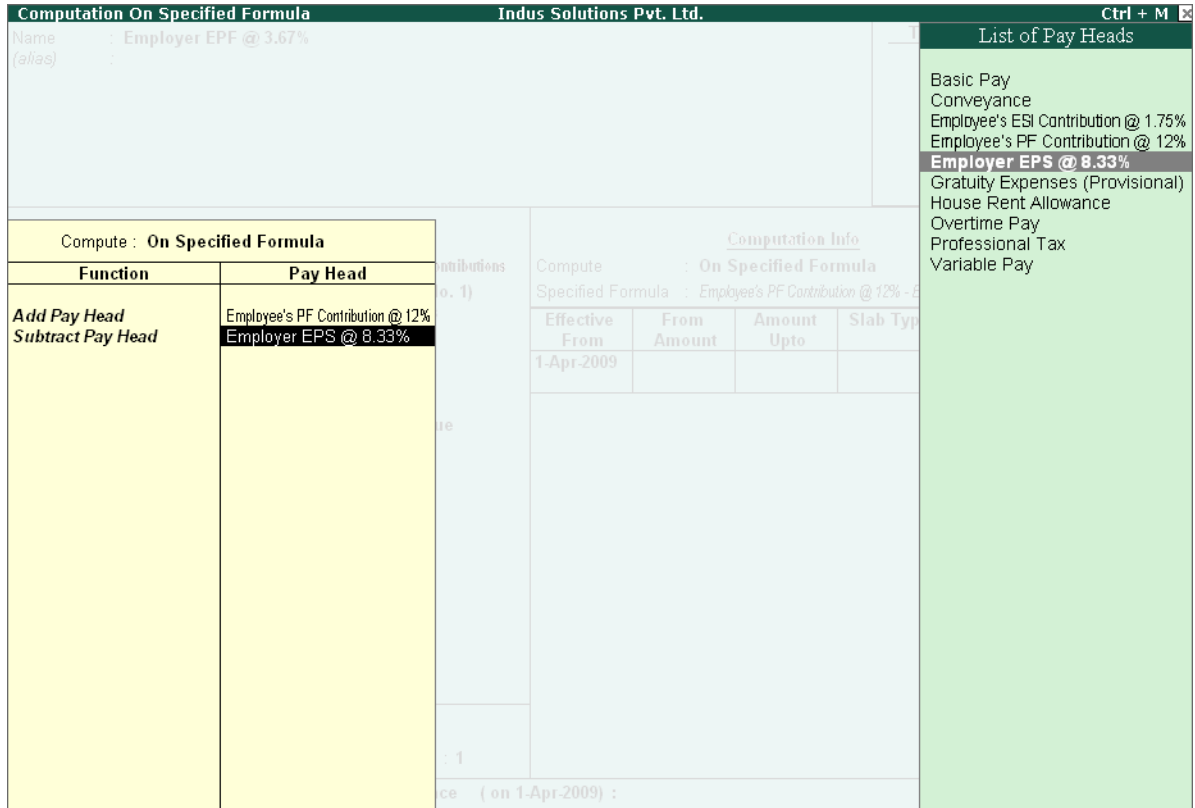


Figure 22.81 Compute Subscreen

- Select **End of List**
- Specify **1-4-2009** as the **Effective From** date
- Press **Enter** to skip the **Slab** fields
- Select **Percentage** as the **Slab Type** from the **List of Slabs**
- Specify **100%** in the **Value Basis** field and press **Enter**

The completed **Employer EPF @ 3.67% Pay Head Creation** screen is displayed as shown:

Pay Head Creation		Indus Solutions Pvt. Ltd.					
Name : <b>Employer EPF @ 3.67%</b> (alias) :					Total Op. Bal.		
<b>Pay Head Info</b> Pay Head Type : <b>Employer's Statutory Contributions</b> Statutory Pay Type : <b>PF Account (A/c No. 1)</b> Under : <b>Indirect Expenses</b>  Affect Net Salary : <b>? No</b>  Calculation Type : <b>As Computed Value</b> Calculation Period : <b>Months</b>			<b>Computation Info</b> Compute : <b>On Specified Formula</b> Specified Formula : <b>Employee's PF Contribution @ 12% - Employer EPS @ 8.33%</b>				
			Effective From	From Amount	Amount Upto	Slab Type	Value Basis
			1-Apr-2009			Percentage	100 %
<b>Rounding Info</b> Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b>							
Opening Balance ( on 1-Apr-2009 ) :						Accept ?	
						Yes or No	

Figure 22.82 Completed Employer EPF Pay Head Creation Screen

9. Press **Enter** to accept.



Alternatively, you can also define the criteria for computation of **Employer PF Contribution @ 3.67% Pay head**, by selecting **Basic Pay** in the **Compute** subscreen. and defining the percentage as **3.67%**.

## II. Employer PF Admin Charges

Pay Head Name	Pay Head Type	Statutory Pay Type	Under	Affect Net Salary	Calculation Type
PF Admin Charges @ 1.10%	Employer's Other Charges	Admin Charges (A/c No.2)	Current Liabilities	No	As computed value

Pay Head Name	Pay Head Type	Statutory Pay Type	Under	Affect Net Salary	Calculation Type
EDLI Contribution @ 0.5%	Employer's Other Charges	EDLI Contribution (A/c No.21)	Current Liabilities	No	As computed value
EDLI Admin Charges @ 0.01%	Employer's Other Charges	EDLI Admin Charges (A/c No.22)	Current Liabilities	No	As computed value

**i. PF Administrative Charges @ 1.10% Pay Head Creation**

Go to **Gateway of Tally > Payroll Info > PayHeads > Create**

In the **Pay Heads** Creation screen,

1. Type **PF Administrative Charges @ 1.10%** as the **Name** of the Pay Head
2. Select **Employer's Other Charges** in the field **Pay Head Type**
3. In **Statutory Pay Type** field, select **Admin Charges (A/c No. 2)** as shown

The screenshot shows the 'Pay Head Creation' window for 'Indus Solutions Pvt. Ltd.'. The 'Name' field contains 'PF Administrative Charges @ 1.10%'. The 'Pay Head Type' is set to 'Employer's Other Charges'. A dropdown menu is open for 'Statutory Pay Type', showing 'Admin Charges (A/c No. 2)' as the selected option, with other options being 'EDLI Admin Charges (A/c No. 22)' and 'EDLI Contribution (A/c No. 21)'. The 'Under' field is set to 'Direct Expenses', 'Affect Net Salary' is 'No', and 'Calculation Type' is 'As User Defined Value'. The 'Total Op. Bal.' field is empty. At the bottom, it shows 'Opening Balance (on 1-Apr-2009) :'. The background is light green.

Figure 22.83 PF Admin Charges Pay Head creation

4. Specify the group as **Current Liabilities** in the **Under** field and press **Enter**
5. Set **Affect Net Salary** to **No**
6. The **Calculation Type** is defaulted automatically as **As Computed Value** and **Calculation Period** as **Months**
7. The **Rounding Method** is defaulted to **Normal Rounding** and **1** defaulted as the rounding **Limit**
8. In the **Computation Info** section,
  - **On PF Gross** is selected automatically in the **Compute** field
  - Specify **1-4-2009** as the **Effective From** date
  - Specify **6500** in the **Amount Upto** column
  - Select **Percentage** as the **Slab Type** and specify **1.10%** in the **Value Basis** field and press **Enter**

The completed **PF Admin Charges @ 1.10% Pay Head Creation** screen is displayed as shown:

Pay Head Creation		Indus Solutions Pvt. Ltd.				
Name : PF Administrative Charges @ 1.10%						Total Op. Bal.
(alias) :						
<b>Pay Head Info</b>			<b>Computation Info</b>			
Pay Head Type	: Employer's Other Charges		Compute : On PF Gross			
Statutory Pay Type	: Admin Charges (A/c No. 2)		<b>Effective From</b>	<b>From Amount</b>	<b>Amount Upto</b>	<b>Slab Type</b>
Under	: Current Liabilities		1-Apr-2009		6,500.00	Percentage
Affect Net Salary	? No					1.10 %
Calculation Type	: As Computed Value					
Calculation Period	: Months					
<b>Rounding Info</b>						
Rounding Method	: Normal Rounding	Limit	: 1			
Opening Balance ( on 1-Apr-2009 ) :						<b>Accept ?</b>
						Yes or No

Figure 22.84 Completed Pay Head Creation - PF Admin Charges

9. Press **Enter** to accept

**ii. EDLI Contribution @ 0.5% Pay Head Creation**

Go to **Gateway of Tally > Payroll Info > PayHeads > Create**

In the **Pay Heads** Creation screen:

1. Type **EDLI Contribution @ 0.5%** as the **Name** of the Pay Head
2. Select **Employer's Other Charges** in the field **Pay Head Type**.
3. In **Statutory Pay Type** filed select **EDLI Contribution (A/c No. 21)** as shown.

Pay Head Creation		Indus Solutions Pvt. Ltd.	Total Op. Bal.
Name	: EDLI Contribution @ 0.5%		
(alias)	:		
<p><b>Pay Head Info</b></p> <p>Pay Head Type : <b>Employer's Other Charges</b></p> <p>Statutory Pay Type Under : <b>Direct Expenses</b></p> <p>Affect Net Salary : ? <b>No</b></p> <p>Calculation Type : <b>As User Defined Value</b></p>		<p><b>Employer's Other Charges</b></p> <p>Admin Charges (A/c No. 2)</p> <p>EDLI Admin Charges (A/c No. 22)</p> <p><b>EDLI Contribution (A/c No. 21)</b></p>	
Opening Balance ( on 1-Apr-2009 ) :			

Figure 22.85 EDLI Contribution Pay Head Creation

4. Specify the group as **Current Liabilities** in the field **Under** and press **Enter**
5. Set **Affect Net Salary** to **No**
6. In the **Computation Info** screen,
  - ❑ In the **Compute** field, **On PF Gross** is selected by default.
  - ❑ Specify **1-4-2009** as the **Effective From** date (In case of a revision in pay structure, you can define the revised computation information for the given pay head, by giving the effective from date)
  - ❑ The **From Amount** column is automatically skipped, assuming it to be zero. Enter **6500** in the **Amount Upto** column.
  - ❑ Select **Percentage** as the **Slab Type** from the **List of Slabs**
  - ❑ Specify **0.5%** in the **Value Basis** field and press **Enter**

The completed **EDLI Contribution @ 0.5% Pay Head Creation** screen is displayed as shown:

Pay Head Creation		Indus Solutions Pvt. Ltd.				Total Op. Bal.	
Name : EDLI Contribution @ 0.5%							
(alias) :							
<b>Pay Head Info</b>			<b>Computation Info</b>				
Pay Head Type	: Employer's Other Charges		Compute : On PF Gross				
Statutory Pay Type	: EDLI Contribution (A/c No. 21)		<b>Effective From</b>	<b>From Amount</b>	<b>Amount Upto</b>	<b>Slab Type</b>	<b>Value Basis</b>
Under	: Current Liabilities		1-Apr-2009		6,500.00	Percentage	0.50 %
Affect Net Salary	? No						
Calculation Type	: As Computed Value						
Calculation Period	: Months						
<b>Rounding Info</b>							
Rounding Method	: Normal Rounding	Limit	: 1				
Opening Balance ( on 1-Apr-2009) :						<b>Accept ?</b>	
						Yes or No	

Figure 22.86 Completed Pay Head for EDLI Contribution

7. Press **Enter** to accept and save the Pay Head

### iii. EDLI Administrative Charges @ 0.01% Pay Head Creation

Go to **Gateway of Tally > Payroll Info > PayHeads > Create**

In the **Pay Heads** Creation screen,

1. Type **EDLI Administrative Charges @ 0.01%** as the **Name** of the Pay Head
2. Select **Employer's Other Charges** in the field **Pay Head Type**
3. In **Statutory Pay Type** filed select **EDLI Admin Charges (A/c No. 22)**

The Pay Head Creation screen appears as shown:

Pay Head Creation		Indus Solutions Pvt. Ltd.	
Name	: EDLI Administrative Charges @ 0.01%	Total Op. Bal.	
(alias)	:		
<p><b>Pay Head Info</b></p> Pay Head Type : <b>Employer's Other Charges</b> Statutory Pay Type : <b>[Redacted]</b> Under : <b>Direct Expenses</b> Affect Net Salary : ? <b>No</b> Calculation Type : <b>As User Defined Value</b>		<p><b>Employer's Other Charges</b></p> Admin Charges (A/c No. 2) <b>EDLI Admin Charges (A/c No. 22)</b> EDLI Contribution (A/c No. 21)	
Opening Balance ( on 1-Apr-2009 ) :			

Figure 22.87 EDLI Admin Charges Pay Head Creation

4. Specify the group as **Current Liabilities** in the field **Under** and press **Enter**
5. Set **Affect Net Salary** to **No**
6. In the **Computation Info** screen,
  - ❑ **On PF Gross** is selected in the **Compute** field, by default
  - ❑ Specify **1-4-2009** as the **Effective From** date
  - ❑ The **From Amount** column is automatically skipped, assuming it to be zero. Enter **6500** in the **Amount Upto** column
  - ❑ Select **Percentage** as the **Slab Type** from the **List of Slabs**
  - ❑ Specify **0.01%** in the **Value Basis** field and press **Enter**

The completed **EDLI Administrative Charges @ 0.01% Pay Head Creation** screen is displayed as shown.

Pay Head Creation		Indus Solutions Pvt. Ltd.					
Name : EDLI Administrative Charges @ 0.01%						Total Op. Bal.	
(alias) :							
<b>Pay Head Info</b>			<b>Computation Info</b>				
Pay Head Type	: Employer's Other Charges		Compute : On PF Gross				
Statutory Pay Type	: EDLI Admin Charges (A/c No. 22)		Effective From	From Amount	Amount Upto	Slab Type	Value Basis
Minimum Rs 2/Employee	? No		1-Apr-2009		6,500.00	Percentage	0.01 %
Under	: Current Liabilities						
Affect Net Salary	? No						
Calculation Type	: As Computed Value						
Calculation Period	: Months						
<b>Rounding Info</b>							
Rounding Method	: Normal Rounding	Limit	: 1				Accept ?
Opening Balance ( on 1-Apr-2009 ) :						Yes or No	

Figure 22.88 Completed pay Head for EDLI Admin Charges

7. Press **Enter** to accept and save the Pay Head.

### III. PF Payable Ledger

To process the **Employer PF Contribution**, create **PF Payable** Ledger as explained below:

Ledger	Pay Head Type	Under
PF Payable	Not Applicable	Current Liabilities

Go to **Gateway of Tally > Payroll Info. > Payheads > Create**

1. Type **PF Payable** in the **Name** field
2. In the **Pay Head Type** field select **Not Applicable**
3. Specify the Group as **Current Liabilities** in the **Under** field and press **Enter**

The completed **PF Payable** Ledger creation screen is displayed as shown:



Pay Head Creation		Indus Solutions Pvt. Ltd.	
Name	: PF Payable	Total Op. Bal.	
(alias)	:		
Pay Head Info			
Pay Head Type	: I Not Applicable		
Under	: Current Liabilities		
Opening Balance ( on 1-Apr-2009 ) :		Accept ?	
		Yes or No	

Figure 22.89 Completed PF Payable Ledger Creation

4. Press **Enter** to accept.

#### IV. PF Admin Expenses Ledger

To process the Employer Other Charges (PF Admin, EDLI Contribution and EDLI Admin expenses), create PF Admin Expenses Ledger as explained below:

Ledger	Under
PF Admin Expenses	Indirect Expenses

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

1. In the **Name** field type **PF Admin Expenses**
2. Specify the group as **Indirect Expenses** in the field **Under** and press **Enter**

The completed **PF Admin Expenses** Ledger creation screen is displayed as shown:

Ledger Creation		Indus Solutions Pvt. Ltd.	Ctrl
Name	: PF Admin Expenses		Total Op. Bal.
(alias)	:		
Under	: Indirect Expenses	Name	:
Inventory values are affected	? No	Address	:
		State	:
		PIN Code	:
		<b>Tax Information</b>	
		PAN / IT No.	:
		Sales Tax No.	:
Opening Balance ( on 1-Apr-2009) :			Accept ?
			Yes or No

Figure 22.90 PF Admin Expenses Ledger Creation

3. Press **Enter** to accept

### 22.4.2 Salary Details setup

Once the required Employer Contribution Pay Heads and Admin Expenses ledgers are created, the salary details of the Employee should be altered to constitute the Employer Contribution pay head ledgers for automatic calculations based on the monthly payments made to the Employees.

#### Create / Alter Salary Details Master

To update the salary details Master of the Employees, follow the steps given below,

Go to **Gateway of Tally > Payroll Info. > Salary Details > Alter**

1. Select the **Rohit Roy** one by from the **List of Groups / Employees**
2. Add the Pay Heads **Employer EPS @ 8.33%** and **Employer EPF @ 3.67%**

The completed **Salary Details** screen is as shown:

Salary Details Alteration		Indus Solutions Pvt. Ltd.			Ctrl + M	
Name : Rohit Roy (469)						
Under : Administration (# Primary)						
Salary Details						
Effective From	Pay Head	Rate	Per	Pay Head Type	Calculation Type	Computed On
1-Apr-2009	Basic Pay	7,000.00	Months	Earnings for Employees	On Attendance	Basic Pay
	House Rent Allowance			Earnings for Employees	As Computed Value	
	Conveyance	500.00	Months	Earnings for Employees	Flat Rate	
	Overtime Pay	40.00	Hrs	Earnings for Employees	On Production	
	Variable Pay			Earnings for Employees	As User Defined Value	
	Professional Tax			Employees' Statutory Deductions	As Computed Value	On Current Earnings Total
	Employee's PF Contribution @ 12%			Employees' Statutory Deductions	As Computed Value	Basic Pay
	Employee's ESI Contribution @ 1.75%			Employees' Statutory Deductions	As Computed Value	(Basic Pay + House Rent Allowance) + Conveyance + Overtime Pay
	Gratuity Expenses (Provisional)			Gratuity		
	Employer EPS @ 8.33%			Employer's Statutory Contributions	As Computed Value	Basic Pay
	Employer EPF @ 3.67%			Employer's Statutory Contributions	As Computed Value	Employee's PF Contribution @ 12% + Employer EPS @ 8.33%

Accept ?

Yes or No

Figure 22.91 Salary Details Alteration Screen

Similarly, include Employee Contribution Pay Heads in the Salary Details Masters of other employees.



While, including the Employer Contribution Pay Heads in the Salary Details master, the order of precedence in which the Pay Heads are included must on the basis of their calculation criteria i.e.,

- ❑ **Earning Pay Heads**
- ❑ **Deduction Pay Heads**
- ❑ **Professional Tax or Income Tax Pay Heads (if any)**
- ❑ **Employee PF Contribution Pay Heads**
- ❑ **Employer PF Contribution Pay Heads**
- ❑ **Gratuity** (Gratuity is calculated on Basic Pay + DA, hence Gratuity Pay Head can be sequenced in the Salary details of an Employer in any order after Earnings Pay Heads).



*It is necessary to include **Employer Contribution Pay Heads** (i.e., **Employer PF** and **Employer Pension Fund Pay Heads** in the **Salary Structure** of the Employee, to automate the Computation of Employer PF Contribution on the basis of payments made to Employees.*

### 22.4.3 Processing Employer PF Contribution

In Tally.ERP 9, you are required to process Employer PF Contributions, PF Admin Charges separately and make the payment towards PF comprising of Employees' PF Contribution, Employer PF Admin Expenses through a combined challan.

Follow the steps explained below to process Provident Fund.

#### Step 1: Create Payroll voucher

##### Go to Gateway of Tally > Payroll Vouchers

1. Press **Ctrl+F4** for **Payroll Voucher**
2. Press **F2**, specify the date as **30-04-2009** and press **Enter**
3. Press **Alt+A (Payroll Auto Fill)** to automate the employee payroll details
4. In the Employee Filter subscreen,
  - Select **PF Contribution** from the **Process List** drop down as shown

Employee Filters		Process List
Process for	: <b>PF Contribution</b>	ESI Contribution
From (blank for beginning)	: <b>1-4-2009</b>	<b>PF Contribution</b>
To (blank for end)	: <b>30-4-2009</b>	Salary
Cost Category	: <b>Primary Cost Category</b>	
Employee/Group	: <b>All Items</b>	
Payroll Ledger	:	

Figure 22.92 Employee Filters - Process List Selection

*Tally.ERP 9 provides the following predefined processes that will help in processing Payroll transactions:*



- **ESI Contribution** : This process is selected to automate computation of Employer ESI Contribution.
- **PF Contribution** : This process is selected to automate computation of Employer PF Contribution
- **Salary** : This process is selected to automate computation of Salaries payable to Employees.

- Specify **1-4-2009** and **30-4-2009** in the **From** and **To Date** fields respectively
- Select **Primary Cost Category** in the **Cost Category** field
- Select **All Items** as **Employee/ Group** field (To process, for a particular group / Employee select the respective Employee / group, as required)
- Select **PF Payable** Ledger from the list of Ledger Accounts drop down in the **Payroll Ledger** field as shown

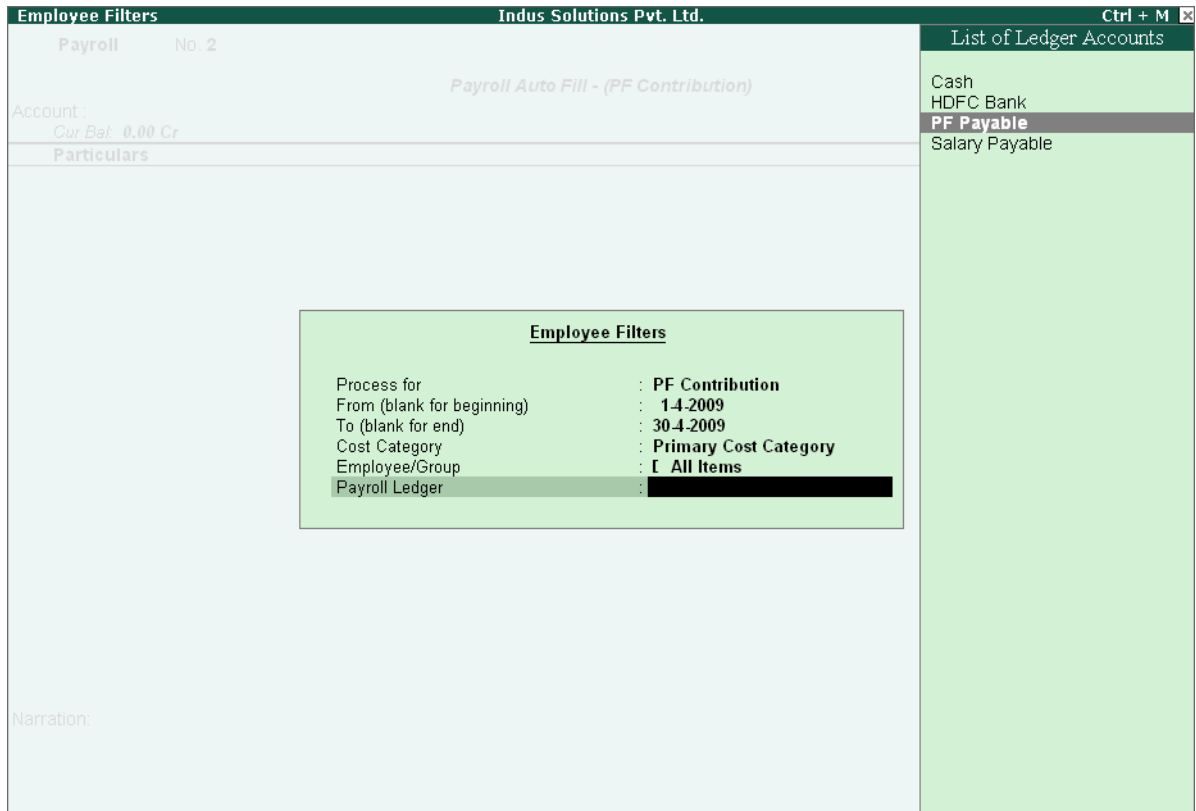


Figure 22.93 Employee Filters screen – Payroll Ledger Selection

The values for the Employer PF contributions are prefilled in the Payroll Voucher for PF Contribution process.

The Payroll Voucher for **Employer PF Contribution** is as shown:

Payroll Voucher Creation		Indus Solutions Pvt. Ltd.		Ctrl + M	
<b>Payroll</b> No. 2				30-Apr-2009 Thursday	
<i>Payroll Auto Fill - (PF Contribution)</i>					
Account : PF Payable					
Cur Bal: 0.00 Cr					
Particulars					Amount
<b>Primary Cost Category</b>					<b>3,120.00 Cr</b>
<b>Atul Sharma</b>					<b>780.00 Dr</b>
Employer EPS @ 8.33%	541.00	Dr	Cur Bal: 541.00	Dr	
Employer EPF @ 3.67%	239.00	Dr	Cur Bal: 239.00	Dr	
<b>Preeti Sinha</b>					<b>780.00 Dr</b>
Employer EPS @ 8.33%	541.00	Dr	Cur Bal: 541.00	Dr	
Employer EPF @ 3.67%	239.00	Dr	Cur Bal: 239.00	Dr	
<b>Ramesh Arora</b>					<b>780.00 Dr</b>
Employer EPS @ 8.33%	541.00	Dr	Cur Bal: 541.00	Dr	
Employer EPF @ 3.67%	239.00	Dr	Cur Bal: 239.00	Dr	
<b>Rohit Roy</b>					<b>780.00 Dr</b>
Employer EPS @ 8.33%	541.00	Dr	Cur Bal: 541.00	Dr	
Employer EPF @ 3.67%	239.00	Dr	Cur Bal: 239.00	Dr	
Narration:					<b>3,120.00 Cr</b>
Pay Period : 1-Apr-2009 to 30-Apr-2009					

Figure 22.94 Payroll Voucher Creation - PF Contribution

5. Press **Enter** to accept

The completed Payroll Voucher for **Employer PF Contribution** is as shown:

**Payroll Voucher Creation** Indus Solutions Pvt. Ltd. Ctrl + M

**Payroll** No. 2 30-Apr-2009 Thursday

*Payroll Auto Fill - (PF Contribution)*

Account: PF Payable  
Cur Bal: 0.00 Cr

Particulars	Amount
<b>Primary Cost Category</b>	<b>3,120.00 Dr</b>
<b>Atul Sharma</b>	<b>780.00 Dr</b>
Employer EPS @ 8.33%	541.00 Dr Cur Bal: 541.00 Dr
Employer EPF @ 3.67%	239.00 Dr Cur Bal: 239.00 Dr
<b>Preeti Sinha</b>	<b>780.00 Dr</b>
Employer EPS @ 8.33%	541.00 Dr Cur Bal: 541.00 Dr
Employer EPF @ 3.67%	239.00 Dr Cur Bal: 239.00 Dr
<b>Ramesh Arora</b>	<b>780.00 Dr</b>
Employer EPS @ 8.33%	541.00 Dr Cur Bal: 541.00 Dr
Employer EPF @ 3.67%	239.00 Dr Cur Bal: 239.00 Dr
<b>Rohit Roy</b>	<b>780.00 Dr</b>
Employer EPS @ 8.33%	541.00 Dr Cur Bal: 541.00 Dr
Employer EPF @ 3.67%	239.00 Dr Cur Bal: 239.00 Dr

Narration:  
Pay Period : 1-Apr-2009 to 30-Apr-2009

**Accept ?**  
Yes or No

Figure 22.95 Completed PF Contribution screen

6. Press **Enter** to accept

### 22.4.4 Processing PF Admin Expenses

#### Example 6:

**On 30th April, 2009 M/s. Indus Solutions Pvt. Ltd., processed PF Admin Expenses for the month of April 2009.**

To process the **PF Admin Charges**, follow the steps given below:

#### Step 1: Create Journal voucher

Go to **Gateway of Tally > Accounting Vouchers**

1. Press **F7** for **Journal Voucher**
2. Press **F2**, specify the date as **30-04-2009** and press **Enter**
3. Press **Alt+A (Other Charges Auto Fill)** to prefill Employer's Other Charges details
  - Specify **1-4-2009** and **30-4-2009** in the **From** and **To** Date fields respectively
  - Select **Primary Cost Category** in the **Cost Category** field
  - Select **All Items** in the **Employee/ Group** field

- Select **PF Admin Expenses** Ledger in the **Expense Ledger** field

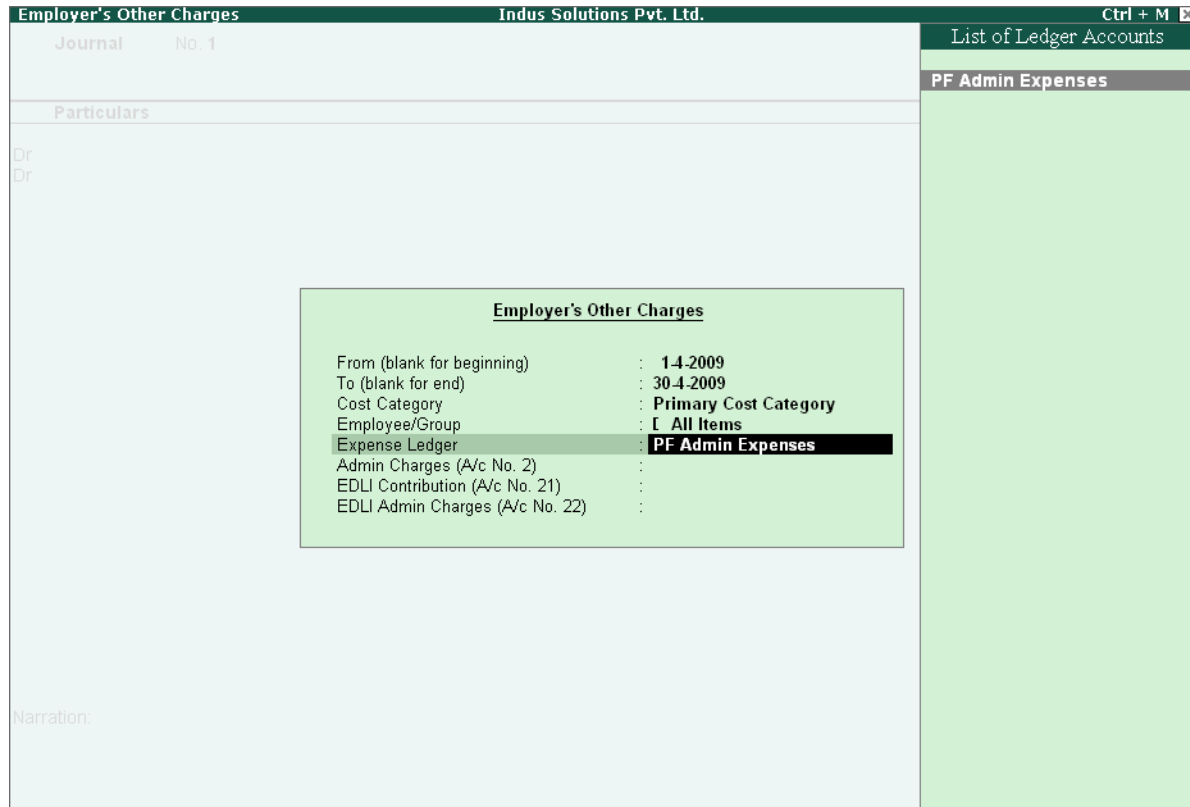


Figure 22.96 Employer's Other Charges screen – Expenses Ledger Selection

- Select **PF Admin Charges @ 1.10%** Ledger in the **Admin Charges (A/c No. 2)** field as shown



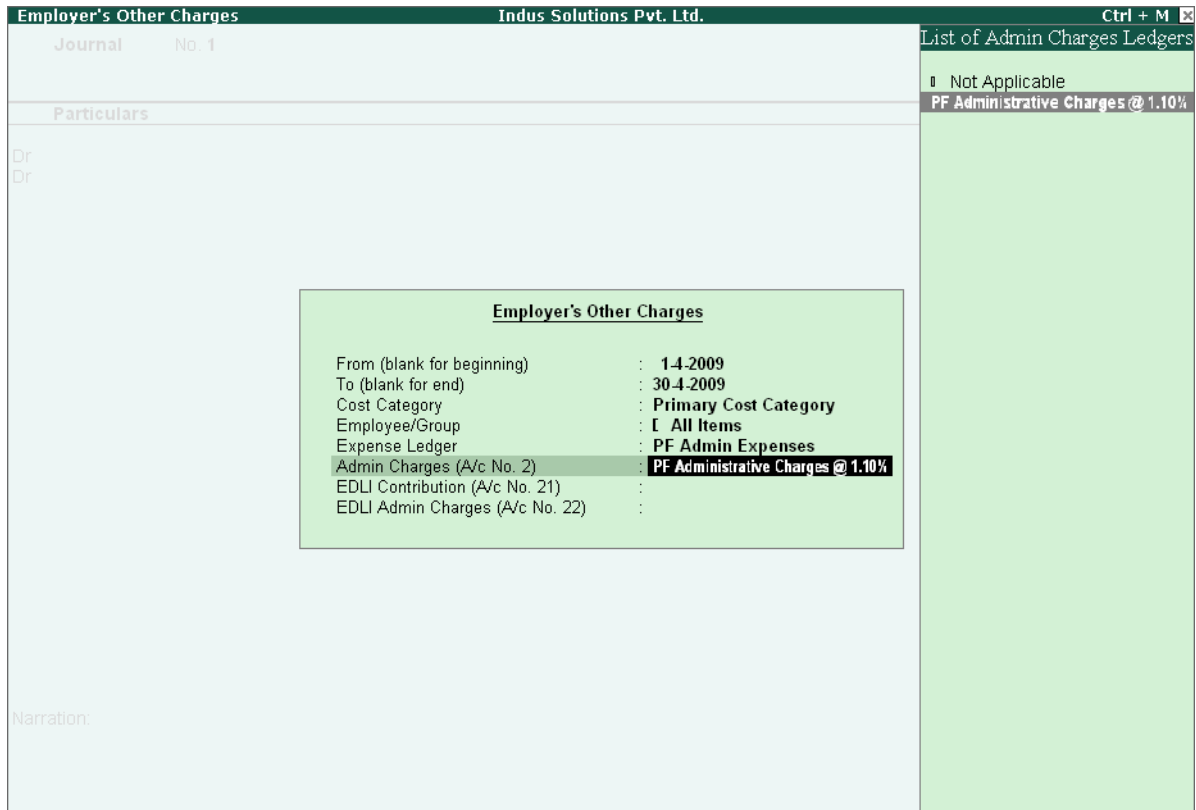


Figure 22.97 Employer's Other Charges screen – Admin Charges Ledger Selection

- Similarly, select **EDLI Contribution @ 0.5%** and **EDLI Admin Charges @ 0.01%** in the **EDLI Contribution (A/c No. 21)** and **EDLI Admin Charges (A/c No. 22)** fields respectively.

The completed **Employer's Other Charges** subscreen appears as shown:

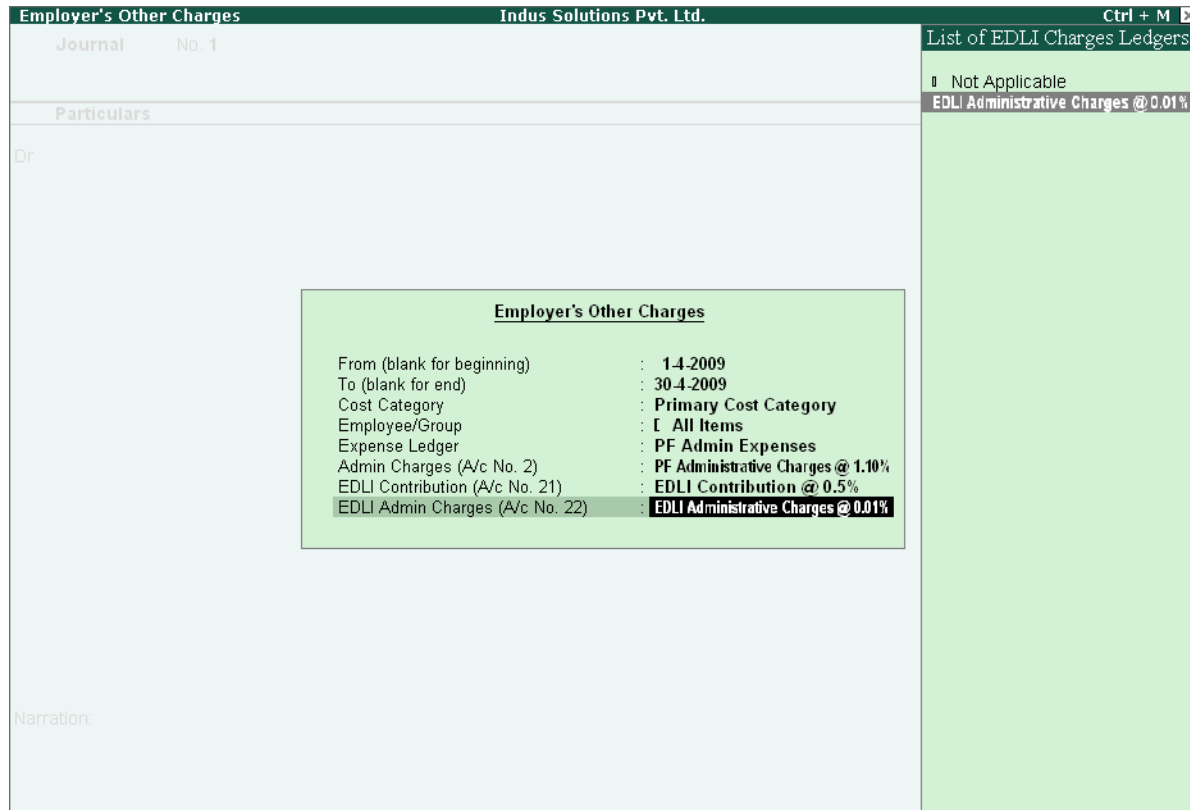


Figure 22.98 Completed Employer's Other Charges screen

□ Press **Enter**

4. Type the details of the transaction in the **Narration** field

The completed **Employer PF Expenses** Voucher is as shown:

Accounting Voucher Creation		Indus Solutions Pvt. Ltd.	Ctrl + M
<b>Journal</b>	No. 1		30-Apr-2009 Thursday
<i>Payroll Auto Fill - (Other Charges)</i>			
Account : PF Admin Expenses Cur Bal: 418.60 Dr			
Particulars			Amount
PF Administrative Charges @ 1.10%			286.00
Cur Bal: 286.00 Cr			
Primary Cost Category			
Atul Sharma	71.50 Cr		
Preeti Sinha	71.50 Cr		
Ramesh Arora	71.50 Cr		
Rohit Roy	71.50 Cr		
EDLI Contribution @ 0.5%			130.00
Cur Bal: 130.00 Cr			
Primary Cost Category			
Atul Sharma	32.50 Cr		
Preeti Sinha	32.50 Cr		
Ramesh Arora	32.50 Cr		
Rohit Roy	32.50 Cr		
EDLI Administrative Charges @ 0.01%			2.60
Cur Bal: 2.60 Cr			
Primary Cost Category			
Atul Sharma	0.65 Cr		
Preeti Sinha	0.65 Cr		
Ramesh Arora	0.65 Cr		
Rohit Roy	0.65 Cr		
Narration:			
PF Admin Expenses, EDLI Contribution and EDLI Admin expenses for April 2009.			
			149.00
			<b>Accept ?</b>
			Yes or No

Figure 22.99 Completed PF Expenses Voucher screen

5. Press **Enter** to accept and save.

### 22.4.5 Payment of Provident Fund

In Tally.ERP 9, once process for Employee and Employer contributions to Provident Fund is implemented in the manner as discussed in earlier sections, the total amount payable to EPFO is accumulated separately in three Ledger Accounts, PF Payable Account (Employer Contributions), Employee PF Contributions and the PF Admin Charges Ledger. At the time of making payment to EPFO, a payment voucher is required to be passed.

#### Example 7:

**On 30th April, 2009 M/s. Indus Solutions Pvt. Ltd., made the payment in respect of EPF, EDLI Admin Expenses, EDLI Contribution and PF Admin Charges for the month of April 2009.**

To process the payment of Provident Fund, follow the steps given below:

### Step 1 : Create PF Payment Voucher

Go to **Gateway of Tally > Accounting Vouchers**

1. Press **F5** for **Payment Voucher**
2. Press **F2**, specify **30-04-2009** as the **Voucher Date** and press **Enter**
3. Press **Alt+A (Payroll Auto Fill)** to prefill PF details
  - Select **PF Challan** in the **Process for** field from the **Process List** screen

Employee Filters		Process List
Process for	: <b>PF Challan</b>	ESI Challan
From (blank for beginning)	: <b>1-4-2009</b>	<b>PF Challan</b>
To (blank for end)	: <b>30-4-2009</b>	Professional Tax Payment
Voucher Date	:	Salary Payment
Cost Category	: <b>Primary Cost Category</b>	
Employee/Group	: <b>All Items</b>	
Bank / Cash Ledger	:	
Payroll Ledger	:	

Figure 22.100 Employee Filters screen - Process Selection

- Enter **1-4-2009** and **30-4-2009** in the **From** and **To** Date fields respectively
- Specify **30-4-2009** in the **Voucher Date** field (This field is prefilled, if the voucher date is specified during Voucher Entry)
- Select **Primary Cost Category** in the **Cost Category** field
- Select **All Items** in the **Employee/ Group** field
- Select **HDFC Bank** in the **Bank / Cash Ledger** field
- Select **PF Payable** Ledger in the **Payroll Ledger** field

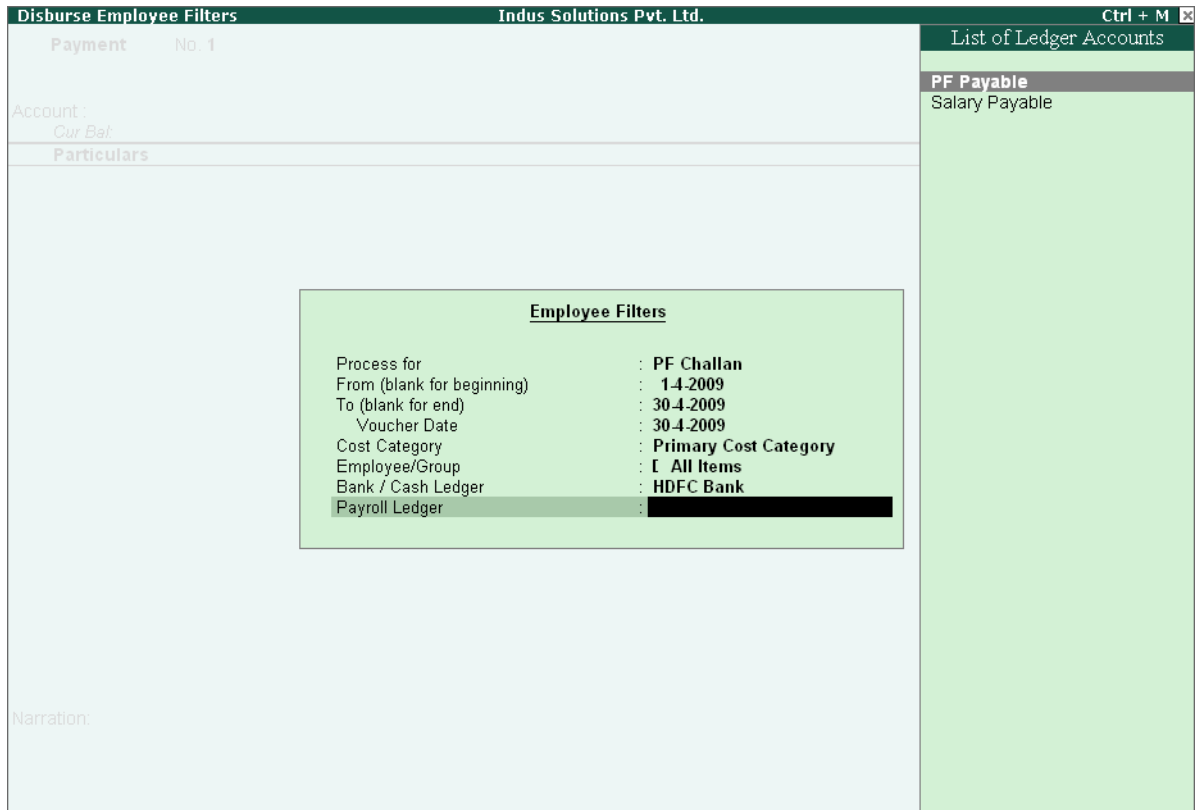


Figure 22.101 Employee Filters screen - PF Ledger selection

4. Press **Enter** to prefill **PF Payable Amount** in respect of **Employer Contributions** during the relevant month

The **Payment voucher** appears as shown:

Accounting Voucher Creation		Indus Solutions Pvt. Ltd.	Ctrl + M
<b>Payment</b>	No. 1		30-Apr-2009 Thursday
<i>Payroll Auto Fill - (PF Challan)</i>			
Account : <b>HDFC Bank</b>			
Cur Bal: 8,32,148.00 Dr			
Particulars			Amount
<b>PF Payable</b>			<b>3,120.00</b>
Cur Bal: 0.00 Dr			
<b>Primary Cost Category</b>			
Atul Sharma	780.00	Dr	
Preeti Sinha	780.00	Dr	
Ramesh Arora	780.00	Dr	
Rohit Roy	780.00	Dr	
Provide Details : <b>No</b>			
Narration:			<u>3,120.00</u>

Figure 22.102 PF Payment Voucher with Employer PF Contribution details

5. Press **Enter** again, to prefill the amount of **Employee Contributions** during the relevant month



Accounting Voucher Creation		Indus Solutions Pvt. Ltd.	Ctrl + M
<b>Payment</b>	No. 1		30-Apr-2009 Thursday
<i>Payroll Auto Fill - (PF Challan)</i>			
Account : <b>HDFC Bank</b>			
Cur Bal: 8,32,148.00 Dr			
Particulars			Amount
<b>PF Payable</b>			<b>3,120.00</b>
Cur Bal: 0.00 Dr			
Primary Cost Category			
Atul Sharma	780.00 Dr		
Preeti Sinha	780.00 Dr		
Ramesh Arora	780.00 Dr		
Rohit Roy	780.00 Dr		
<b>Employee's PF Contribution @ 12%</b>			<b>3,120.00</b>
Cur Bal: 3,120.00 Cr			
Primary Cost Category			
Atul Sharma	780.00 Dr		
Preeti Sinha	780.00 Dr		
Ramesh Arora	780.00 Dr		
Rohit Roy	780.00 Dr		
Provide Details : No			
Narration:			<b>6,240.00</b>

Figure 22.103 PF Payment Voucher - with Employee Contribution details

6. Press **Enter** thrice to again, to prefill **EDLI Admin Expenses**, **EDLI Contribution** and **PF Admin Charges** during the selected month as shown:

Accounting Voucher Creation		Indus Solutions Pvt. Ltd.	Ctrl + M
<b>Payment</b>	No. 1		30-Apr-2009 Thursday
<i>Payroll Auto Fill - (PF Challan)</i>			
Account : <b>HDFC Bank</b> <i>Cur Bal: 8,32,148.00 Dr</i>			
Particulars			Amount
↑ ... 8 more			
<i>Cur Bal: 3,120.00 Cr</i>			
Primary Cost Category			
Atul Sharma	780.00 Dr		
Preeti Sinha	780.00 Dr		
Ramesh Arora	780.00 Dr		
Rohit Roy	780.00 Dr		
<b>EDLI Administrative Charges @ 0.01%</b>			2.60
<i>Cur Bal: 0.00 Dr</i>			
Primary Cost Category			
Atul Sharma	0.65 Dr		
Preeti Sinha	0.65 Dr		
Ramesh Arora	0.65 Dr		
Rohit Roy	0.65 Dr		
<b>EDLI Contribution @ 0.5%</b>			130.00
<i>Cur Bal: 0.00 Dr</i>			
Primary Cost Category			
Atul Sharma	32.50 Dr		
Preeti Sinha	32.50 Dr		
Ramesh Arora	32.50 Dr		
Rohit Roy	32.50 Dr		
<b>PF Administrative Charges @ 1.10%</b>			286.00
Provide Details : No			6 more ... ↓
Narration:			6,658.60

Figure 22.104 PF Payment Voucher with Employer Other charges details

7. Press **Enter** twice
8. Set **Yes** in **Provide Details** field and press **Enter**
9. In the **Provide Details** subscreen,
  - Specify **547245** in the **Cheque/ DD No.** field
  - Specify **30-4-2009** in the **Cheque/DD Date** field
  - Specify **30-4-2009** in the **Challan Date** field
  - Type the name of the Depositor in the **Depositor Name** field
  - Specify the name of the Bank on which the Cheque is drawn in the **Bank Name** field

The completed **Provide Details** subscreen is as shown:

Provide Details	
Period From	: 1-Apr-2009 To 30-Apr-2009
Cheque/DD No	: 547245
Cheque / DD Date	: 30-Apr-2009
Challan Date	: 30-Apr-2009
Depositor Name	: Shanaaz
Bank Name	: HDFC Bank

Figure 22.105 Payment details subscreen



10. Press **Enter** to go back to the **PF Payment Voucher** screen
11. Type the **details of the transaction** in the narration field

The completed **PF Payment Voucher** screen for the month of April 2009, is as shown:

Accounting Voucher Creation		Indus Solutions Pvt. Ltd.		Ctrl + M
<b>Payment</b>	No. 1			<b>30-Apr-2009</b> Thursday
<i>Payroll Auto Fill - (PF Challan)</i>				
Account : <b>HDFC Bank</b> <i>Cur Bal: 8,32,148.00 Dr</i>				
Particulars				Amount
↑ ... <b>15 more</b>				
<i>Cur Bal: 0.00 Dr</i>				
<b>Primary Cost Category</b>				
Atul Sharma	0.65	Dr		
Preeti Sinha	0.65	Dr		
Ramesh Arora	0.65	Dr		
Rohit Roy	0.65	Dr		
<b>EDLI Contribution @ 0.5%</b>				<b>130.00</b>
<i>Cur Bal: 0.00 Dr</i>				
<b>Primary Cost Category</b>				
Atul Sharma	32.50	Dr		
Preeti Sinha	32.50	Dr		
Ramesh Arora	32.50	Dr		
Rohit Roy	32.50	Dr		
<b>PF Administrative Charges @ 1.10%</b>				<b>286.00</b>
<i>Cur Bal: 0.00 Dr</i>				
<b>Primary Cost Category</b>				
Atul Sharma	71.50	Dr		
Preeti Sinha	71.50	Dr		
Ramesh Arora	71.50	Dr		
Rohit Roy	71.50	Dr		
Provide Details : <b>Yes</b>				
Narration: Ch. No. : 547245, PF Payment for April 2009				
				<b>Accept ?</b> Yes or No

Figure 22.106 Completed PF Payment Voucher screen

12. Press **Enter** to accept

**Step 2 : Print PF Payment Challan**

- Press **Pg UP** from the above **Voucher Entry** screen
- Press **Alt + P**, the **Voucher Printing** screen appears,

Voucher Printing		
<b>Printer</b>	: RnD Printer (Ne01:)	<b>Paper Type</b> : A4
<b>No. of Copies</b>	: 1	
<b>Print Language</b>	: English	(Printing Dimensions)
<b>Method</b>	: Neat Mode	<b>Paper Size</b> : (8.27" x 11.69") or (210 mm x 297 mm)
<b>Page Range</b>	: All	<b>Print Area</b> : (7.95" x 11.34") or (202 mm x 288 mm)
Report Titles		
<b>Payment Voucher</b>		
(with Print Preview)		
Print Challan	? Yes	<b>Print ?</b> Yes or No
Total No. of Subscribers (A/c.1)	: 4	
Total No. of Subscribers (A/c.10)	: 4	
Total No. of Subscribers (A/c.21)	: 4	

Figure 22.107 Voucher Printing Screen

- In the **Voucher printing** screen, select **Yes** in the **Print Challan** field
- Enter **Total No. of Subscribers (A/c.1)**
- Enter **Total No. of Subscribers (A/c.10)**
- Enter **Total No. of Subscribers (A/c.21)**
- Press **Enter** to Print

The printed **PF Combined Challan** for the month of April 2009 of **M/s. Indus Solutions Pvt. Ltd.** is as shown:

Sl.No.	Particulars	A/c No. 1	A/c No. 2	A/c No. 10	A/c No. 21	A/c No. 22	Total																																																																																
<b>Original</b>																																																																																							
<b>COMBINED CHALLAN NO. 1, 2, 10, 21 &amp; 22 EMPLOYEES' PROVIDENT FUND ORGANISATION</b>																																																																																							
ESTABLISHMENT CODE NO. <input type="text" value="KNBN/123450203"/> ACCOUNT GROUP NO. <input type="text" value="KAEM123450007"/> PAD BY CHEQUE <input type="checkbox"/> CASH <input type="checkbox"/>																																																																																							
DUES FOR THE MONTH OF: Employees' Share M M YYYY <input type="text" value="04"/> <input type="text" value="2009"/>																																																																																							
Employer's Share M M YYYY <input type="text" value="04"/> <input type="text" value="2009"/> DATE OF PAYMENT : D D M M Y Y Y Y <input type="text" value="30"/> <input type="text" value="04"/> <input type="text" value="2009"/>																																																																																							
Total No. of Subscribers A/c. 1 <input type="text" value="4"/> A/c. 10 <input type="text" value="4"/> A/c. 21 <input type="text" value="4"/>																																																																																							
Total Wages Due <input type="text" value="26,000.00"/> <input type="text" value="26,000.00"/> <input type="text" value="26,000.00"/>																																																																																							
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ADDRESS : <b>4/1 St. Mark's Road, Bangalore</b>				For Cheques only : <input type="text"/>																																																																																			
NAME OF THE DEPOSITOR : <b>Shanaaz</b>				Date of Presentation : <input type="text"/>																																																																																			
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NAME OF THE BANK <input type="text" value="HDFC Bank"/>		CHEQUE NO <input type="text" value="547245"/>		DATE <input type="text" value="30-Apr-2009"/>																																																																																			

Figure 22.108 Printed PF Payment Challan

## 22.5 Accounting for Employer ESI Contributions

ESI Contribution refers to the amount payable to the Corporation by the Principal Employer in respect of Employees and comprises of the amount payable by the employee as well as the employer.

The employer is required to calculate and remit ESI Contributions comprising of employers' share plus employees' share on or before 21st of the subsequent month in respect of salaries of the related month. The Principal Employer should pay Employer's share of contribution @ 4.75% in respect of every employee whether employed directly or through immediate employer. And the Employee's share @ 1.75% has to be recovered by making deduction from their wages for the respective salary/wages period.

In case, if the employee is drawing upto Rs. 70/- as daily average wage, he is exempt from payment of his share of contribution. However, the employer has to pay employer's share of 4.75% of the Salary payable to the employees.

As discussed earlier, the statutory features viz., EPF & ESI etc., are required to be configured in **F11: Statutory & Taxation** Features. In this section, we will discuss, recording of transactions related to computation and contribution of Employee State Insurance.

### Example 8:

*On 1st June 2009, the list of new joinees with their Salary details are given below:*

Employee Name	Department	Date of Joining
Tamanna	Administration	05-6-2009
Dinesh	Sales	08-6-2009

*The Salary details for the above new employees is listed in the table below:*

Pay Head	Tamanna	Dinesh
Basic Pay	9,000	10,000
House Rent Allowance	40%	40%
Conveyance	800	700
Overtime Pay	—	—
Variable Pay	User — defined	
Gratuity Expenses (Provisional)	Only for reporting purpose	
Employee's PF Contribution @ 12%	Applicable based on Slab Rates	
Employee's ESI Contribution @ 1.75%	Applicable based on Slab Rates	
Profession Tax	Applicable based on Slab Rates	

**The Attendance details for the month of June 2009 are given as shown:**

Attendance/ Production Types	Rohit Roy	Preeti Sinha	Atul Sharma	Ramesh Arora	Tam-anna	Dinesh
Present Days	26	24	26	20	17	18
Overtime hours	120 Min			600 Min		

**The same is accounted as shown:**

Create the above employees and their Salary details and then process the Salaries, PF Contributions for the month of June 2009, in the manner as discussed in the earlier chapters. In Tally.ERP 9, follow the steps given below to process Employer contribution towards Employees' State Insurance:

- ❑ Create Employer ESI Contribution Masters
- ❑ Alter/Modify Salary Details
- ❑ Processing Employer ESI Contribution
- ❑ Payment of ESI

### 22.5.1 Creating Employer ESI Contribution Masters

In Tally.ERP 9, Employer and Employee's contribution towards Employees' State Insurance (ESI) are required to be created separately for appropriate Accounting and reporting. Create the following ledgers in Tally.ERP 9:

- ❑ Employer Contribution Pay Head
- ❑ ESI payable Ledger

#### I. Create Employer ESI Contribution @ 4.75% Pay Head

Pay Head Name	Pay Head Type	Statutory Pay Type	Under	Affect Net Salary	Calculation Type
Employer ESI @ 4.75%	Employer's Statutory Contributions	Employee State Insurance	Indirect Expenses	No	As Computed Value

Go to **Gateway of Tally >Payroll Info >Pay Heads >Create**

In the **Pay Heads** Creation screen,

1. Type **Employer ESI @ 4.75%** as the **Name** of the Pay Head
2. Select **Employer's Statutory Contributions** in the field **Pay Head Type**
3. Select **Employee State Insurance** in the **Statutory Pay Type** field from the **Employer's Statutory Contributions** drop down

Pay Head Creation		Indus Solutions Pvt. Ltd.		Total Op. Bal.
Name	: Employer ESI @ 4.75%			
(alias)	:			
<b>Pay Head Info</b>		<b>Employer's Statutory Contributions</b>		
Pay Head Type	: Employer's Statutory Contributions	to		
Statutory Pay Type	: <b>Employee State Insurance</b>	ings Total		
Under	: Direct Expenses	<b>Employee State Insurance</b>	Slab Type	Value Basis
Affect Net Salary	? No	EPS Account (A/c No. 10)		
Calculation Type	: As Computed Value	PF Account (A/c No. 1)	Percentage	0 %
Calculation Period	: Months			
<b>Rounding Info</b>				
Rounding Method	: <b>Not Applicable</b>			
Opening Balance ( on 1-Apr-2009) :				

Figure 22.109 Pay Head Creation - Employer ESI

4. Specify the group as **Indirect Expenses** in the **Under** field and press **Enter**
5. Set **Affect Net Salary** to **No** and press **Enter**
6. In the **Calculation Type** and **Calculation Period** fields, **As Computed Value** and **Months** are defaulted automatically based on the **Statutory Pay Type** selected.
7. Select **Normal Rounding** as the **Rounding Method** and **1** as the rounding **Limit** and press **Enter**
8. In the **Computation Info** screen,
  - Select **On Specified Formula** in the **Compute** field and press **Enter**
  - In the **Compute** subscreen,
    - Select **Basic Pay** as the **Add Pay Head** function and press **Enter**
    - Select **House Rent Allowance** as the second Pay Head in the **Add Pay Head** Function
    - Similarly, select **Conveyance** and **Overtime Pay** in the **Add Pay Head** function

The **Compute** sub-screen will appear as shown:

Compute : On Specified Formula		Indus Solutions Pvt. Ltd.		Ctrl + M	
Name : Employer ESI @ 4.75%				List of Pay Heads	
(alias) :				Basic Pay Conveyance EDLI Administrative Charges @ 0.01% EDLI Contribution @ 0.5% Employee's ESI Contribution @ 1.75% Employee's PF Contribution @ 12% Employer EPF @ 3.67% Employer EPS @ 8.33% Gratuity Expenses (Provisional) House Rent Allowance	
Compute : On Specified Formula		Compute : On Specified Formula		Overtime Pay	
Function	Pay Head	Effective From	From Amount	Amount Upto	Slab Type
Add Pay Head	Basic Pay	1-Apr-2009			Percent
Add Pay Head	House Rent Allowance				
Add Pay Head	Conveyance				
Add Pay Head	Overtime Pay				

Figure 22.110 Employer ESI Pay Head Creation – Compute sub-screen

- Select **End of List** and press **Enter** to accept the screen



*Any **Earning Pay** component of a recurring nature will be subject to **ESI calculation** viz., **Basic Pay, Dearness Allowance, House Rent Allowance, Conveyance, Overtime Pay** and so on.*

- Specify **1-4-2009** in the **Effective From** date field and press **Enter**, the **From Amount** column is automatically skipped, assuming the amount to be **zero**
- The **Amount Upto** field is skipped and automatically defaulted with the amount specified in the **Payroll Statutory Details** screen in **F11: Statutory & Taxation**
- Select **Percentage** in the **Slab Type** field
- Specify **4.75%** as the **Value Basis Percentage** in the **Value Basis** field and press **Enter**

Pay Head Creation		Indus Solutions Pvt. Ltd.					
Name : <b>Employer ESI @ 4.75%</b> (alias) :					Total Op. Bal.		
<p><u>Pay Head Info</u></p> Pay Head Type : <b>Employer's Statutory Contributions</b> Statutory Pay Type : <b>Employee State Insurance</b> Under : <b>Indirect Expenses</b>  Affect Net Salary : ? <b>No</b>  Calculation Type : <b>As Computed Value</b> Calculation Period : <b>Months</b>			<p><u>Computation Info</u></p> Compute : <b>On Specified Formula</b> Specified Formula : <b>{(Basic Pay + House Rent Allowance) + Conveyance} + Overtime Pay</b>				
			Effective From	From Amount	Amount Upto	Slab Type	Value Basis
			1-Apr-2009			Percentage	<b>4.75 %</b>
<p><u>Rounding Info</u></p> Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b>							
Opening Balance ( on 1-Apr-2009 ) :							

Figure 22.111 Employer ESI Pay Head Creation

In Tally.ERP 9, the Earning Payheads which are selected for computation of Employer ESI contribution are listed in the **Specified Formula** for easy reference. You can alter / modify the criteria for calculation, by Enter in the Compute field and redefining the Function Pay components.

- Specify **4.75%** as the **Value Basis Percentage** in the **Value Basis** field and press **Enter**
- Press **Enter** to accept

The completed **Employer ESI Contribution Pay Head Creation** screen is as shown:



Pay Head Creation		Indus Solutions Pvt. Ltd.				
Name : <b>Employer ESI @ 4.75%</b> (alias) :						Total Op. Bal.
<b>Pay Head Info</b> Pay Head Type : <b>Employer's Statutory Contributions</b> Statutory Pay Type : <b>Employee State Insurance</b> Under : <b>Indirect Expenses</b>  Affect Net Salary : <b>? No</b>  Calculation Type : <b>As Computed Value</b> Calculation Period : <b>Months</b>			<b>Computation Info</b> Compute : <b>On Specified Formula</b> Specified Formula : <b>{(Basic Pay + House Rent Allowance) + Conveyance} + Overtime Pay</b>			
			<b>Effective From</b>	<b>From Amount</b>	<b>Amount Upto</b>	<b>Slab Type</b>
			1-Apr-2009			<b>Percentage</b>
						<b>4.75 %</b>
<b>Rounding Info</b> Rounding Method : <b>Normal Rounding</b> Limit : <b>1</b>						<b>Accept ?</b> <b>Yes or No</b>
<b>Opening Balance ( on 1-Apr-2009 ) :</b>						

Figure 22.112 Completed Employer ESI Pay Head

- Press **Enter** to accept.

## II. Create ESI Payable Ledger

Create ESI Payable Ledger as explained below:

Ledger	Pay Head Type	Under
ESI Payable	Not Applicable	Current Liabilities

Go to **Gateway of Tally > Payroll Info. > Pay Heads > Create**

1. Type **ESI Payable** in the **Name** field
2. In the **Pay Head Type** field select **Not Applicable**
3. Specify the group as **Current Liabilities** in the **Under** field and press **Enter**

The completed **ESI Payable Ledger** creation screen is displayed as shown:

Pay Head Creation		Indus Solutions Pvt. Ltd.	
Name : ESI Payable (alias) :			Total Op. Bal.
<b>Pay Head Info</b>			
Pay Head Type	: <input type="checkbox"/> Not Applicable		
Under	: Current Liabilities		
Opening Balance ( on 1-Apr-2009) :			Accept ? Yes or No

Figure 22.113 ESI Payable Ledger Creation

4. Press **Enter** to accept

### 22.5.2 Salary Details setup

Once the required Employer Contribution Pay Heads are created, the salary details of the Employees should be updated to constitute the Employer Contribution pay head ledgers for automatic calculations based on the monthly payments made to the Employees.

#### Create / Alter Salary Details Master

To update the salary details for the Employees, follow the steps given below:

Go to **Gateway of Tally > Payroll Info. > Salary Details > Alter**

1. Select **Rohit Roy** from the **List of Groups / Employees**
2. Tab down to the last line and select **Employer ESI @ 4.75%** Pay Head from the **List of Pay Heads**
3. Press **Enter** to select **End of List**

The completed **Salary Details Alteration** screen is as shown:

Salary Details Alteration							Indus Solutions Pvt. Ltd.		Ctrl + M
Name : Rohit Roy (469)									
Under : Administration (@ Primary)									
Salary Details									
Effective From	Pay Head	Rate	Per	Pay Head Type	Calculation Type	Computed On			
1-Apr-2009	Basic Pay	7,000.00	Months	Earnings for Employees	On Attendance	Basic Pay			
	House Rent Allowance			Earnings for Employees	As Computed Value				
	Conveyance	500.00	Months	Earnings for Employees	Flat Rate				
	Overtime Pay	40.00	Hrs	Earnings for Employees	On Production				
	Variable Pay			Earnings for Employees	As User Defined Value				
	Professional Tax			Employees' Statutory Deductions	As Computed Value	On Current Earnings Total			
	Employee's PF Contribution @ 12%			Employees' Statutory Deductions	As Computed Value	Basic Pay			
	Employee's ESI Contribution @ 1.75%			Employees' Statutory Deductions	As Computed Value	[(Basic Pay + House Rent Allowance) + Conveyance] + Overtime Pay			
	Gratuity Expenses (Provisional)			Gratuity					
	Employer EPS @ 8.33%			Employer's Statutory Contributions	As Computed Value	Basic Pay			
	Employer EPF @ 3.67%			Employer's Statutory Contributions	As Computed Value	Employee's PF Contribution @ 12% - Employer EPS @ 8.33%			
	Employer ESI @ 4.75%			Employer's Statutory Contributions	As Computed Value	[(Basic Pay + House Rent Allowance) + Conveyance] + Overtime Pay			

Accept ?

Yes or No

Figure 22.114 Salary Details Alteration screen

4. Press **Enter** to Accept

While, including the Employer Contribution Pay Heads in the Salary Details master, the order of precedence in which the Pay Heads are included on the basis of their calculation criteria i.e.,



- ❑ **Earning Pay Heads**
- ❑ **Deduction Pay Heads**
- ❑ **Employee PF Contribution Ledgers**
- ❑ **Professional Tax or Income Tax Ledger (if any)**
- ❑ **Employer PF Contribution Ledgers**
- ❑ **Employer ESI Contribution Ledgers**
- ❑ **Gratuity** (Gratuity is calculated on Basic Pay + DA, hence Gratuity Pay Head can be sequenced in the Salary details of an Employer in any order).



*It is necessary to include **Employer ESI Contribution Pay Head** in the **Salary Structure** of the Employees, to automate the Computation of Employer ESI Contribution on the basis of payments made to Employees.*

Similarly, include **Employer ESI @ 4.75%** Pay Head in the Salary details of all other Employees.

### 22.5.3 Processing Employer ESI Contribution

In Tally.ERP 9, you can process Employer ESI Contributions and make the payment towards ESI comprising of Employees' and Employer's ESI Contribution through a challan. To process the ESI Contribution for June 2009, follow the steps given below:

#### Example 9:

*On 30th June, 2009 M/s. Indus Solutions Pvt. Ltd., processed Employer ESI Contribution for the month of June 2009.*

#### Step 1: Create Payroll Voucher

Go to **Gateway of Tally > Payroll Vouchers**

1. Press **Ctrl+F4** for **Payroll Voucher**
2. Press **F2**, specify the date as **30-06-2009** and press **Enter**
3. Press **Alt+A (Payroll Auto Fill)** to prefill employee payroll details
4. In the **Employee Filters** subscreen,
  - Select **ESI Contribution** from the **Process List** as shown:

Employee Filters		Process List
Process for	: <b>ESI Contribution</b>	<b>ESI Contribution</b>
From (blank for beginning)	: <b>1-6-2009</b>	PF Contribution
To (blank for end)	: <b>30-6-2009</b>	Salary
Cost Category	: <b>Primary Cost Category</b>	
Employee/Group	: <b>[ All Items</b>	
Payroll Ledger	:	

Figure 22.115 Payroll Autofill - ESI process selection

- Specify **1-6-2009** and **30-6-2009** in the **From** and **To** Date fields respectively
- Select **Primary Cost Category** as **Cost Category** field

- ❑ Select **All Items** in the **Employee/ Group** field
- ❑ Select **ESI Payable** Ledger in the **Payroll Ledger** field as shown:

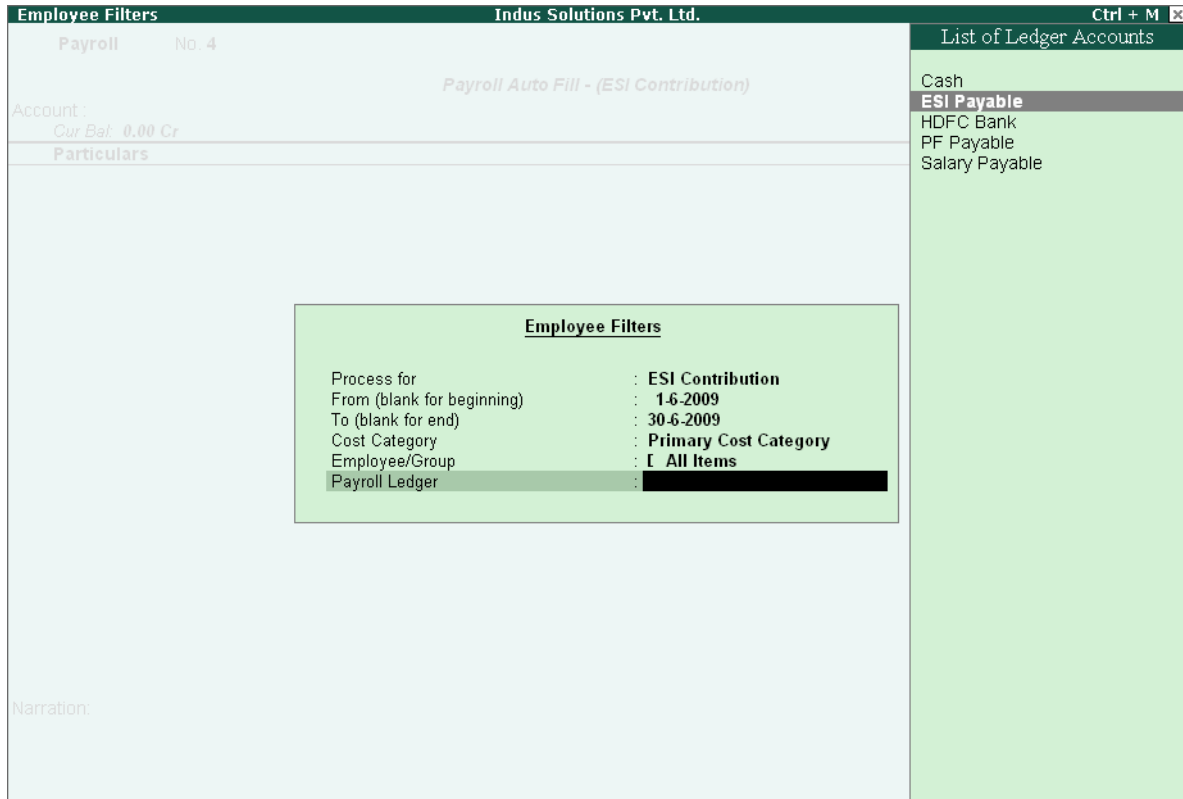


Figure 22.116 Payroll Autofill – Payroll Ledger selection

5. Press **Enter** to accept and go back to the Payroll Voucher screen

The completed **Employer ESI Contribution** Voucher Creation screen will appear as shown:

Payroll Voucher Creation		Indus Solutions Pvt. Ltd.		Ctrl + M	
<b>Payroll</b> No. 4				30-Jun-2009 Tuesday	
<i>Payroll Auto Fill - (ESI Contribution)</i>					
Account : <b>ESI Payable</b> Cur Bal: 0.00 Cr					
Particulars				Amount	
<b>Primary Cost Category</b>				<u>564.00 Dr</u>	
<b>Atul Sharma</b>					
Employer ESI @ 4.75%				Dr Cur Bal:	
<b>Dinesh</b>				<u>33.00 Dr</u>	
Employer ESI @ 4.75%				33.00 Dr Cur Bal: 33.00 Dr	
<b>Preeti Sinha</b>					
Employer ESI @ 4.75%				Dr Cur Bal:	
<b>Ramesh Arora</b>					
Employer ESI @ 4.75%				Dr Cur Bal:	
<b>Rohit Roy</b>				<u>493.00 Dr</u>	
Employer ESI @ 4.75%				493.00 Dr Cur Bal: 493.00 Dr	
<b>Tamanna</b>				<u>38.00 Dr</u>	
Employer ESI @ 4.75%				38.00 Dr Cur Bal: 38.00 Dr	
Narration:				<u>564.00 Dr</u>	
Pay Period : 1-Jun-2009 to 30-Jun-2009				Accept ? Yes or No	

Figure 22.117 Completed ESI Voucher

6. Press **Enter** to accept



- The **Employer ESI contribution** will be computed automatically upon selection of **ESI Contribution Process** during Payroll Voucher Entry. However, only for employees those who meet the criteria of monthly earnings not exceeding the prescribed limits will be subject to ESI Contribution.
- In the same way while processing Salaries, the **Employees ESI Contribution** will also be computed based on the Eligibility amount prescribed in **F11: Statutory & Taxation Features**.

**22.5.4 Payment of ESI**

In Tally.ERP 9, once process for Employee and Employer contributions to Employee’s state Insurance is implemented in the manner as discussed in earlier sections, the total amount payable to ESIC comprising of Employee’s Contribution as well as Employer’s contribution to ESI is accumulated separately in ESI Payable Ledger. At the time of making payment to ESIC, a payment voucher is required to be passed.

**Example 10:**

*On 30th June, 2009 M/s. Indus Solutions Pvt. Ltd., processed the payment of ESI for the month of June 2009.*

To process the payment of ESI and generate ESI Challan, follow the steps given below:

**Step 1 : Create ESI Payment Voucher**

Go to **Gateway of Tally > Accounting Vouchers**

1. Press **F5** for **Payment Voucher**
2. Press **F2**, specify the date as **30-06-2009** and press **Enter**
3. Press **Alt+A (Payroll Auto Fill)** to prefill employee payroll details
4. In the **Employee Filters** subscreen,
  - Select **ESI Challan** from the Process List as shown:

Employee Filters		Process List
Process for	: <b>ESI Challan</b>	<b>ESI Challan</b>
From (blank for beginning)	: <b>1-6-2009</b>	PF Challan
To (blank for end)	: <b>30-6-2009</b>	Professional Tax Payment
Voucher Date	:	Salary Payment
Cost Category	: <b>Primary Cost Category</b>	
Employee/Group	: <b>All Items</b>	
Bank / Cash Ledger	: <b>HDFC Bank</b>	
Payroll Ledger	:	

Figure 22.118 Employee Filters subscreen - ESI Process Selection

- Specify **1-6-2009** and **30-6-2009** in the **From** and **To** Date fields respectively
- Specify **30-6-2009** in the **Voucher Date** field (This field is prefilled, if the voucher date is specified during Voucher Entry)
- Select **Primary Cost Category** in the **Cost Category** field
- Select **All Items** in the **Employee/ Group** field
- Select **HDFC Bank** in the **Bank / Cash Ledger** field

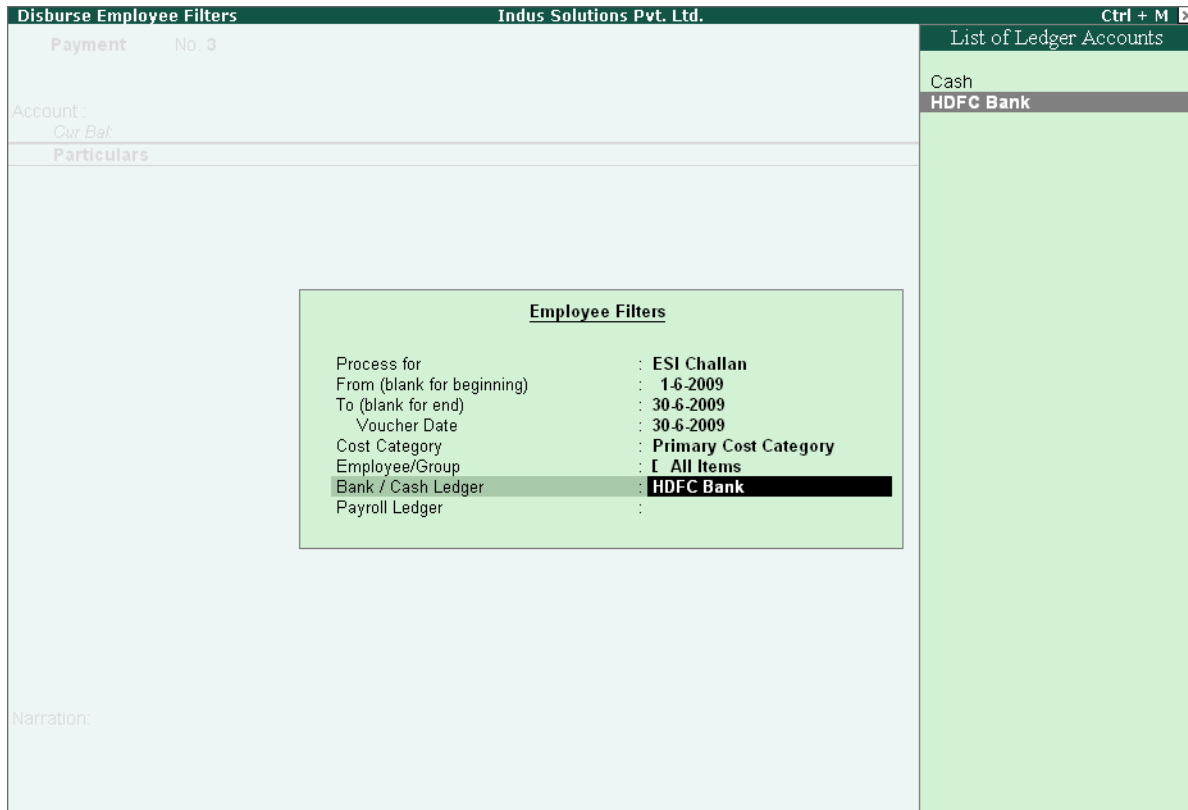


Figure 22.119 Employee Filters Subscreen – Bank Ledger Selection

- Select **ESI Payable** Ledger in the **Payroll Ledger** field



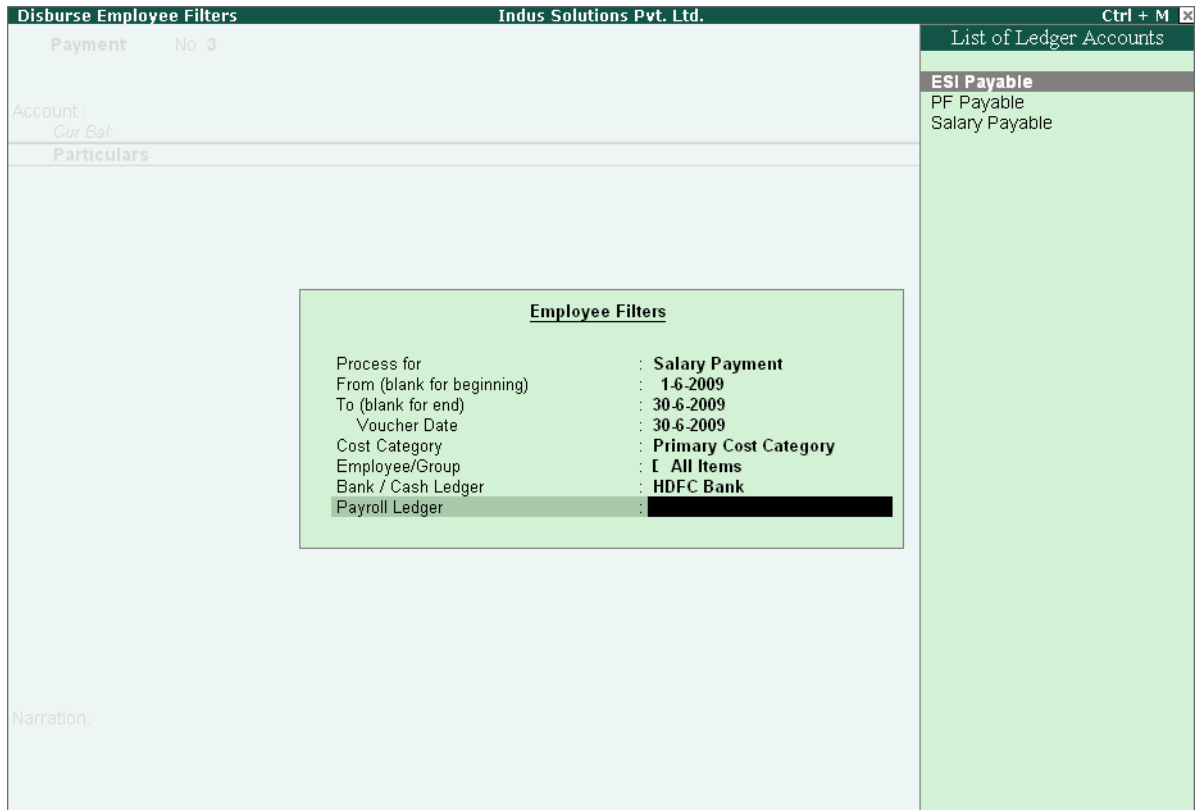


Figure 22.120 Employee Filters Subscreen - Payroll Ledger Selection

5. Press **Enter** to accept and go back to **Payment Voucher** Screen
6. Press **Enter** to prefill the Employer's ESI Contribution amount for the eligible Employees

Accounting Voucher Creation		Indus Solutions Pvt. Ltd.	Ctrl + M
<b>Payment</b>	No. 4		30-Jun-2009 Tuesday
<i>Payroll Auto Fill - (ESI Challan)</i>			
Account : <b>HDFC Bank</b>			
Cur Bal: 7,49,008.40 Dr			
Particulars			Amount
<b>ESI Payable</b>			<b>564.00</b>
Cur Bal: 0.00 Dr			
<b>Primary Cost Category</b>			
<b>Atul Sharma</b>			
Dinesh	33.00	Dr	
<b>Preeti Sinha</b>			
<b>Ramesh Arora</b>			
Rohit Roy	493.00	Dr	
<b>Tamanna</b>			
	38.00	Dr	
Provide Details : No			
Narration:			<u>564.00</u>

Figure 22.121 ESI Payment Voucher with Employer Contributions

- Press **Enter** again, to prefill the Employee's ESI Contribution amount against the eligible Employees

Accounting Voucher Creation		Indus Solutions Pvt. Ltd.	Ctrl + M
<b>Payment</b>	No. 4		30-Jun-2009 Tuesday
<i>Payroll Auto Fill - (ESI Challan)</i>			
Account : <b>HDFC Bank</b> Cur Bal: 7,49,008.40 Dr			
Particulars			Amount
<b>ESI Payable</b>			<b>564.00</b>
<i>Cur Bal: 0.00 Dr</i>			
<b>Primary Cost Category</b>			
Atul Sharma			
Dinesh	33.00 Dr		
Preeti Sinha			
Ramesh Arora			
Rohit Roy	493.00 Dr		
Tamanna			
<b>Employee's ESI Contribution @ 1.75%</b>			<b>208.00</b>
<i>Cur Bal: 0.00 Dr</i>			
<b>Primary Cost Category</b>			
Atul Sharma			
Dinesh	12.00 Dr		
Preeti Sinha			
Ramesh Arora			
Rohit Roy	182.00 Dr		
Tamanna			
Provide Details : <b>No</b>			
Narration:			<b>772.00</b>

Figure 22.122 ESI Payment Voucher with both Employee and Employer Contributions

8. Press **Enter** twice
9. Set **Yes** in the **Provide Details** field and press **Enter**
10. In the Provide Details subscreen, specify the **Cheque / DD No., Cheque / DD Date** and **Bank & Branch Code** Details as shown:

**Provide Details**

Cheque/DD No : 456278  
 Cheque / DD Date : 30-Jun-2009  
 Challan Date : 30-Jun-2009  
 Bank & Branch Code : **HDFC & 5300320**

Figure 22.123 Complete Provide Details subscreen

11. Press **Enter** to accept
12. Type the details of the transaction in the narration field

The completed **ESI Payment Voucher** for the month of June 2009 will appear as shown:

Accounting Voucher Creation		Indus Solutions Pvt. Ltd.	Ctrl + M
<b>Payment</b>	No. 4		30-Jun-2009 Tuesday
<i>Payroll Auto Fill - (ESI Challan)</i>			
Account : <b>HDFC Bank</b> Cur Bal: 7,49,008.40 Dr			
Particulars	Amount		
<b>ESI Payable</b>	<b>564.00</b>		
Cur Bal: 0.00 Dr			
<b>Primary Cost Category</b>			
<b>Atul Sharma</b>			
Dinesh	33.00 Dr		
<b>Preeti Sinha</b>			
<b>Ramesh Arora</b>			
Rohit Roy	493.00 Dr		
<b>Tamanna</b>			
	38.00 Dr		
<b>Employee's ESI Contribution @ 1.75%</b>	<b>208.00</b>		
Cur Bal: 0.00 Dr			
<b>Primary Cost Category</b>			
<b>Atul Sharma</b>			
Dinesh	12.00 Dr		
<b>Preeti Sinha</b>			
<b>Ramesh Arora</b>			
Rohit Roy	182.00 Dr		
<b>Tamanna</b>			
	14.00 Dr		
Provide Details : <b>Yes</b>			
Narration: Ch. No. : 456278, ESI Contribution for June 2009.			
			<b>572.00</b>
			<b>Accept ?</b>
			<b>Yes or No</b>

Figure 22.124 Completed ESI Payment Voucher

13. Press **Enter** to accept

**Step 2 : Print ESI Payment Challan**

- Press **Pg UP** from the above **Voucher Entry** screen
- Press **Alt + P**, the **Voucher Printing** screen appears,

Voucher Printing			
<b>Printer</b>	: RnD Printer (Ne01:)	<b>Paper Type :</b>	A4
<b>No. of Copies</b>	: 1		
<b>Print Language</b>	: English		(Printing Dimensions)
<b>Method</b>	: Neat Mode	<b>Paper Size :</b>	(8.27" x 11.69") or (210 mm x 297 mm)
<b>Page Range</b>	: All	<b>Print Area :</b>	(7.95" x 11.34") or (202 mm x 288 mm)
Report Titles			
<b>Payment Voucher</b>			
(with Print Preview)			
Print Challan ? Yes			<b>Print ?</b>
			<b>Yes or No</b>

Figure 22.125 ESI Voucher Printing Screen

- In the **Voucher printing** screen, select **Yes** in the **Print Challan** field
- Press **Enter** to Print

The printed **ESI Payment Challan** for the month of June 2009 of **M/s. Indus Solutions Pvt. Ltd.** is as shown:

EMPLOYEES' STATE INSURANCE CORPORATION		Challan Form for Deposit in A/C No.1		Original For Bank
Employer's Code : <b>KNBN/34961/0463</b>	Date	Month	Year	
	30	06	2009	
Bank & Branch Code : <b>HDFC &amp; 5300320</b>				
Name & Address of the Factory or Establishment: <b>Indus Solutions Pvt. Ltd., 4/1 St. Mark's Road,, Bangalore</b>				
Mode of Payment [Tick mode used]	Cash <input type="checkbox"/> Cheque <input type="checkbox"/> DD <input type="checkbox"/>			
Cheque/DD No. : 456278	Dated			
	30	06	2009	
Drawn on (Name of the Bank)      HDFC & 5300320	Period of Contribution	Month	Year	
		06	2009	
Nature of Payment [Tick]	Regular Contribution <input type="checkbox"/> Interest <input type="checkbox"/> Damages <input type="checkbox"/> Others <input type="checkbox"/>			
No. of Employees                      2	Total Wages		Rs.	Ps.
			11,880.00	
Employees' Contribution			208.00	
Employer's Contribution			564.00	
Interest				
Damages				
Others				
Total			772.00	
Total Amount (in words) <b>Rs. Seven Hundred Seventy Two Only.</b>				
R.O. Demand Letter No. & Date				
Date of Presentation	Date of Clearing			
BANK SEAL	BANK SEAL			
(Acknowledgement)				
(to be filled by Depositor)				
Received Rs. 772.00				
<b>(Rs. Seven Hundred Seventy Two Only.)</b>				
In cash/by Cheque/DD No. 456278      Dated 30-Jun-2009				
(subject to realisation) drawn on HDFC & 5300320				
(Bank) in favour of ESIC A/C No.1				
(For Bank Branch Code see on reverse)				
Signature				
Name & Designation-Seal of Authorised Signatory				
For use in Bank				
Bank Scroll No.				
Date				
Authorised signature & seal of the Receiving Bank				
Note: Please put cross (x) mark in blank boxes				

Figure 22.126 Printed ESI Payment Challan

## 22.6 Payment of Professional Tax

The Professional Tax is applicable to those individuals or professionals in India who are involved in any profession or trade. The state government of each state governs and administers the levy and collection of Professional Tax in the respective State. The state is empowered with the responsibility of structuring as well as formulating the professional tax criteria for the respective state. Professional tax is charged on the incomes of Individuals, profits of business or gains in vocations as per the list II of the Indian Constitution.

In India, the professional tax slabs are different for all the states in India and some of the states have formulated different professional tax slabs for men, women and the senior citizens of the respective states. The rates depend upon profession, years in the profession and the amount of income or turnover and so on. In Karnataka, the professional taxes are leviable as follows:

S.No	Salary or wage earners whose salary or wage or both, as the case may be, for a month is,	Tax Amount
(a)	less than Rs.5000	Rs. 0 Per month
(b)	not less than Rs. 5,000 but less than Rs.8,000	Rs. 60 Per month
(c)	not less than Rs.8,000 but less than Rs.10,000	Rs.100 Per month
(d)	not less than Rs.10,000 but less than Rs.15,000	Rs.150 Per month
(e)	Rs. 15,000 and above	Rs.200 Per month

### 22.6.1 Processing Professional Tax Payment

In Tally.ERP 9, creation of **Professional Tax** Ledger is discussed in detail in the **Creation of Masters** chapter and the procedure to process **Professional Tax Deduction** from Employee Salaries is discussed in detail in **Processing Payroll in Tally.ERP 9** Chapter. In this section, we will discuss recording of transactions related to payment of Professional Tax.

#### Example 11:

*On 30th April, 2009 M/s. Indus Solutions Pvt. Ltd., made payment of Professional Tax for the month of April 2009.*

*The same is accounted as shown :*

#### Step 1: Create Payment Voucher

Go to **Gateway of Tally > Accounting Vouchers**

1. Press **F5** for **Payment Voucher**
2. Press **F2**, specify the date as **30-04-2009** and press **Enter**
3. Press **Alt+A (Payroll Auto Fill)** to prefill employee payroll details
4. In **Employee Filters** screen,
  - Select **Professional Tax Payment** from the **Process List**
  - Specify **1-4-2009** and **30-4-2009** in the **From** and **To** date fields respectively

- Specify **30-4-2009** in the **Voucher Date** field (This field is prefilled, if the voucher date is specified during Voucher Entry)
- Select **Primary Cost Category** in the **Cost Category** field
- Select **All Items** in the **Employee/ Group** field
- Select **HDFC Bank** in the **Bank / Cash Ledger** field

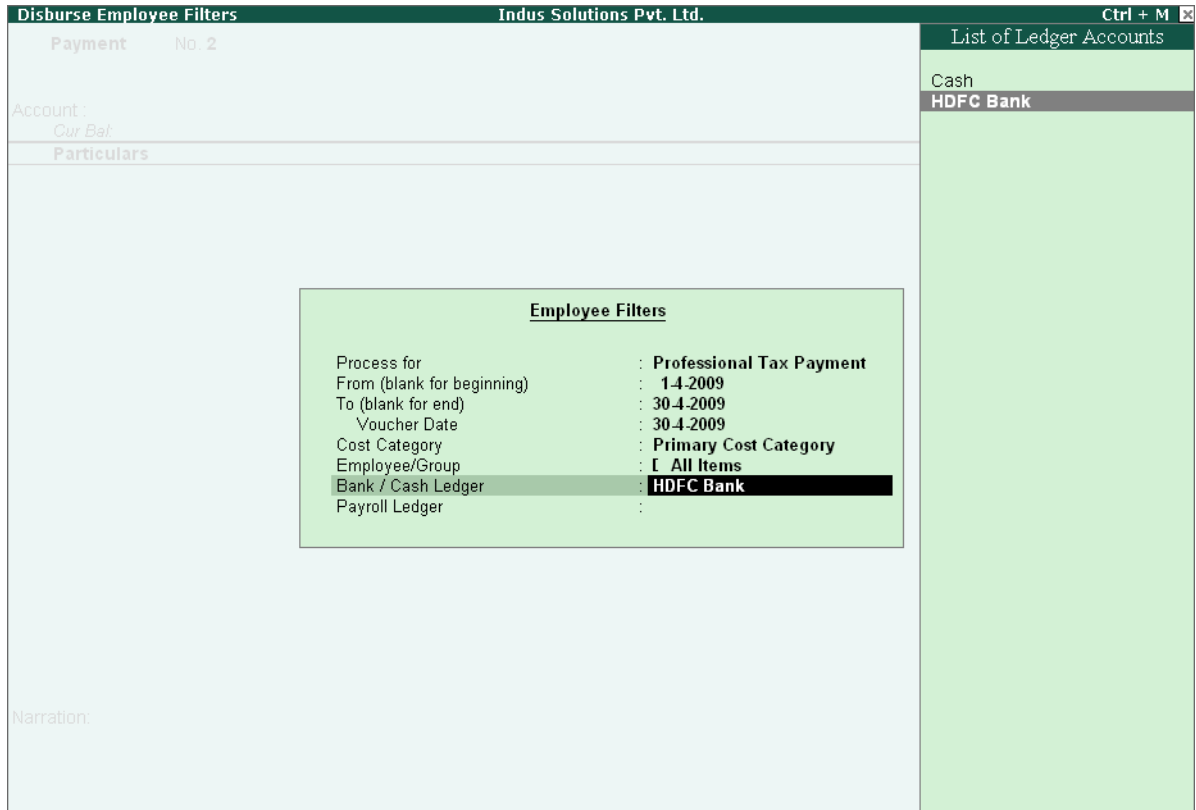


Figure 22.127 Employee Filters screen - Payment Ledger Selection

- Select **Profession Tax Ledger** in the **Payroll Ledger** field

The completed **Employee Filters** screen will appear as shown:

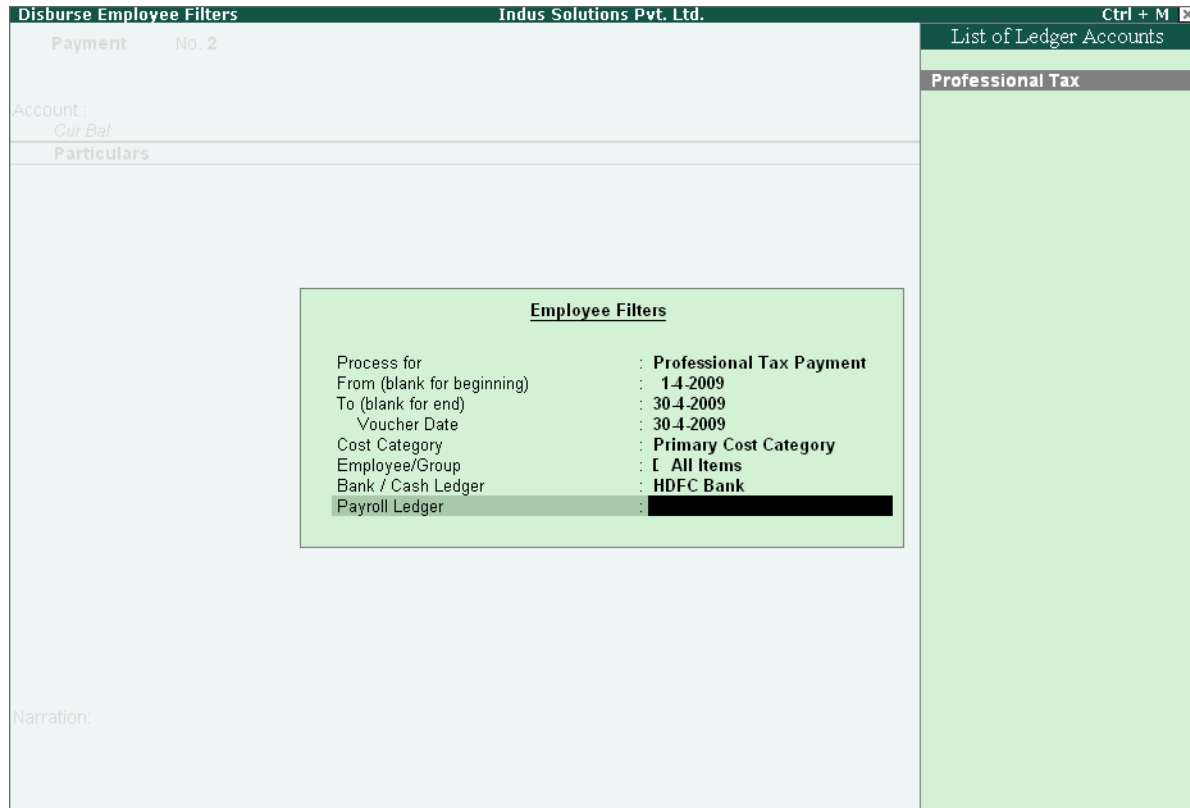


Figure 22.128 Completed Employee Filters screen

- Press **Enter** to accept the screen and go back to **Payment Voucher** Screen
- Press **Enter** to Prefill the Professional Tax amount in the Payment Voucher

The completed **Professional Tax** Payment Voucher will appear as shown:



Accounting Voucher Creation		Indus Solutions Pvt. Ltd.	Ctrl + M
<b>Payment</b> No. 2			30-Apr-2009 Thursday
<i>Payroll Auto Fill - (Professional Tax Payment)</i>			
Account: <b>HDFC Bank</b> Cur Bal: 8,94,041.40 Dr			
Particulars		Amount	
<b>Professional Tax</b>		700.00	
Cur Bal: 0.00 Dr			
<b>Primary Cost Category</b>			
Atul Sharma	200.00 Dr		
Dinesh			
Preeti Sinha	150.00 Dr		
Ramesh Arora	200.00 Dr		
Rohit Roy	150.00 Dr		
Tamanna			
Provide Details : <b>Yes</b>			
Narration:			
Ch. No. : 258147, Professional Tax for April 2009		700.00	
		<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>Accept ?</b>                      Yes or No                 </div>	

Figure 22.129 Completed Profession Tax Payment Voucher

5. Press **Enter** to Accept.

Similarly, process the Professional Tax payments for other months.



- The creation of **Professional Tax Pay Head** is discussed in detail in **Creation of Masters** section.
- The procedure to process **Professional Tax Deduction** from Employee Salaries is discussed in detail in **Processing Payroll in Tally.ERP 9** section.

## 22.7 Generating Payroll Reports

Payroll Reports help you to ascertain the payroll expenses for a specified month or for year-to-date (YTD) transactions for a particular employee/ group along with the Attendance and Production details. You can also view the statutory forms required for Provident Fund and Employee State Insurance. In Tally.ERP 9, the Payroll reports can be broadly categorized into two viz.,

- Payroll Reports
- Payroll Statutory Reports

### 22.7.1 Payroll Reports

In Tally.ERP 9, you can generate the following Payroll related reports.

#### Chart showing Payroll Reports in Tally.ERP 9

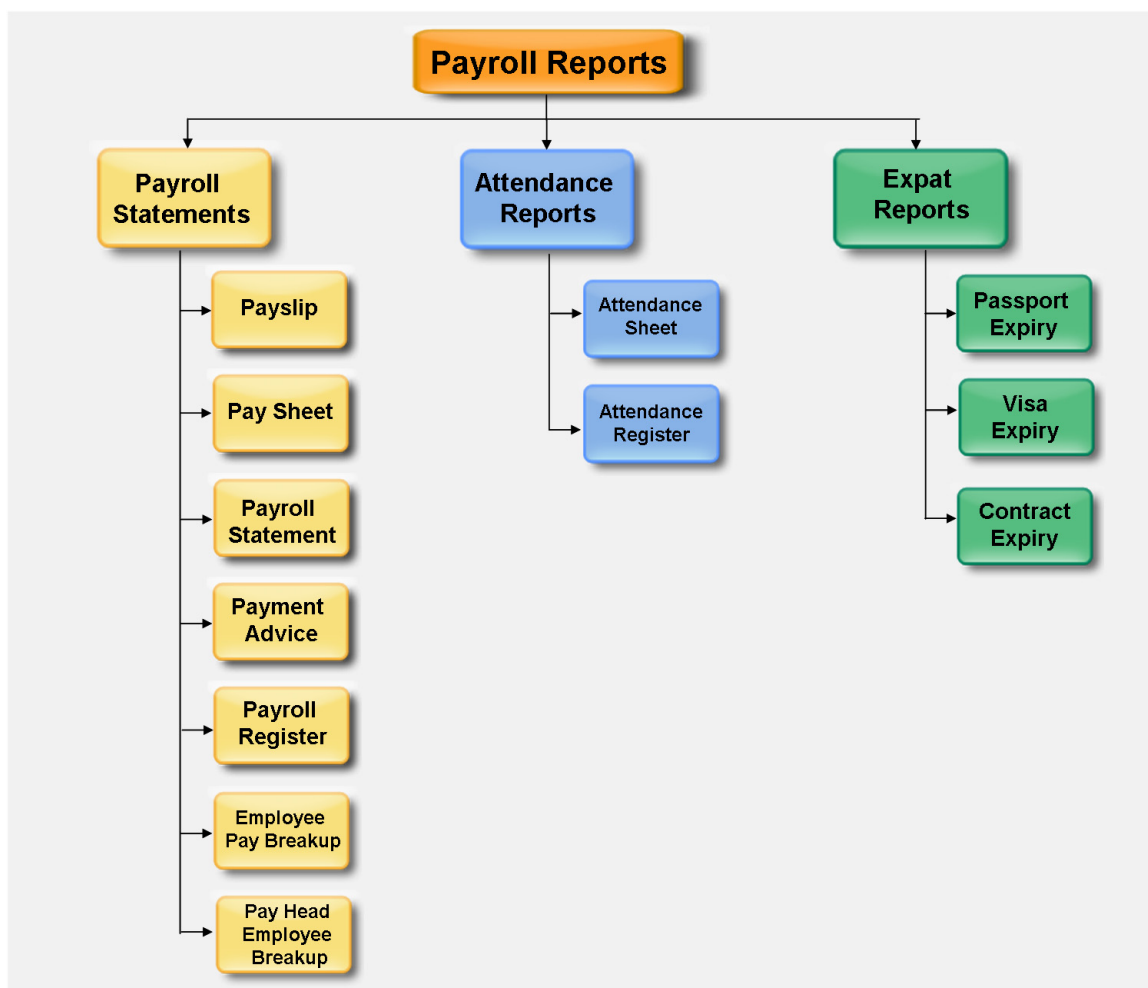


Figure 22.130 Payroll Reports in Tally.ERP 9

We will discuss each report in detail in the coming sections as explained below :

### Payslip

A Payslip refers to a document issued to an employee, which itemises each component of his/ her earnings and deductions and the net amount paid for a given pay period. It provides particulars on how the net amount has been arrived at i.e., how much money has been earned and how much tax / deductions have been made.

### Display Payslip

Go to **Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Payslip > Single Pay Slip**

- Select the required Employee and press **Enter**

The **Payslip** for the selected employee displays as shown:

Attendance Details		Value	
Present		22 Days	

Earnings	Amount	Deductions	Amount
Basic	15,231.00	Professional Tax	200.00
House Rent Allowance	3,046.00	EPF @ 12%	780.00
Conveyance	2,000.00		
<b>Total Earnings</b>	<b>20,277.00</b>	<b>Total Deductions</b>	<b>980.00</b>
		<b>Net Amount</b>	<b>19,297.00</b>

Figure 22.131 Payslip

In Tally.ERP 9 Payroll, the Payslip can be configured to vertically display the details of attendance, in terms of attendance or production, with **Year to Date Values (YTD)**.

- Press **F12: Configure** and set the following options to **Yes**

<u>Configuration</u>	
Show Vertical Pay Slip	? No
Show Employee Details	? Yes
Show Passport Details	? Yes
Show Visa Expiry Date	? Yes
Show Joining Date	? Yes
Show Attendance/Production Details	? Yes
Show Attendance/Production Groups	? Yes
Display Production Types in Tail Units	? No
Show Year To Date Values	? <b>Yes</b>
Show Gross Salary	? No
Remove Zero Entries	? Yes
for Attendance/Production also	? Yes
Appearance of Employee Names	: Name Only
Appearance of Pay Head Names	: Payslip Name

Figure 22.132 Payslip F12: Configuration screen



Some of the options in **F12: Configuration** screen, are by default set to **Yes** viz., **Show Employee Details, Show Attendance/Production Details, Show Attendance/Production Groups, Remove Zero Entries for Attendance/Production also** based on the **Payroll Features / Payroll Statutory features** enabled during voucher entry.



The **F12:Configuration** options in Payslip are explained as follows:

- **Show Vertical Payslip** – Set this option to **Yes** to view / print the Payslip in vertical format, i.e. align Deductions pay heads below Earnings pay heads
- **Show Employee Details** – Set this option to **Yes** to display employee information as entered in the employee master
- **Show Passport Details** – Set this option to **Yes** to display an employee's passport details
- **Show Visa Expiry Date** – Set this option to **Yes** to display an employee's visa expiry date
- **Show Attendance/Production Details** – Set this option to **Yes** to display Attendance/Production information
- **Show Attendance/Production Groups** – Set this option to **Yes** to display the grouping of the Attendance/Production data as defined during the creation of **Types**



The **F12:Configuration** options in Payslip are explained as follows:

- ❑ **Display Attendance/Production Type in Tail Units** – For compound units used in Attendance/Production Type, set this option to **Yes**, to display the value of the Attendance/Production details in the Tail unit. If this option is set to **No**, the Production units will display in primary units
- ❑ **Show Year To Date values** – Set this option to **Yes** to display the cumulative value of Attendance/Production records and Earnings /Deductions for any given period
- ❑ **Show Gross Salary** - Set this option to **Yes** by setting the ‘**Show Year To Date values**’ to **No**, to view Gross Earnings and Deductions for any given period
- ❑ **Remove Zero Entries** – Set this option to **Yes** to remove the Earnings/ Deductions components with Zero value from the Payslip
- ❑ **For Attendance/Production also** – Set this option to **Yes** to remove Attendance/ Production records with zero values from the Payslip
- ❑ **Appearance of Employee Names** – Select the appropriate name style to appear in the Payslip (i.e., Alias (Name), Alias only, Name (Alias), Name only)
- ❑ **Appearance of Pay Head Names** – Select the appropriate name style to appear for each Pay Head in Payslip (i.e. Alias(Name), Alias only, Name(Alias), Name Only, Payslip Name)

The **Payslip** with the above configurations will appear as shown:

Attendance Details		Apr-09	YTD			
Present		22 Days	22 Days			
Earnings		Apr-09	YTD	Deductions	Apr-09	YTD
Basic		15,231.00	15,231.00	Professional Tax	200.00	200.00
House Rent Allowance		3,046.00	3,046.00	EPF @ 12%	780.00	780.00
Conveyance		2,000.00	2,000.00			
<b>Total Earnings</b>		<b>20,277.00</b>	<b>20,277.00</b>	<b>Total Deductions</b>	<b>980.00</b>	<b>980.00</b>
				<b>Net Amount</b>	<b>19,297.00</b>	<b>19,297.00</b>

Figure 22.133 Payslip with YTD values

The Payslip now displays the Attendance with Present / Overtime details, Year to Date balance, and so on. To view the Payslip in vertical form, press **F12: Configure** and set **Show Vertical Payslip** to **Yes**.

The **Vertical Payslip** will appear as shown:

Pay Slip			Indus Solutions Pvt. Ltd.		Ctrl + M
<b>Pay Slip for April-2009</b>					
<b>Ramesh Arora</b>					
Employee Number	: 225	Income Tax Number (PAN)	: AGBYY5620B		
Function	: City Head	PF Account Number	: KAR/BN/32185/552		
Designation	: Regional Sales Manager	ESI Number	: KAR/BN/90002/200		
Location	: Bangalore	Passport Details	: KAR333555		
Bank Details	: 055-005590-121, HSBC Bank, Kormanagala	Visa Expiry Date	: 30-Apr-2011		
Date of Joining	: 1-Apr-2009				
<b>Attendance Details</b>		<b>Apr-09</b>		<b>YTD</b>	
Present		22 Days		22 Days	
<b>Earnings</b>		<b>Apr-09</b>		<b>YTD</b>	
Basic		15,231.00		15,231.00	
House Rent Allowance		3,046.00		3,046.00	
Conveyance		2,000.00		2,000.00	
<b>Total Earnings</b>		<b>20,277.00</b>		<b>20,277.00</b>	
<b>Deductions</b>		<b>Apr-09</b>		<b>YTD</b>	
Professional Tax		200.00		200.00	
EPF @ 12%		780.00		780.00	
<b>Total Deductions</b>		<b>980.00</b>		<b>980.00</b>	
<b>Net Amount</b>		<b>19,297.00</b>		<b>19,297.00</b>	

Figure 22.134 Configured Payslip with Vertical Display

- You can further view additional information in the Payslip, by pressing **Alt+F1**.

The detailed **Payslip** displays as shown:

Pay Slip		Indus Solutions Pvt. Ltd.		Ctrl + M	
<b>Pay Slip for April-2009</b>					
<b>Ramesh Arora</b>					
Employee Number	: 225	Income Tax Number (PAN)	: AGBYY5620B		
Function	: City Head	PF Account Number	: KAR/BN/32185/552		
Designation	: Regional Sales Manager	ESI Number	: KAR/BN/90002/200		
Location	: Bangalore	Passport Details	: KAR333555		
Bank Details	: 055-005590-121, HSBC Bank, Kormanagala	Visa Expiry Date	: 30-Apr-2011		
Date of Joining	: 1-Apr-2009				
<b>Attendance Details</b>		<b>Apr-09</b>	<b>YTD</b>		
Present		22 Days	22 Days		
			1 more ... ↓		
<b>Earnings</b>		<b>Apr-09</b>	<b>YTD</b>		
Basic		15,231.00	15,231.00		
Payroll 1	30-4-2009	15,231.00			
House Rent Allowance		3,046.00	3,046.00		
Payroll 1	30-4-2009	3,046.00			
Conveyance		2,000.00	2,000.00		
Payroll 1	30-4-2009	2,000.00			
<b>Total Earnings</b>		<b>20,277.00</b>	<b>20,277.00</b>		
<b>Deductions</b>		<b>Apr-09</b>	<b>YTD</b>		
Professional Tax		200.00	200.00		
Payroll 1	30-4-2009	200.00			
EPF @ 12%		780.00	780.00		
Payroll 1	30-4-2009	780.00			
<b>Total Deductions</b>		<b>980.00</b>	<b>980.00</b>		
<b>Net Amount</b>		<b>19,297.00</b>	<b>19,297.00</b>		

Figure 22.135 Detailed Payslip

The voucher number, date and the number of attendance or payroll records are displayed as shown in the screen above. This is very useful where multiple attendance/payroll vouchers are entered for the same payroll period. You can drill down to the voucher level for reference or to effect an alteration by pressing **Enter** on the required record.



- **Period Button** – By default, the Payslip for the current month displays. However, you can change the period by pressing **F2: Date** and defining the required date. This button can be used to display multiple period payroll information to view/print a consolidated Payslip.
- **Employee Button** – From the existing Payslip of an employee, you can toggle between employees by pressing **F4: Employee**.

### Printing Payslip

- Press **Alt+P** from the **Payslip** screen, the **Printing Payslip** screen appears



Printing Pay Slip			
Printer	: (Ne00)	Paper Type	: Letter
No. of Copies	: 1		
Print Language	: English		(Printing Dimensions)
Method	: Neat Mode	Paper Size	: (8.50" x 10.98") or (216 mm x 279 mm)
Page Range	: All	Print Area	: (8.03" x 10.63") or (204 mm x 270 mm)
Report Titles			
<b>Pay Slip</b>			
(with Print Preview)			
<i>Without Date Range of Report, Without Page Numbers</i>			
Height of PaySlip (inches)		:	<b>10</b>
Width of PaySlip (inches)		:	<b>7.50</b>
Space to leave on top (default 0.25)		:	<b>0.25</b>
Space to leave on left (default 0.5)		:	<b>0.50</b>
Show Vertical Pay Slip	? <b>No</b>	Show Year To Date Values	? <b>Yes</b>
Show Employee Details	? <b>Yes</b>	Show Gross Salary	? <b>No</b>
Show Passport Details	? <b>Yes</b>	Remove Zero Entries	? <b>Yes</b>
Show Visa Expiry Date	? <b>Yes</b>	for Attendance/Production also	? <b>Yes</b>
Show Joining Date	? <b>Yes</b>	Appearance of Names	: <b>Na</b>
Show Attendance/Production Details	? <b>Yes</b>	Show Authorised Signatory	? <b>Yes</b>
Show Attendance/Production Groups	? <b>Yes</b>	Show Pay Slip Note	: <b>No</b>
Display Production Types in Tail Units	? <b>Yes</b>	Show Pay Slip Message	? <b>Yes</b>
			<b>Print ?</b>
			Yes or No

Figure 22.136 Payslip Print Configuration screen

Some of the configuration in the Printing screen, are similar to **F12: Configure** and can be configured from either of the screens. In addition, **Show Authorised Signatory** option is available in the above screen.

- In the **Printing Payslip** screen, press **backspace** and enable the required option as required
- Press **Enter** to Print

The printed **Payslip** of Mr. Rohit Roy displays as shown.

**Indus Solutions Pvt. Ltd.**  
4/1 St. Mark's Road,  
Bangalore

**Pay Slip**  
for April-2009

**Ramesh Arora**

---

Employee Number : 225	Income Tax Number (PAN) : AGBYY5620B
Function : City Head	PF Account Number : KAR/BN/32185/552
Designation : Regional Sales Manager	ESI Number : KAR/BN/90002/200
Location : Bangalore	Passport Details : KAR333555
Bank Details : 065-005690-121, HSBC Bank, Kammanagala	Visa Expiry Date : 30-Apr-2011
Date of Joining : 1-Apr-2009	

---

Attendance Details	Apr-09	YTD
Present	22 Days	22 Days

Earnings	Apr-09	YTD	Deductions	Apr-09	YTD
Basic	15,231.00	15,231.00	Professional Tax	200.00	200.00
House Rent Allowance	3,046.00	3,046.00	EPF @ 12%	780.00	780.00
Conveyance	2,000.00	2,000.00			
<b>Total Earnings</b>	<b>20,277.00</b>	<b>20,277.00</b>	<b>Total Deductions</b>	<b>980.00</b>	<b>980.00</b>
			<b>Net Amount</b>	<b>19,297.00</b>	<b>19,297.00</b>

Amount (in words) : **for Indus Solutions Pvt. Ltd.**  
Rs. Nineteen Thousand Two Hundred Ninety Seven Only

Authorised Signatory

Happy New Year!!!

Figure 22.137 Printed Payslip

### Printing Multiple Payslips

Tally.ERP 9 allows you to print Payslips for all the employees at once in each separate page, by using Multi-Payslip option. You may print multiple Payslips of all the of employees or employees in a particular group / department for the selected period.

Go to **Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Payslip > Multiple Pay Slip**

In the **Employee Filters** screen,

- In the **Name of Category** field select the required **Payroll Category**
- In the **Name of Employee Group** select the required **Employee Group** from the **List of Employees / Groups**
- Press **Alt+P** to Print Multiple Pay Slip

In the **Printing Payslip** screen,

- Press **Backspace** and enable the options as required

The Printing Configuration for Multi-Payslip displays as shown.

Printing Pay Slips			
Printer	: (Ne00:)	Paper Type	: Letter
No. of Copies	: 1		
Print Language	: English		(Printing Dimensions)
Method	: Neat Mode	Paper Size	: (8.50' x 10.98') or (216 mm x 279 mm)
Page Range	: All	Print Area	: (8.03' x 10.63') or (204 mm x 270 mm)
Report Titles			
<b>Pay Slip</b>			
(with Print Preview)			
<i>Without Date Range of Report, Without Page Numbers</i>			
	Height of PaySlip (inches)	:	<b>10</b>
	Width of PaySlip (inches)	:	<b>7.50</b>
	Space to leave on top (default 0.25)	:	<b>0.25</b>
	Space to leave on left (default 0.5)	:	<b>0.50</b>
	From (blank for beginning)	:	<b>1-4-2009</b>
	To (blank for end)	:	<b>30-4-2009</b>
	Cost Category	:	<b>Primary Cost Category</b>
	Employee/Group	:	<b>[ All Items</b>
Show Vertical Pay Slip	? <b>No</b>	Show Year To Date Values	? <b>Yes</b>
Show Employee Details	? <b>Yes</b>	Show Gross Salary	? <b>No</b>
Show Passport Details	? <b>Yes</b>	Remove Zero Entries	? <b>Yes</b>
Show Visa Expiry Date	? <b>Yes</b>	for Attendance/Production also	? <b>Yes</b>
Show Joining Date	? <b>Yes</b>	Show Zero Value Payslips also	? <b>No</b>
Show Attendance/Production Details	? <b>Yes</b>	Appearance of Names	: <b>Nam</b>
Show Attendance/Production Groups	? <b>Yes</b>	Show Authorised Signatory	? <b>Yes</b>
Display Production Types in Tail Units	? <b>Yes</b>	Show Pay Slip Note	: <b>No</b>
		Show Pay Slip Message	? <b>Yes</b>
			<b>Print ?</b>
			<b>Yes or No</b>

Figure 22.138 Printing Configuration for Multi-Payslip

- Press **Enter** to print the payslips of all employees in alphabetical order in separate sheets.

The printed Payslip for **Atul Sharma** is as shown:

**Indus Solutions Pvt. Ltd.**  
4/1 St. Mark's Road,  
Bangalore

**Pay Slip**  
for April-2009

**Atul Sharma**

---

Employee Number : 465	Income Tax Number (PAN) : AVBUU4560C
Function : Sales-Direct	PF Account Number : KA/BN/14785/841
Designation : Area Sales Manager	ESI Number : KA/BN/90005/103
Location : Bangalore	Passport Details : KAR325784
Bank Details : 005-005690-110, HSBC Bank, Koramangalam	Visa Expiry Date : 30-Apr-2010
Date of Joining : 1-Apr-2009	

---

Attendance Details	Apr-09	YTD
Overtime	360 Mins	360 Mins
Present	20 Days	20 Days

Earnings	Apr-09	YTD	Deductions	Apr-09	YTD
Basic	15,385.00	15,385.00	Professional Tax	200.00	200.00
House Rent Allowance	6,154.00	6,154.00	EPF @ 12%	780.00	780.00
Conveyance	2,500.00	2,500.00			
Variable Pay	1,000.00	1,000.00			
<b>Total Earnings</b>	<b>25,039.00</b>	<b>25,039.00</b>	<b>Total Deductions</b>	<b>980.00</b>	<b>980.00</b>
			<b>Net Amount</b>	<b>24,059.00</b>	<b>24,059.00</b>

Amount (in words) : **for Indus Solutions Pvt. Ltd.**  
Rs. Twenty Four Thousand Fifty Nine Only

Authorised Signatory

Happy New Year!!!

Figure 22.139 Printed Payslip through Multi Payslip Printing

The subsequent pages will print the Payslips for the remaining employees in the alphabetical order.

### Emailing Payslip

Go to **Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Payslip > Single Pay Slip**

- Select the required Employee and press **Enter**
- Press **Alt+M**, the **Mailing Payslip** screen is as shown:

Mailing Pay Slip	
E-Mail Server : <span style="background-color: black; color: black;">XXXXXXXXXX</span>	To E-Mail Address :
(Name:Port, Default Port is 25)	CC To (if any) : <b>None</b>
From : <i>Indus Solutions Pvt. Ltd.</i>	Subject : <b>Pay Slip</b>
From E-Mail Address : <i>sales@indussolutions.com</i>	Additional Text (if any) :
Authentication User Name:	
(Only if required)	
Password :	
Use SSL : <b>No</b>	
(Choose Yes, if using Secured SMTP Server)	
Format : <i>HTML (Web-Publishing)</i>	Information sent : <b>As Attachment</b>
Resolution : <i>1024 x 768</i>	

Figure 22.140 Mailing Payslip sub screen

- In the **Mailing Payslip** screen,
  - Specify the **SMTP Server Name** in the **Email Server** field
  - Press **Enter** to accept the **From & From E-mail Address** fields (The company name & Email id is defaulted from the company master, however you can modify the same)
  - Specify the **Authentication User Name** and **Password**, if required
  - Set **Use SSL** to **No**
  - Select **HTML (Web publishing)** in the **Format** field
  - Select the required **Resolution** from the Resolutions drop down
  - Press **Enter** to accept the **To Email Address** (The Employee address is defaulted from the Employee Master, however, you may modify as required)
  - Enter the other information as shown

The completed **Mailing Payslip configuration** screen is as shown.

Mailing Pay Slip	
E-Mail Server : <i>smtp.indussolutions.com</i> (Name:Port, Default Port is 25)	To E-Mail Address : <b>ramesh@indus-sales.com</b>
From : <i>Indus Solutions Pvt. Ltd.</i>	CC To (if any) : <b>[ None</b>
From E-Mail Address : <i>sales@indussolutions.com</i>	Subject : <b>Pay Slip for April 2009</b>
Authentication User Name: (Only if required)	Additional Text (if any) : <b>This is a computer generated Payslip and does not require any signature</b>
Password :	
Use SSL : <b>No</b>	
Format : <i>HTML (Web-Publishing)</i>	
Resolution : <i>800 x 600</i>	
Information sent : <b>As At</b>	<b>Mail ?</b>
	<b>Yes or No</b>

Figure 22.141 Completed Mailing Payslip sub screen

### Mailing Payslip Configurations



- **Email Server** – Name of the SMTP mail server should be specified.
- **From** - In the From field is prefilled with the name of your Company as specified in the Company Creation screen. You can change the same if you want some other name to be displayed.
- **From E-mail Address** is pre-filled with the Company's email address as filled during the Company Creation.
- **Authentication User Name and Password** field should be filled if your SMTP Server needs Authentication for sending emails.
- **Use SSL** - This is set to **Yes** for the servers using the Secured Socket Layer protocol for extra security reasons.
- **Format** - you can select from format in which the Payslip should be viewed by the mail recipient.
- **Resolution** - appropriate resolution for the Emailed Payslip can be selected in this field.
- **To E-Mail Address** - this will be selected automatically if the email address is provided in the Employee Master. Or else, you need to specify the same at the time of emailing.
- **CC To (if any)** - If you want the Payslip to be marked to some other email address that can be specified here.
- **Subject** - specify the Subject of email to be seen by the user.
- **Additional Text (if any)** - This will appear in the body of the email that is sent.
- **Information Sent** - The option to send the Email as an Attachment or as a direct view can be selected here.

□ Press **Enter** to Email the Payslip

*If you want to use the Gmail's (Google Mail) SMTP service for emailing Payslip,*



- Enter **Gmail's SMTP server name: port no.** (viz. *smtp.gmail.com:465*)
- Provide your **Gmail User name and Password** against **Authentication User Name and Password**
- Set Use **SSL to Yes**

*All other settings will be same as shown above.*

The emailed **Payslip** when viewed from the mail box of the employee is as shown:

This is computer generated payslip and does not require any signature					
<b>Pay Slip</b>					
Indus Solutions Pvt. Ltd. 4/1 St. Mark's Road, Bangalore					
<u>Pay Slip for April-2009</u> <b>Ramesh Arora</b>					
Employee Number:	225	Income Tax Number (PAN):		AGBYY5620B	
Function:	City Head	PF Account Number:		KAR/BN/32185/552	
Designation:	Regional Sales Manager	ESI Number:		KAR/BN/90002/200	
Location:	Bangalore	Passport Details:		KAR333555	
Bank Details:	055-005590-121, HSBC Bank, Kormanagala		Visa Expiry Date:		30-Apr-2011
Date of Joining:	1-Apr-2009				
<b>Attendance Details</b>	<b>Apr-09</b>	<b>YTD</b>			
Present	22 Days	22 Days			
<hr/>					
<b>Earnings</b>	<b>Apr-09</b>	<b>YTD</b>	<b>Deductions</b>	<b>Apr-09</b>	<b>YTD</b>
Basic	15,231.00	15,231.00	Professional Tax	200.00	200.00
House Rent Allowance	3,046.00	3,046.00	EPF @ 12%	780.00	780.00
Conveyance	2,000.00	2,000.00			
<b>Total Earnings</b>	<b>20,277.00</b>	<b>20,277.00</b>	<b>Total Deductions</b>	<b>980.00</b>	<b>980.00</b>
			<b>Net Amount</b>	<b>19,297.00</b>	<b>19,297.00</b>
Amount (in words):					
Rs. Nineteen Thousand Two Hundred Ninety Seven Only					
Happy New Year!!!					
<i>Created using Tally.ERP 9</i>					

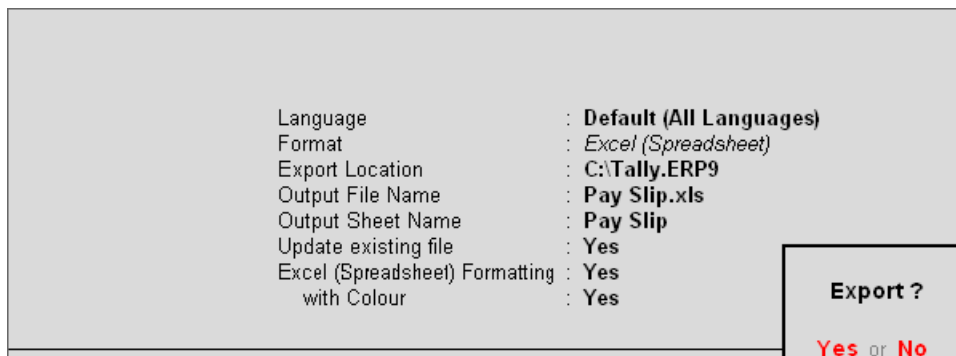
Figure 22.142 Emailed payslip

## Exporting Payslip to MS Excel

Go to **Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Payslip > Single Payslip**

- Select the required Employee and press **Enter**
- Press **Alt+E**, the configuration screen to select the required format appears as shown:
- In the **Export** screen,
  - Select the **required Format** in the **Languages** field
  - Select the **Excel** as **Format** from the drop down list of Formats
  - **Output File Name** is defaulted to **Payslip.xls**, however you can modify the same
  - **Output Sheet Name** is defaulted to **Payslip**, however you can modify the same
  - Complete the remaining options as shown

The completed **Export** screen is as shown:



Language	: Default (All Languages)
Format	: Excel (Spreadsheet)
Export Location	: C:\Tally.ERP9
Output File Name	: Pay Slip.xls
Output Sheet Name	: Pay Slip
Update existing file	: Yes
Excel (Spreadsheet) Formatting with Colour	: Yes

**Export ?**  
Yes or No

Figure 22.143 Export Payslip screen

The Payslip exported into Excel will appear as shown:



Indus Solutions Pvt. Ltd.					
4/1 St. Mark's Road, Bangalore					
Pay Slip for April-2009					
Ramesh Arora					
Employee Number:	225	Income Tax Number (PAN):	AGBYY5620B		
Function:	City Head	PF Account Number:	KAR/BN/32185/552		
Designation:	Regional Sales Manager	ESI Number:	KAR/BN/90002/200		
Location:	Bangalore	Passport Details:	KAR333555		
Bank Details:	055-005590-121, HSBC Bank, Kormnagala		Visa Expiry Date:	30-Apr-11	
Date of Joining:	1-Apr-09				
Attendance Details		9-Apr	YTD		
Present	22 Days		22 Days		
Earnings		9-Apr	YTD		
<b>Basic</b>	<b>15231.00</b>	<b>15231.00</b>	Deductions		
House Rent Allowance	3046.00	3046.00	Professional Tax	9-Apr	YTD
Conveyance	2000.00	2000.00	EPF @ 12%	780.00	780.00
<b>Total Earnings</b>	<b>20277.00</b>	<b>20277.00</b>	<b>Total Deductions</b>	<b>980.00</b>	<b>980.00</b>
Amount (in words) :			<b>Net Amount</b>	<b>19297.00</b>	<b>19297.00</b>
<b>Rs. Nineteen Thousand Two Hundred Ninety Seven Only</b>			for Indus Solutions Pvt. Ltd.		
			Authorised Signatory		
Rs. Nineteen Thousand One Hundred Thirty Five Only			Authorised Signatory		
Happy New Year!!!					

Figure 22.144 Exported Payslip

### Pay Sheet

A Pay Sheet is a columnar report which displays the Group/Department-wise employees' break-up of earnings and deductions for the selected month.

Go to **Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Pay Sheet**

In the **Employee Filters** screen,

- In the **Name of Category** field select the required **Payroll Category**
- In the **Name of Employee Group** select the required **Employee Group** from the **List of Employees / Groups**

The **Pay Sheet** displays as shown:

PaySheet											
Indus Solutions Pvt. Ltd.											
For All Employees											
1-Apr-2009 to 30-Apr-2009											
Particulars	Basic	Conveyance	House Rent Allowance	Overtime Pay	Variable Pay	Total Earnings	ESI @ 1.75%	EPF @ 12%	Professional Tax	Total Deductions	Net Amount
<b>Primary Cost Category</b>	45,924.00	5,000.00	15,323.00	480.00	2,500.00	69,227.00		3,120.00	700.00	3,820.00	65,407.00
<b>Administration</b>	7,000.00	500.00	2,800.00	480.00	1,500.00	12,280.00		780.00	150.00	930.00	11,350.00
Rohit Roy	7,000.00	500.00	2,800.00	480.00	1,500.00	12,280.00		780.00	150.00	930.00	11,350.00
<b>R &amp; D</b>	8,308.00		3,323.00			11,631.00		780.00	150.00	930.00	10,701.00
Preeti Sinha	8,308.00		3,323.00			11,631.00		780.00	150.00	930.00	10,701.00
<b>Sales</b>	30,616.00	4,500.00	9,200.00		1,000.00	45,316.00		1,560.00	400.00	1,960.00	43,356.00
Atul Sharma	15,385.00	2,500.00	6,154.00		1,000.00	25,039.00		780.00	200.00	980.00	24,059.00
Ramesh Arora	15,231.00	2,000.00	3,046.00			20,277.00		780.00	200.00	980.00	19,297.00
<b>Grand Total</b>	45,924.00	5,000.00	15,323.00	480.00	2,500.00	69,227.00		3,120.00	700.00	3,820.00	65,407.00

Figure 22.145 Pay Sheet

You can further configure the Pay Sheet to display the net amount, column subtotals, Category/Group subtotals, user-defined payslip names, Employee names and sort it by Employee number in the **F12: Configure**.

The **F12: Configuration** from the Pay Sheet screen displays as shown:

Configuration		Appearance
Appearance of Pay Head Types	: <b>All Items</b>	<b>All Items</b>
Show 'Net Amount' Column	? <b>Yes</b>	Deductions
Show Column SubTotals	? <b>Yes</b>	Earnings
Remove Zero Entries	? <b>Yes</b>	
Show Payslip Names for Ledgers	? <b>Yes</b>	
Include Employee Groups & Categories	? <b>Yes</b>	
Show Category/Group Total	? <b>Yes</b>	
Show Grand Total	? <b>Yes</b>	
Show Attendance Details	? <b>No</b>	
Display Production Types in Tail Units	? <b>No</b>	
Format	: <b>Detailed</b>	
Show Employee Number	? <b>No</b>	
Show Employee Designation	? <b>No</b>	
Expand all levels in Detailed Format	? <b>Yes</b>	
Appearance of Names	: <b>Name Only</b>	
Sorting Method	: <b>Default</b>	

Figure 22.146 F12: Configuration



The **F12 :Configuration** options in the Pay Sheet are explained as follows.

- ❑ **Appearance of Pay Head Types** – Set All Items to view Deductions and Earnings.
- ❑ **Show Net Amount Column** – Set this option to **Yes** to display the Net Payable Column.
- ❑ **Show Column SubTotals** – Set this option to **Yes** to display the subtotals of Earnings/Deductions pay head columns.
- ❑ **Remove Zero Entries** – Set this option to **Yes** to eliminate Earnings/ Deductions pay heads with Zero values.
- ❑ **Show Payslip Names for Ledgers** – Set this option to **Yes** to display the Name defined in the Appear in Payslip field in the pay head master.
- ❑ **Include Employee Groups & Categories** – Set this option to **Yes** to display Category-wise/ Group-wise pay sheet. If this option is set to No, the Pay Sheet will appear Employee-wise.
- ❑ **Show Category/Group Total** – Set this option to **Yes** to display Category and Group-wise columnar pay head totals.
- ❑ **Show Grand Total** – Set this option to **Yes** to display the sum of all pay head columns appearing in the report.
- ❑ **Show Attendance Details** - Set this Option to **Yes** to display the Attendance for the Employees
- ❑ **Display Production types in Tail Units** - Set this Option to **Yes** to show the Overtime details in minutes.
- ❑ **Format** – Select Detailed mode to view Pay Sheet information of employees with their respective category and group. Select Condensed mode when only sum totals are required for each category and group.
- ❑ **Show Employee Number** – Set this option to **Yes** to display employee numbers.
- ❑ **Show Employee Designation** - Set this Option to **Yes** to show the designation for employees.
- ❑ **Expand all levels in Detailed Format** – Set this option to **Yes** to expand all levels and display Employee details.
- ❑ **Appearance of Names** – Select the appropriate name style to appear in the paysheet (viz., Alias (Name), Alias only, Name (Alias), Name only).
- ❑ **Sorting Method** – Sort the Pay Sheet either by Alphabetical increasing / decreasing, Employee number or by the Default method.



PaySheet									
Indus Solutions Pvt. Ltd.									
For All Employees									
1-Apr-2009 to 30-Apr-2009									
Particulars	Employee Number	Employee Designation	Calendar Month	Overtime	Present	Absent	Basic	Conveyance	House Rent Allowance
<b>Primary Cost Category</b>				1,080 Mins	86 Days		45,924.00	5,000.00	15,323.00
<b>Administration</b>				720 Mins	26 Days		7,000.00	500.00	2,800.00
Rohit Roy	469	Manager		720 Mins	26 Days		7,000.00	500.00	2,800.00
<b>R &amp; D</b>					18 Days		8,308.00		3,323.00
Preeti Sinha	578	Manager			18 Days		8,308.00		3,323.00
<b>Sales</b>				360 Mins	42 Days		30,616.00	4,500.00	9,200.00
Atul Sharma	465	Area Sales Manager		360 Mins	20 Days		15,385.00	2,500.00	6,154.00
Ramesh Arora	225	Regional Sales Manager			22 Days		15,231.00	2,000.00	3,046.00
<b>Grand Total</b>				<b>1080 Mins</b>	<b>86 Days</b>		<b>45,924.00</b>	<b>5,000.00</b>	<b>15,323.00</b>

Figure 22.148 Pay Sheet

To view the **Pay Sheet** till date with **Category** and **Group Totals**

- ❑ In **F12: Configuration**, set **Category / Group Total** to **Yes** (by default it is set to **Yes**)
- ❑ Press **Alt+F2** and change period as **01-04-2009** to **30-06-2009**

The **Pay Sheet** with **Category** and **Group Totals** displays as shown:

PaySheet		Indus Solutions Pvt. Ltd.						Ctrl + M		
For All Employees			1-Apr-2009 to 30-Jun-2009							
Particulars	Employee Number	Employee Designation	Variable Pay	Total Earnings	ESI @ 1.75%	EPF @ 12%	Professional Tax	Total Deductions	Net Amount	
			← ... 4 more							
<b>Primary Cost Category</b>			4,200.00	2,22,022.00	208.00	9,360.00	2,150.00	11,718.00	2,10,304.00	
<b>Administration</b>			2,000.00	33,883.00	196.00	2,340.00	450.00	2,986.00	30,897.00	
	Rohit Roy	469		2,000.00	33,083.00	182.00	2,340.00	450.00	2,972.00	30,111.00
	Tamanna	531			800.00	14.00			14.00	786.00
<b>R &amp; D</b>				40,062.00		2,340.00	500.00	2,840.00	37,222.00	
	Preeti Sinha	578			40,062.00	12.00	2,340.00	2,840.00	37,222.00	
<b>Sales</b>			2,200.00	1,48,077.00		4,680.00	1,200.00	5,892.00	1,42,185.00	
	Atul Sharma	465		1,000.00	86,039.00		2,340.00	600.00	2,940.00	83,099.00
	Dinesh	789			700.00	12.00			12.00	688.00
	Ramesh Arora	225		1,200.00	61,338.00		2,340.00	600.00	2,940.00	58,398.00
<b>Grand Total</b>			4,200.00	2,22,022.00	208.00	9,360.00	2,150.00	11,718.00	2,10,304.00	

Figure 22.149 Pay Sheet with Category and Group Total

**Button options:**



- ❑ **Detailed/Condensed Button** – This button (**Alt+F1**) is used to toggle between the **detailed** and **condensed** modes of reporting.
- ❑ **Period button** – This option (**F2**) is used to define the periodicity of the report, i.e. for a day, week, fortnight, month, quarter, half-year, year or any given period.

To view the **Pay Sheet** for a particular Employee Group,

- ❑ Press **Ctrl+F7** from the Pay Sheet display, the Employee Filters screen appears
- ❑ In the **Employee Filters** screen,
  - Select **Primary Cost Category** in the **Cost Category** field
  - Select **Sales** as the **Employees/ group**

The **Employee Filters** screen displays as shown:

Employee Filters		Indus Solutions Pvt. Ltd.					Ctrl + M
For All Employees Under Category: Primary Cost Category							List of Employees / Group
Particulars	Employee Number	Employee Designation	Variable Pay	Total Earnings	ESI @ 1.75%	EPF @ 12%	Profits
<b>Primary Cost Category</b>				78,003.00	208.00	3,120.00	
<b>Administration</b>				11,180.00	196.00	780.00	
Rohit Roy	469	Manager		10,380.00	182.00	780.00	
Tamanna	531	Manager		800.00	14.00		
<b>R &amp; D</b>				15,508.00		780.00	
Preeti Sinha	578	Manager		15,508.00		780.00	
<b>Sales</b>				51,315.00	12.00	1,560.00	
Atul Sharma	465	Area Sales Manager		30,500.00		780.00	
Dinesh	789	Manager		700.00	12.00		
Ramesh Arora	225						
<b>Grand Total</b>				78,003.00	208.00	3,120.00	

Employee Filters	
Cost Category	: Primary Cost Category
Employee/Group	: [Redacted]

List of Employees / Group	
All Items	(Group)
Administration	(Group)
Atul Sharma	
Dinesh	
Preeti Sinha	
Ramesh Arora	
R & D	(Group)
Rohit Roy	
<b>Sales</b>	<b>(Group)</b>
Tamanna	

Figure 22.150 Employee Filters

The **Pay Sheet** for the selected **Employee Group** displays as shown:

PaySheet		Indus Solutions Pvt. Ltd.						Ctrl + M		
For All Employees Under Group: Sales			1-Apr-2009 to 30-Jun-2009							
Particulars	Employee Number	Employee Designation	Variable Pay	Total Earnings	ESI @ 1.75%	EPF @ 12%	Professional Tax	Total Deductions	Net Amount	
<b>Primary Cost Category</b>			← ... 8 more	2,200.00	1,48,077.00	12.00	4,680.00	1,200.00	5,892.00	1,42,185.00
<b>Sales</b>			2,200.00	1,48,077.00	12.00	4,680.00	1,200.00	5,892.00	1,42,185.00	
Atul Sharma	465	Area Sales Manager	1,000.00	86,039.00		2,340.00	600.00	2,940.00	83,099.00	
Dinesh	789	Manager		700.00	12.00			12.00	688.00	
Ramesh Arora	225	Regional Sales Manager	1,200.00	61,338.00		2,340.00	600.00	2,940.00	58,398.00	
<b>Grand Total</b>			2,200.00	1,48,077.00	12.00	4,680.00	1,200.00	5,892.00	1,42,185.00	

Figure 22.151 Employee Group Pay Sheet

You can also drill down from the above report to the voucher level, by highlighting the pay heads column of the required employee and pressing **Enter**.

#### Button Options:



- ❑ **Employee Filter Button** – By using the **Employee Filter button (Ctrl+F7)**, view the individual employee/ Employee group pay sheet report.
- ❑ **New Column** – This option (**Alt+C**) is used to add a new column for any other Pay Head, which is not part of the pay structure.
- ❑ **Alter Column** – This option (**Alt+A**) is used to replace an existing column in the report with another Pay Head column.
- ❑ **Delete Column** – This option (**Alt+D**) is used to delete an existing column in the report.

You can also print the Pay Sheet, by pressing **Alt+P** and specifying the required options in the **Pay Sheet Print configuration** screen.



The Pay Sheet Print Configuration screen will appear as shown:

**Printing Pay Sheet**

<b>Printer</b> : (Ne00:)	<b>Paper Type</b> :	Letter
<b>No. of Copies</b> : 1		
<b>Print Language</b> : English		<i>(Printing Dimensions)</i>
<b>Method</b> : Neat Mode	<b>Paper Size</b> :	8.50" x 10.98" or (216 mm x 279 mm)
<b>Page Range</b> : All	<b>Print Area</b> :	8.03" x 10.63" or (204 mm x 270 mm)

---

Report Titles

**Pay Sheet**

(with Print Preview)

Increase Line Height for Signature / Stamp ? **No**

**Print ?**  
Yes or No

Figure 22.152 Pay Sheet Print Configuration screen

The Printed Pay Sheet displays as shown:

Indus Solutions Pvt. Ltd. 4/1 St. Mark's Road, Bangalore <b>Pay Sheet</b> 1-Apr-2009 to 30-Jun-2009										
Page 1 (A)										
Particulars	Employee Number	Employee Designation	Calendar Month	Overtime	Present	Absent	Basic	Conveyance	House Rent Allowance	Overtime Pay
<b>Primary Cost Category</b>				600 Mins	135 Days		99,000.00	14,200.00	30,877.00	1,800.00
<b>Sales</b>				600 Mins	135 Days		99,000.00	14,200.00	30,877.00	1,800.00
Atul Sharma	465	Area Sales Manager			72 Days		55,385.00	7,500.00	22,154.00	
Dinesh	789	Manager						700.00		
Ramesh Arora	225	Regional Sales Manager		600 Mins	63 Days		43,615.00	6,000.00	8,723.00	1,800.00
<b>Grand Total</b>				<b>600 Mins</b>	<b>135 Days</b>		<b>99,000.00</b>	<b>14,200.00</b>	<b>30,877.00</b>	<b>1,800.00</b>

Figure 22.153 Printed Pay Sheet 1A

Indus Solutions Pvt. Ltd. 4/1 St. Mark's Road, Bangalore <b>Pay Sheet</b> 1-Apr-2009 to 30-Jun-2009										
Page 1 (B)										
Particulars	Employee Number	Employee Designation	Variable Pay	Total Earnings	ESI @ 1.75%	EPF @ 12%	Professional Tax	Total Deductions	Net Amount	
<b>Primary Cost Category</b>			2,200.00	<b>1,48,077.00</b>	12.00	4,680.00	1,200.00	<b>5,892.00</b>	<b>1,42,185.00</b>	
<b>Sales</b>			2,200.00	<b>1,48,077.00</b>	12.00	4,680.00	1,200.00	<b>5,892.00</b>	<b>1,42,185.00</b>	
Atul Sharma	465	Area Sales Manager	1,000.00	<b>86,039.00</b>		2,340.00	600.00	<b>2,940.00</b>	<b>83,099.00</b>	
Dinesh	789	Manager		<b>700.00</b>	12.00			<b>12.00</b>	<b>688.00</b>	
Ramesh Arora	225	Regional Sales Manager	1,200.00	<b>61,338.00</b>		2,340.00	600.00	<b>2,940.00</b>	<b>58,398.00</b>	
<b>Grand Total</b>			<b>2,200.00</b>	<b>1,48,077.00</b>	<b>12.00</b>	<b>4,680.00</b>	<b>1,200.00</b>	<b>5,892.00</b>	<b>1,42,185.00</b>	

Figure 22.154 Printed Pay Sheet 1B

While printing the Pay Sheet, you can choose to **Increase the Line Height** (for each employee line) if you want to create space for the employee's signature or to affix a stamp. Such a Pay Sheet can also be used as a salary disbursement register.

- Press **Alt+P** to print Pay Sheet and set the **Increase Line Height for Signature/ Stamp?** field to **Yes**

The printed **Pay Sheet** with space for signature/ stamp is as shown.

Indus Solutions Pvt. Ltd. 4/1 St. Mark's Road, Bangalore										
Pay Sheet 1-Apr-2009 to 30-Jun-2009										
Page 1 (A)										
Particulars	Employee Number	Employee Designation	Calendar Month	Overtime	Present	Absent	Basic	Conveyance	House Rent Allowance	Overtime Pay
<b>Primary Cost Category</b>				600 Mins	135 Days		99,000.00	14,200.00	30,877.00	1,800.00
<b>Sales</b>				600 Mins	135 Days		99,000.00	14,200.00	30,877.00	1,800.00
Atul Sharma	465	Area Sales Manager			72 Days		55,385.00	7,500.00	22,154.00	
Dinesh	789	Manager						700.00		
Ramesh Arora	225	Regional Sales Manager			63 Days		43,615.00	6,000.00	8,723.00	1,800.00
<b>Grand Total</b>				600 Mins	135 Days		99,000.00	14,200.00	30,877.00	1,800.00

Figure 22.155 Printed Pay Sheet with space for Signature/ Stamp (1A)

Indus Solutions Pvt. Ltd. 4/1 St. Mark's Road, Bangalore										
Pay Sheet 1-Apr-2009 to 30-Jun-2009										
Page 1 (B)										
Particulars	Employee Number	Employee Designation	Variable Pay	Total Earnings	ESI @ 1.75%	EPF @ 12%	Professional Tax	Total Deductions	Net Amount	
<b>Primary Cost Category</b>			2,200.00	1,48,077.00	12.00	4,680.00	1,200.00	5,892.00	1,42,185.00	
<b>Sales</b>			2,200.00	1,48,077.00	12.00	4,680.00	1,200.00	5,892.00	1,42,185.00	
Atul Sharma	465	Area Sales Manager	1,000.00	86,039.00		2,340.00	600.00	2,940.00	83,099.00	
Dinesh	789	Manager		700.00	12.00			12.00	688.00	
Ramesh Arora	225	Regional Sales Manager	1,200.00	61,338.00		2,340.00	600.00	2,940.00	58,398.00	
<b>Grand Total</b>			2,200.00	1,48,077.00	12.00	4,680.00	1,200.00	5,892.00	1,42,185.00	

Figure 22.156 Printed Pay Sheet with space for Signature/ Stamp (1B)



You can also **Email** or **Export Pay Sheet Report** in the manner as discussed in **Payslip** Section. The navigation steps for Emailing, Exporting Pay Sheet is similar to as explained in **Payslip** Report.

### Payroll Statement

A Payroll Statement is a columnar report which displays Group/Department-wise employees' break-up of selected earnings or deductions, for a specified month or period.

Go to **Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Payroll Statement**

- Select the required pay head and press **Enter**

The **Payroll Statement** for **Basic Pay** Earnings Head for the month of April 2009 is as shown:

Payroll Statement		Indus Solutions Pvt. Ltd.	Ctrl + M
For All Employees		1-Apr-2009 to 30-Apr-2009	
Particulars		Basic	
<b>Primary Cost Category</b>		45,924.00	
<b>Administration</b>		7,000.00	
Rohit Roy		7,000.00	
<b>R &amp; D</b>		8,308.00	
Preeti Sinha		8,308.00	
<b>Sales</b>		30,616.00	
Atul Sharma		15,385.00	
Ramesh Arora		15,231.00	
<b>Grand Total</b>		45,924.00	

Figure 22.157 Payroll Statement

You can further configure the Payroll Statement to display the Employee groups and categories, category/group subtotals, grand totals, user-defined Payslip names, employee names, employee bank details, sort it by Employee number, by pressing **F12: Configure**

- Enter the details in **F12: Configuration** screen as shown

The **F12: Configuration** screen will appear as shown:

<u>Configuration</u>	
Remove Zero Entries	? <b>Yes</b>
Show Payslip Names for Ledgers	? <b>Yes</b>
Include Employee Groups & Categories	? <b>Yes</b>
Show Category/Group Total	? <b>Yes</b>
Show Grand Total	? <b>Yes</b>
Format	: <b>Detailed</b>
Show Employee PF Account Number	? <b>Yes</b>
Show Income Tax Number (PAN)	? <b>Yes</b>
Show Employee Bank Details	? <b>No</b>
Show Employee Number	? <b>No</b>
Show Employee ESI Number	? <b>No</b>
Show Employee Passport Details	? <b>No</b>
Show Employee Visa Expiry Date	? <b>No</b>
Expand all levels in Detailed Format	? <b>Yes</b>
Appearance of Names	: <b>Name Only</b>
Sorting Method	: <b>Default</b>

Sorting Methods
Alphabetical (Decreasing)
Alphabetical (Increasing)
Bank Details
Default
EmployeeNumber
ESI Number
Income Tax Number (PAN)
Passport Details
PF Account Number
Visa Expiry Date

Figure 22.158 F12: Configuration

The **F12: Configuration** options in **Payroll Statement Report** are as follows:

- **Remove Zero Entries** – Set this option to **Yes** to remove Earnings/Deductions pay head information with Zero values.
- **Show Payslip Names for Ledgers** – Set this option to **Yes**, to view the names of pay heads as specified in the **Name to Appear in Payslip** field in the Pay Head master creation.
- **Include Employee Groups & Categories** – Set this option to **Yes** to display Category and Group-wise Employee information.
- **Show Category/Group Total** – Set this option to **Yes**, to display Category and Group-wise Totals.





- ❑ **Show Grand Total** – Set this option to **Yes**, to display the sum of all the pay head columns in the report.
- ❑ **Format** – Select the **Detailed** mode to view payroll information of employees with their respective categories and groups. Select the **Condensed** mode when only sum totals are required for each category and group.
- ❑ **Show Employee PF Account Number** – Set this option to **Yes**, to display the Provident Fund Account number of an employee.
- ❑ **Show Employee I.T. PAN** – Set this option to **Yes**, to display the Income Tax Permanent Account Number (PAN) of an employee.
- ❑ **Show Employee Bank Details** – Set this option to **Yes**, to display the Bank Account Number of an employee
- ❑ **Show Employee Number** – Set this option to **Yes**, to display the Employee Number of an employee.
- ❑ **Show Employee ESI Number** – Set this option to **Yes**, to display the State Insurance Number of an employee.
- ❑ **Show Employee Passport Details** – Set this option to **Yes**, to display an employee's passport details.
- ❑ **Show Employee Visa Expiry Date** – Set this option to **Yes**, to display an employee's visa expiry date.
- ❑ **Expand all levels in Detailed format** – Set this option to **Yes**, to expand all levels and display Employee details.
- ❑ **Appearance of Names** – Select the appropriate name style to appear in the Payroll Statement (Alias (Name), Alias only, Name (Alias), Name only).
- ❑ **Sorting Method** – Sort the Payroll Statement using Alphabetical (Decreasing), Alphabetical (Increasing), Bank details, Employee IT Pan Number, Employee Number, ESI Number, PF Account Number, Passport details or by the default method.



The **Employee PF Account Number, IT PAN Number, ESI Number, Passport Details, Visa Expiry Date** options will be available in **F12: Configure** only when the options, **Show Statutory details** and **Passport & Visa details**, are set to **Yes** in **F12: Payroll Configuration**.

The **Payroll Statement** with the above Configurations will appear as shown:

Payroll Statement			Indus Solutions Pvt. Ltd.	Ctrl + M
For All Employees			1-Apr-2009 to 30-Apr-2009	
Particulars	PF Account Number	Income Tax Number (PAN)	Basic	
<b>Primary Cost Category</b>			45,924.00	
<b>Administration</b>			7,000.00	
Rohit Roy	KA/BN/13478/412	AQBPP8579C	7,000.00	
<b>R &amp; D</b>			8,308.00	
Preeti Sinha	KA/BN/13524/112	AZVBB8520B	8,308.00	
<b>Sales</b>			30,616.00	
Atul Sharma	KA/BN/14785/841	AVBUU4560C	15,385.00	
Ramesh Arora	KAR/BN/32185/552	AGBYY5620B	15,231.00	
<b>Grand Total</b>			<b>45,924.00</b>	

Figure 22.159 Payroll Statement with additional information



- ❑ You can also **Email** or **Export Payroll Statement** in the manner as discussed in **Payslip** Section.
- ❑ The **Button Bar** options in **Payroll Statement** are same as in the **Paysheet** report.

To view Payroll Statement for other Pay Heads, you may either select other Pay Head(s) in the manner as discussed or you may also include other Pay Heads in the above report for comparative analysis or to obtain a cumulative value, by pressing **Alt+C** and selecting the required Pay Head(s).

The **Payroll statement** with additional Pay Heads will appear as shown:

Payroll Statement			Indus Solutions Pvt. Ltd.			Ctrl + M
For All Employees			1-Apr-2009 to 30-Apr-2009			
Particulars	PF Account Number	Income Tax Number (PAN)	Basic	House Rent Allowance	Conveyance	
<b>Primary Cost Category</b>			45,924.00	15,323.00	5,000.00	
<b>Administration</b>			7,000.00	2,800.00	500.00	
Rohit Roy	KA/BN/13478/412	AQBPP8579C	7,000.00	2,800.00	500.00	
<b>R &amp; D</b>			8,308.00	3,323.00		
Preeti Sinha	KA/BN/13524/112	AZVBB8520B	8,308.00	3,323.00		
<b>Sales</b>			30,616.00	9,200.00	4,500.00	
Atul Sharma	KA/BN/14785/841	AVBUU4560C	15,385.00	6,154.00	2,500.00	
Ramesh Arora	KAR/BN/32185/552	AGBY5620B	15,231.00	3,046.00	2,000.00	
<b>Grand Total</b>			45,924.00	15,323.00	5,000.00	

Figure 22.160 Payroll Statement with additional Columns

### Payment Advice

A Payment Advice is an intimation letter containing the details of employees with their bank account numbers issued to the banker to transfer a specified sum (salaries earned) to the employees' bank accounts.

As discussed earlier, the contents of the Payment Advice can be altered in **F12: Payroll Configuration** as per the employer's requirements.

Go to **Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Payment Advice**

The **Printing Configuration for Payment Advice** displays as shown:

Printing Payment Advice	
<b>Printer</b>	: RnD Printer (Ne01:)
<b>No. of Copies</b>	: 1
<b>Print Language</b>	: English
<b>Method</b>	: Neat Mode
<b>Page Range</b>	: All
<b>Paper Type</b>	: Letter
<b>Paper Size</b>	: (10.96" x 8.50") or (279 mm x 216 mm)
<b>Print Area</b>	: (10.71" x 8.19") or (272 mm x 208 mm)
<u>Report Titles</u>	
<b>Payment Advice</b>	
(with Print Preview)	
<i>Without Date Range of Report, Without Page Numbers</i>	
From (blank for beginning)	: <b>1-6-2009</b>
To (blank for end)	: <b>30-6-2009</b>
<i>(Note: The above From and To should be Payment Voucher Period)</i>	
Cost Category	: <b>[ All Items</b>
Employee/Group	: <b>[ All Items</b>
Bank Ledger	: <b>HDFC Bank</b>
Date Range to Print	: From: <b>1-6-2009</b> To: <b>30-6-2009</b>
<i>(Note: Salary/Payroll Period to be specified in the Date Range to Print)</i>	
Bank Name	: <b>Yes</b>
Branch	: <b>Yes</b>
Sorting Method	: <b>Bank Details</b>
Date of Printing	: <b>1-7-2009</b>
<b>Sorting Methods</b>	
<b>Bank Details</b>	
Default	
Employee Number	

Figure 22.161 Printing Configuration for Payment Advice

- Press **Backspace** and enter the details as shown above
- Press **Enter** to print

The printed **Payment Advice** for May 2009 displays as shown:



**Indus Solutions Pvt. Ltd.**  
4/1 St. Mark's Road,  
Bangalore

**Payment Advice**

1-Jul-2009

**The Manager**  
HDFC Bank

Dear Sir,

**Payment Advice from Indus Solutions Pvt. Ltd. A/C # for period 1-Jun-2009 to 30-Jun-2009**

Please make the payroll transfer from above account number to the below mentioned account numbers towards employee salaries:

Sl. No.	Name of the Employee	Account No.	Bank Name	Branch	Amount
1.	Rohit Roy	005-005590-104	HSBC Bank	Koramangala	9,268.00
2.	Preeti Sinha	005-005590-108	HSBC Bank	Koramangala	14,528.00
3.	Atul Sharma	005-005590-110	HSBC Bank	Koramangalam	29,520.00
4.	Tamanna	005-005590-660	HSBC Bank	Koramangalam	786.00
5.	Dinesh	055-0055680-121	HSBC Bank	Koramangalam	688.00
6.	Ramesh Arora	055-005590-121	HSBC Bank	Kormanagala	19,135.00
	<b>Total</b>				<b>73,925.00</b>

Yours Sincerely  
**for Indus Solutions Pvt. Ltd.**

Authorised Signatory

Figure 22.162 Printed Payment Advice



- ❑ The **Payment Advice** will be available only when the Salaries are processed through **Bank Transfer** and a **Payment voucher** is passed for the salaries payable for a given month/period.
- ❑ You can also **Email** or **Export Payment Advice** in the manner as discussed in **Payslip Section**.

## Payroll Register

A Payroll Register is a month-wise transaction summary report which displays the number of payroll vouchers passed during a particular month. Additional information can be appended into the Payroll Register, by inserting a new column with the required voucher type i.e., Attendance, Journal, Purchases, Sales and so on.

Go to **Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Payroll Register**

The **Payroll Register** displays as shown:

Payroll Register		Indus Solutions Pvt. Ltd.		Ctrl + M
Particulars	Payroll			
	Indus Solutions Pvt. Ltd.			
	1-Apr-2009 to 30-Jun-2009			
		Transactions		
		Total Vouchers	(cancelled)	
April		2		
May		1		
June		2		
July				
August				
September				
October				
November				
December				
January				
February				
March				
<b>Grand Total</b>		<b>5</b>		

Figure 22.163 Payroll Register

- Press **F12: Configure** and set the **Appearance of Names** and the **Periodicity to use** as shown.

The **F12: Configuration** screen displays as shown:

Configuration		Periodicity
Appearance of Names	: <b>Name Only</b>	4 Week Month
Periodicity to use	: <b>Quarterly</b>	Daily
		Fortnightly
		Half Yearly
		Monthly
		<b>Quarterly</b>
		Weekly
		Yearly

Figure 22.164 F12: Configuration

The **Payroll Register** with the above configurations will appear as shown:

Payroll Register		Indus Solutions Pvt. Ltd.		Ctrl + M
Particulars			Payroll	
			Indus Solutions Pvt. Ltd.	
			1-Apr-2009 to 30-Jun-2009	
		Transactions		
		Total Vouchers	(cancelled)	
Apr - Jun				5
Jul - Sep				
Oct - Dec				
Jan - Mar				
<b>Grand Total</b>				<b>5</b>

Figure 22.165 Payroll Register - Quarterly

Tally.ERP 9 allows you to drill down to the voucher level from the above display for any kind of verification, by pressing **Enter** on the required month/period.

The **Payroll Register** voucher level screen displays as shown:

Voucher Register		Indus Solutions Pvt. Ltd.		Ctrl + M	
List of All Payroll Vouchers		1-Jun-2009 to 30-Jun-2009			
Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
30-6-2009	Basic Pay	Payroll	4	51,923.00	
30-6-2009	Employer ESI @ 4.75%	Payroll	5	564.00	

Figure 22.166 Payroll Voucher Register

You can further drill down to transaction level, by selecting the required transaction and pressing **Enter**.

### Employee Pay Head Breakup

An Employee Pay Head Breakup report is a columnar report which displays the Group/Department-wise employees' breakup of a selected earnings or deductions pay head for a specified month/period. This report also displays the opening balance, debit and credit transactions and the closing balance for a specified period.

This report is also beneficial in tracking loan outstanding and instalments deducted till date or for any specified period.

Go to **Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Employee Pay Head Breakup**

- Select the **required Pay Head** from the **List of Pay Heads** and press **Enter**

The **Employee Breakup of Pay Head** for **Basic pay** screen displays as shown:

Employee Breakup of Pay Head		Indus Solutions Pvt. Ltd.		Ctrl + M
Particulars	Pay Head: Basic Pay Indus Solutions Pvt. Ltd. 1-Apr-2009 to 30-Jun-2009			
	Opening Balance	Transactions		Closing Balance
		Debit	Credit	
<b>Primary Cost Category</b>		1,48,347.00		1,48,347.00 Dr
Administration		20,731.00		20,731.00 Dr
R & D		28,616.00		28,616.00 Dr
Sales		99,000.00		99,000.00 Dr

Figure 22.167 Employee Breakup of Pay Head

To drill down to **Employee Summary report** from the above display,

- Select **Cost Category** and press **Enter**
- Press **Alt+F1** to view the detailed report

The **Employee Summary** screen displays as shown:

Employee Summary		Indus Solutions Pvt. Ltd.		Ctrl + M
Particulars	Opening Balance	Transactions		Closing Balance
		Debit	Credit	
Category: Primary Cost Category Pay Head: Basic Pay Indus Solutions Pvt. Ltd. 1-Apr-2009 to 30-Jun-2009				
<b>Administration</b>		20,731.00		20,731.00 Dr
Rohit Roy		20,731.00		20,731.00 Dr
Tamanna				
<b>R &amp; D</b>		28,616.00		28,616.00 Dr
Preeti Sinha		28,616.00		28,616.00 Dr
<b>Sales</b>		99,000.00		99,000.00 Dr
Atul Sharma		55,385.00		55,385.00 Dr
Dinesh				
Ramesh Arora		43,615.00		43,615.00 Dr
<b>Grand Total</b>		1,48,347.00		1,48,347.00 Dr

Figure 22.168 Employee Summary



You can also **Email** or **Export Employee Breakup of Pay Head Report** in the manner as discussed in Payslip Section.

To drill down to the **Employee Monthly Summary** report from the **Employee Summary** report,

- Highlight the required employee and press **Enter**

The **Employee Monthly Summary** screen displays as shown:

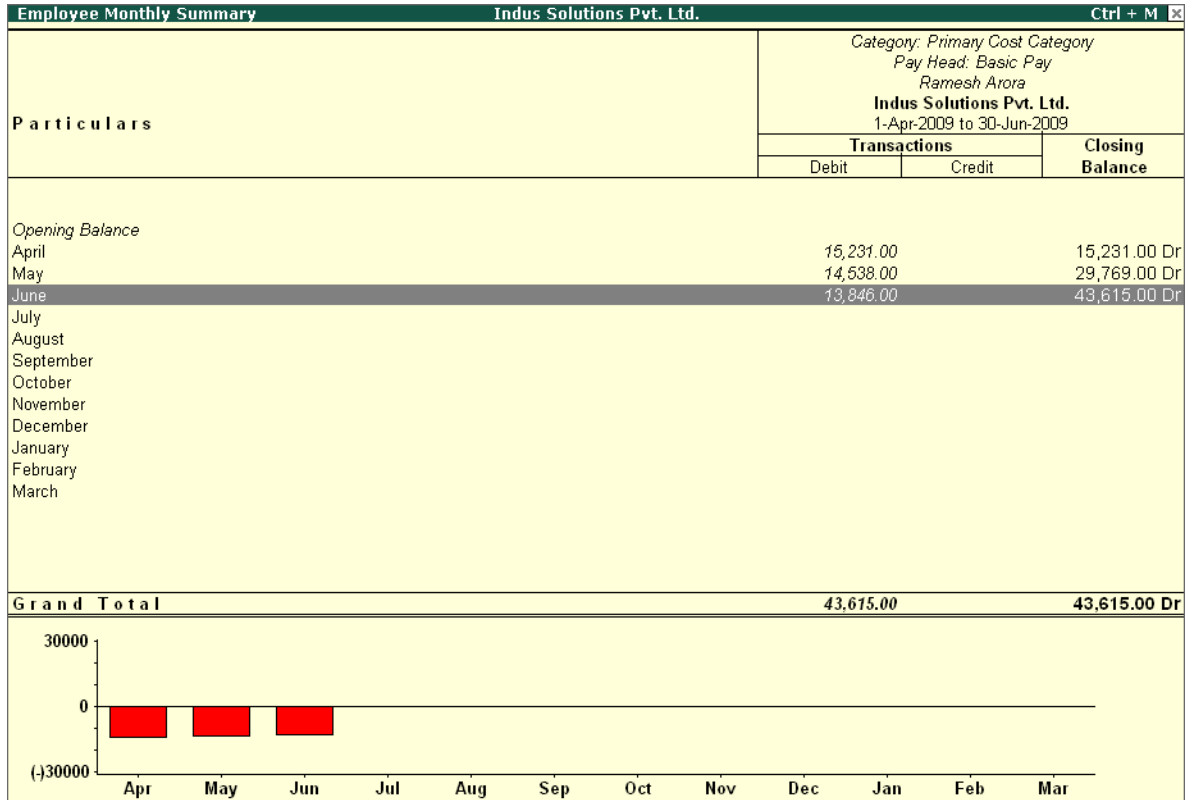


Figure 22.169 Employee Monthly Summary

To further drill down to Employee Voucher level screen from the Employee Monthly Summary report, press **Enter** on the required month

The **Employee Summary** voucher level screen displays as shown:

Employee Vouchers		Indus Solutions Pvt. Ltd.		Ctrl + M	
Employee : Ramesh Arora				1-Jun-2009 to 30-Jun-2009	
For Pay Head : Basic Pay					
Date	Particulars	Vch Type	Vch No.	Debit	Credit
30-6-2009	Basic Pay	Payroll	4	13,846.00	
				Opening Balance :	
				Current Total :	13,846.00
				Closing Balance :	13,846.00

Figure 22.170 Employee Vouchers Summary

You can further drill down to transaction level, by selecting the required transaction and pressing **Enter**.

The **Employee Breakup of Pay Head** report can be viewed with additional Pay Heads, by pressing **Alt+C** and adding the required Pay Head and for multiple periods, by pressing **Alt+N**.

### Pay Head Employee Breakup

A Pay Head Employee Breakup report displays the sum of transactions and closing balance of the transacted groups for the selected employee.

Go to **Gateway of Tally > Display > Payroll Reports > Statements of Payroll > Pay Head Employee Breakup**

The **Employee Selection** screen displays as shown:



Select Item		Indus Solutions Pvt. Ltd.		Ctrl + M
Current Period 1-4-2009 to 31-3-2010	Current Date Tuesday, 30	Name of Employee <b>Atul Sharma</b>		
List of Se	List of Employees			
Name of Company Indus Solutions Pvt. Ltd.	<b>Atul Sharma</b>	Sales	Primary Cost Category	
	Dinesh	Sales	Primary Cost Category	
	Preeti Sinha	R & D	Primary Cost Category	
	Ramesh Arora	Sales	Primary Cost Category	
	Rohit Roy	Administration	Primary Cost Category	
	Tamanna	Administration	Primary Cost Category	

Figure 22.171 Employee Selection

To view the ledger breakup,

- ❑ Select the required Employee from the **List of Employees** and press **Enter**
- ❑ Press **Alt+F1** for detailed view

The ledger-wise **Breakup of Employee** screen displays as shown:

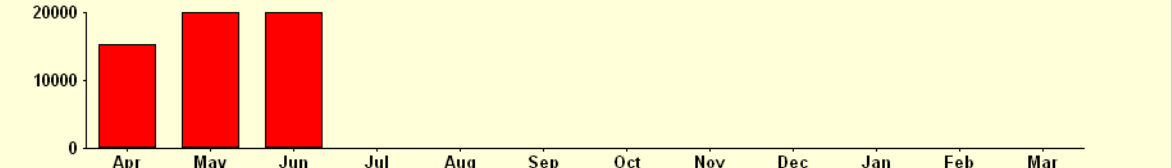
Breakup of Employee		Indus Solutions Pvt. Ltd.		Ctrl + M
		Employee: Atul Sharma		
		Indus Solutions Pvt. Ltd. 1-Apr-2009 to 30-Jun-2009		
Particulars	Transactions		Closing Balance	
	Debit	Credit		
<b>Current Liabilities</b>	60,904.65	62,864.65		1,960.00 Cr
EDLI Administrative Charges @ 0.01%	0.65	0.65		
EDLI Contribution @ 0.5%	32.50	32.50		
Employee's PF Contribution @ 12%	780.00	2,340.00		1,560.00 Cr
PF Administrative Charges @ 1.10%	71.50	71.50		
PF Payable	780.00	780.00		
Professional Tax	200.00	600.00		400.00 Cr
Salary Payable	59,040.00	59,040.00		
<b>Indirect Expenses</b>	86,819.00			86,819.00 Dr
Basic Pay	55,385.00			55,385.00 Dr
Conveyance	7,500.00			7,500.00 Dr
Employer EPF @ 3.67%	239.00			239.00 Dr
Employer EPS @ 8.33%	541.00			541.00 Dr
House Rent Allowance	22,154.00			22,154.00 Dr
Variable Pay	1,000.00			1,000.00 Dr
<b>Grand Total</b>	1,47,723.65	62,864.65		84,859.00 Dr

Figure 22.172 Pay Head Employee Breakup

To further drill down to view the Breakup of Employee report for each ledger from the above displayed report, select the required ledger and press **Enter**

The **Breakup of Employee** screen for a selected ledger (Basic Pay) displays as shown:

Ledger Monthly Summary		Indus Solutions Pvt. Ltd.		Ctrl + M
Particulars	Employee: Atul Sharma			
	Basic Pay Indus Solutions Pvt. Ltd. 1-Apr-2009 to 30-Jun-2009			
	Transactions		Closing Balance	
	Debit	Credit		
Opening Balance				
April	15,385.00		15,385.00 Dr	
May	20,000.00		35,385.00 Dr	
June	20,000.00		55,385.00 Dr	
July				
August				
September				
October				
November				
December				
January				
February				
March				
<b>Grand Total</b>		<b>55,385.00</b>	<b>55,385.00 Dr</b>	

Month	Amount (Rs.)
Apr	15,385.00
May	20,000.00
Jun	20,000.00
Jul	0.00
Aug	0.00
Sep	0.00
Oct	0.00
Nov	0.00
Dec	0.00
Jan	0.00
Feb	0.00
Mar	0.00

Figure 22.173 Ledger Monthly Summary

You can drill down further to view the Monthly Summary of the selected ledger and the Employee Voucher report.

The **Pay Head Employee Breakup** report can be viewed with additional employees, by pressing **Alt+C** and adding the required Employee and for multiple periods, by pressing **Alt+N**.

### Attendance Sheet

An Attendance Sheet is a columnar report which displays the details of Attendance/ Production types with the number of attendance/ production units achieved during a particular month or period.

Go to **Gateway of Tally > Display > Payroll Reports > Attendance Sheet**

The **Attendance Sheet** displays as shown:

Attendance Sheet		Indus Solutions Pvt. Ltd.		Ctrl + M	
For All Employees		1-Apr-2009 to 30-Apr-2009			
Particulars	Calendar Month	Overtime	Present	Absent	
<b>Primary Cost Category</b>		1,080 Mins	86 Days		
<b>Administration</b>		720 Mins	26 Days		
Rohit Roy		720 Mins	26 Days		
<b>R &amp; D</b>			18 Days		
Preeti Sinha			18 Days		
<b>Sales</b>		360 Mins	42 Days		
Atul Sharma		360 Mins	20 Days		
Ramesh Arora			22 Days		

Figure 22.174 Attendance Sheet

You may configure the above report with additional details, by pressing **F12:Configure** and enabling the following options, as required.

The completed **F12: Configuration** screen displays as shown:

Configuration		
Remove Zero Entries	? Yes	
Include Employee Groups & Categories	? Yes	
Show Category/Group Total	? Yes	
Include Group Attendance/Production Types	? Yes	
Display Production Types in Tail Units	? Yes	
Format	: Detailed	
Show Employee Number	? Yes	
Expand all levels in Detailed Format	? Yes	
Appearance of Names	: Name Only	
Sorting Method	: Default	
		<b>Sorting Methods</b>
		Alphabetical (Decreasing)
		Alphabetical (Increasing)
		<b>Default</b>
		EmployeeNumber

Figure 22.175 F12: Configuration screen

**F12: Configurations for Attendance Sheet:**



- ❑ **Remove Zero Entries** – Set this option to **Yes**, to remove Attendance/Production information with Zero values.
- ❑ **Include Employee Groups & Categories** – Set this option to **Yes**, to display Category and Group-wise Employee information.

**F12: Configurations for Attendance Sheet:**

- ❑ **Show Category/Group Total** — Set this option to **Yes**, to display Category and Group-wise Totals.
- ❑ **Include Group Attendance/Production Types** – Set this option to **Yes** to include Group Attendance/Production Types in Attendance Sheet report.
- ❑ **Display Attendance/Production Types in Tail Units** – Set this option to **Yes**, to display the Attendance/Production Types in Tail Units.
- ❑ **Format** – Select the **Detailed** mode to view the payroll information of employees with their respective categories and groups. Select the **Condensed** mode when only sum totals are required for each category and group.
- ❑ **Expand all levels in Detailed Format** – Set this option to **Yes**, to expand all levels and display Employee details.
- ❑ **Show Employee Number** – Set this option to **Yes**, to display employee numbers of employees.
- ❑ **Appearance of Names** – Select the appropriate name style to appear in the payroll statement (Alias (Name), Alias only, Name (Alias), Name only)
- ❑ **Sorting Method** – Sort the Attendance Sheet, either by **Employee Number** or by the **Default** method.



The **Attendance sheet** with the above Configurations is as shown:

Attendance Sheet		Indus Solutions Pvt. Ltd.		Ctrl + M	
For All Employees		1-Apr-2009 to 30-Apr-2009			
Particulars	Employee Number	Calendar Month	Overtime	Present	Absent
<b>Primary Cost Category</b>			1,080 Mins	86 Days	
<b>Administration</b>			720 Mins	26 Days	
Rohit Roy	469		720 Mins	26 Days	
<b>R &amp; D</b>				18 Days	
Preeti Sinha	578			18 Days	
<b>Sales</b>			360 Mins	42 Days	
Atul Sharma	465		360 Mins	20 Days	
Ramesh Arora	225			22 Days	

Figure 22.176 Attendance sheet

### Attendance Register

An Attendance Register is a month-wise transactions summary report which displays the number of attendance vouchers passed during the month. You can append additional information by inserting a new column with the required voucher type, i.e. Payroll, Journal, Purchases, Sales and so on.

Go to **Gateway of Tally > Display > Payroll Reports > Attendance Register**

The **Attendance Register** displays as shown:

Attendance Register		Indus Solutions Pvt. Ltd.		Ctrl + M
Particulars	Attendance Indus Solutions Pvt. Ltd. 1-Apr-2009 to 30-Jun-2009			
	Transactions			
	Total Vouchers	(cancelled)		
April	2			
May	2			
June	2			
July				
August				
September				
October				
November				
December				
January				
February				
March				
<b>Grand Total</b>	<b>6</b>			

Figure 22.177 Attendance Register

- Press **F12: Configure** and set the **Appearance of Names** and the **Periodicity to use** as shown

The **F12:Configuration** options in **Attendance Register** are as follows:

Configuration		Periodicity
Appearance of Names	: <b>Name Only</b>	4 Week Month
Periodicity to use	: <b>Monthly</b>	Daily
		Fortnightly
		Half Yearly
		<b>Monthly</b>
		Quarterly
		Weekly
		Yearly

Figure 22.178 F12: Configuration for Attendance Register

Tally.ERP 9 allows you to drill down to the voucher register, from the Attendance Register screen for any kind of verification.

The **Voucher level** screen **from Attendance Register** displays as shown:

Voucher Register		Indus Solutions Pvt. Ltd.		Ctrl + M	
List of All Attendance Vouchers				1-Jun-2009 to 30-Jun-2009	
Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
30-6-2009	Atul Sharma - Present	Attendance	5		
30-6-2009	Ramesh Arora - Overtime	Attendance	6		

Figure 22.179 Attendance Voucher Register

You may further drill down to voucher level, by pressing **Enter** on the required transaction.

### 22.7.2 Expat Reports

Expat Reports provide information about regular as well as contractual employees, working abroad on a short/ long tenure or on assignment. They capture all the relevant information in respect of passport, visa and contract details along with the date of joining, the issuing country and the expiry date. In Tally.ERP 9, the following Expat reports are available.

- ❑ Passport Expiry
- ❑ Visa Expiry
- ❑ Contract Expiry

#### Passport Expiry Report

The Passport Expiry Report provides information on the passport details of employees, such as passport number, country of Issue, passport expiry date and other details such as the employee's date of joining and email id.

Go to **Gateway of Tally > Display > Payroll Reports > Expat Reports > Passport Expiry**

The **Passport Expiry Report** displays as shown:

Passport Expiry Report		Indus Solutions Pvt. Ltd.		Ctrl + M
For All Employees			As on : 30-Jun-2009	
Particulars	Passport Number	Country of Issue	Date of Joining	Passport Expiry Date
<b>Primary Cost Category</b>				
<b>Administration</b>				
Rohit Roy	KAR324579	INDIA	1-4-2009	4-12-2012
<b>R &amp; D</b>				
Preeti Sinha	KAR457120	INDIA	1-4-2009	30-4-2011
<b>Sales</b>				
Atul Sharma	KAR325784	INDIA	1-4-2009	21-11-2015
Ramesh Arora	KAR333555	INDIA	1-4-2009	14-6-2018

Figure 22.180 Passport Expiry Report

- ❑ Press **F12: Configure** to configure additional options

The **F12: Configuration** screen appears as shown:

<u>Configuration</u>	
Show All Employees	? <b>Yes</b>
Show Employee Number	? <b>No</b>
Appearance of Names	: <b>Name Only</b>
Sorting Method	: <b>Default</b>
Show Employee Email ID	? <b>No</b>

Figure 22.181 F12: Configuration screen

**The F12: Configurations in Passport Expiry Report are**

- ❑ **Show All Employees** – Set this option to **Yes**, to view the passport details of all employees. It includes information on expired and unexpired passport details. If this option is set to **No**, Show Expiry in days will be available.
- ❑ **Show Expiry in days** – Set this option to **Yes**, to enter the expiry days. When **Show All Employees** and **Show Expiry in days** options are set to **No**, Tally.ERP 9 filters only those employee passport details, which are nearing the expiry date. If this option is set to **Yes**, **Expiry in next n days** will be available.
- ❑ **Expiry in next n days** – Set this option to **Yes**, to get the passport expiry details for the next specified number of days. On entering the number of days, Tally.ERP 9 filters the employee passport details which are likely to expire within the specified period (number of specified days). If this option is left blank, the report will denote the current date (last date of voucher entry).
- ❑ **Show Employee Number** – Set this option to **Yes**, to display the employee number of employees in the report.
- ❑ **Appearance of Names** – Select the appropriate name style to appear in the Passport Expiry Report (Alias (Name), Alias only, Name (Alias), Name only).
- ❑ **Sorting Method** — Sort employee details based on Employee Number, Passport Expiry Date (Ascending/Descending), or by the default method.
- ❑ **Show Employee Email Id** – Set this option to **Yes**, to view the email ids of employees.







**Button Functions in a Passport Expiry Report:**

- ❑ **F2: Change Period** – Allows you to change the period of the report.
- ❑ **F5: Employee Wise** – Allows you to display the Employee-wise Passport Expiry report.
- ❑ **F7: Employee Filters** – This option (**Ctrl+F7**) allows you to display the Passport Expiry Report for a particular Cost Category with the required Group or Employee.

Similarly **Visa Expiry** and **Contract Expiry** reports can be generated.

**22.7.3 Payroll Statutory Reports**

In Tally.ERP 9, you can display, print statutory forms and reports for Provident Fund (EPF), Employee State Insurance (ESI) and Professional Tax (PT) in the prescribed format as required by the statutes. The following Statutory reports are available in Tally.ERP 9 :

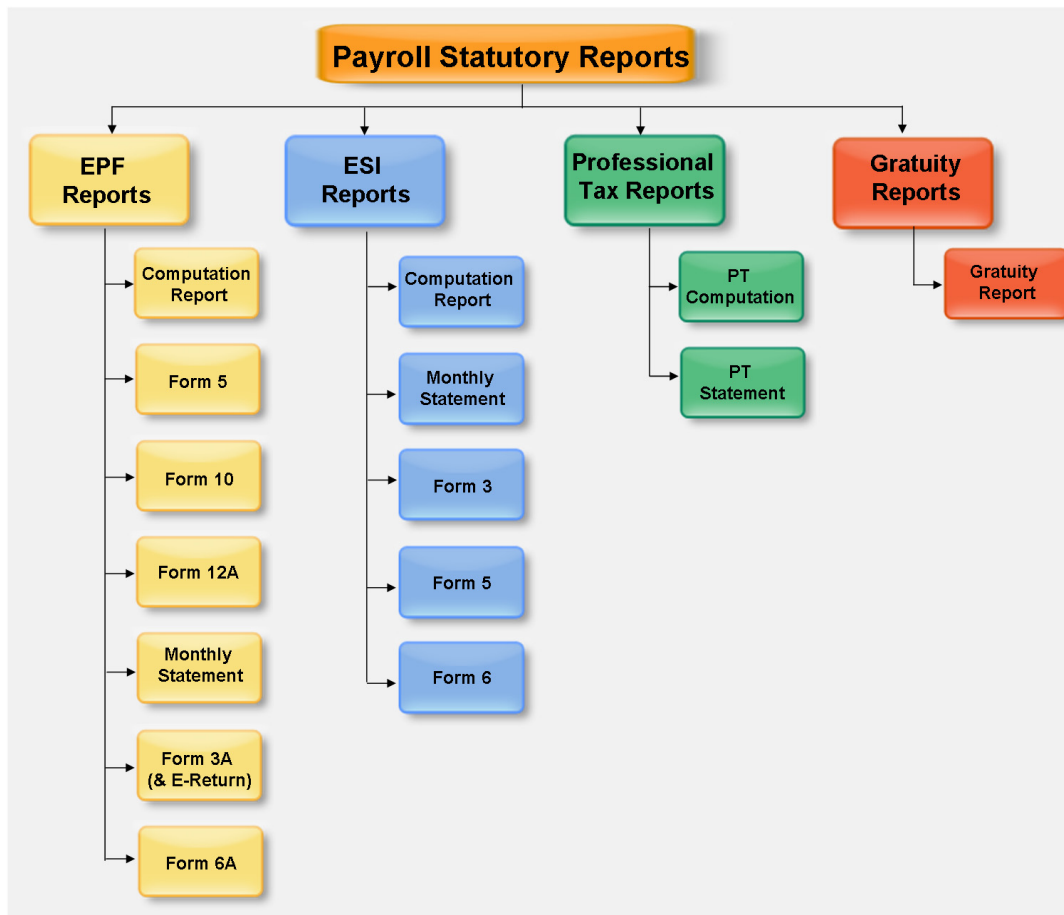


Figure 22.182 Payroll Statutory Reports in Tally.ERP 9

You can view Payroll Statutory reports either from Statutory Reports menu or Payroll Reports menu i.e., **Gateway of Tally > Display > Statutory Reports > Payroll Reports** or **Gateway of Tally > Display > Payroll Reports > Statutory Reports**

### **Provident Fund Reports**

As discussed, the following Provident Fund Reports are available in Tally.ERP 9:

- Computation report
- Form 5
- Form 10
- Form 12A
- Monthly Statement
- Form 3A
- Form 6A
- E-Return

In this section, we will generate each of the above forms / report and understand the purpose and information to be furnished.

#### **i. Computation Report**

The PF Computation Report provides the summary of Amount Payable and amount paid in respect of PF for a given period comprising of Employer Contributions, Employee Deductions and Employer's Other charges, if any. To view PF Computation Report, follow the steps given below:

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Computation**

- Press **F2** and specify the period as **01-04-2009** to **30-06-2009** and press **Enter**

The **Payroll Statutory Computation Report** appears as shown:

Payroll Statutory Computation		Indus Solutions Pvt. Ltd.		Ctrl + M	
Payroll Statutory Computation		1-Apr-2009 to 30-Jun-2009			
Particulars		Payable Amount		Paid Amount	
<b>Provident Fund</b>					
Employees' Statutory Deductions		9,360.00		3,120.00	
Employer's Statutory Contributions		3,120.00		3,120.00	
Employer's Other Charges		418.60		418.60	
<b>Employee State Insurance</b>					
Employees' Statutory Deductions		208.00		208.00	
Employer's Statutory Contributions		564.00		564.00	
<b>Professional Tax</b>					
Employees' Statutory Deductions		2,150.00		700.00	
<b>Grand Total</b>		<b>15,820.60</b>		<b>8,130.60</b>	

Figure 22.183 Payroll Statutory Computation Report

The report, by default displays summary of Employee's Provident Fund, Employee's State Insurance and Professional Tax, you may however configure to display only details of Provident Fund

- Press **F12 : Configure** and enable/disable the following options as required

Configuration	
Format	: Condensed
Show Provident Fund Details	? Yes
Show Employee State Insurance Details	? No
Show Professional Tax Details	? No

Figure 22.184 F12: Configurations screen

- Press **Enter**

The **PF Computation** report will appear as shown:

Payroll Statutory Computation		Indus Solutions Pvt. Ltd.		Ctrl + M
Payroll Statutory Computation		1-Apr-2009 to 30-Jun-2009		
Particulars		Payable Amount	Paid Amount	
<b>Provident Fund</b>				
Employees' Statutory Deductions		9,360.00	3,120.00	
Employer's Statutory Contributions		3,120.00	3,120.00	
Employer's Other Charges		418.60	418.60	
<b>Grand Total</b>		<b>12,898.60</b>	<b>6,658.60</b>	

Figure 22.185 PF Computation screen

To view detailed ledger wise information under each contributions / deductions head, press **Alt+F1**.

The detailed **Provident Fund** Computation Report will appear as shown:

Payroll Statutory Computation		Indus Solutions Pvt. Ltd.			Ctrl + M	
Payroll Statutory Computation		1-Apr-2009 to 30-Jun-2009				
Particulars	Gross Amount	Statutory Details			Payable Amount	Paid Amount
		Percentage	A/c No.	Amount		
<b>Provident Fund</b>						
<b>Employees' Statutory Deductions</b>					<b>9,360.00</b>	<b>3,120.00</b>
Employee's PF Contribution @ 12%	78,000.00	12%	A/c No.1	9,360.00 Cr		
<b>Employer's Statutory Contributions</b>					<b>3,120.00</b>	<b>3,120.00</b>
Employer EPF @ 3.67%	26,000.00	3.67%	A/c No.1	956.00 Dr		
Employer EPS @ 8.33%	26,000.00	8.33%	A/c No.10	2,164.00 Dr		
<b>Employer's Other Charges</b>					<b>418.60</b>	<b>418.60</b>
EDLI Administrative Charges @ 0.01%	26,000.00	0.01%	A/c No.22	2.60 Cr		
EDLI Contribution @ 0.5%	26,000.00	0.50%	A/c No.21	130.00 Cr		
PF Administrative Charges @ 1.10%	26,000.00	1.10%	A/c No.2	286.00 Cr		
<b>Grand Total</b>					<b>12,898.60</b>	<b>6,658.60</b>

Figure 22.186 Detailed PF Computation Report

You can further drill down to **Employee Breakup** of Pay Head report and from their to Employee Vouchers and so on, by pressing **Enter** on the required ledger from the above screen.

**ii. Form 5**

As per the Employees' Provident Funds Scheme, 1952 [para 36 (2)(a)], a return is required to be submitted in Form 5 within 15 days of the following month detailing the list of Employees qualifying for membership to the Employees' Provident Fund for the First time during every month.

Form 5 is a monthly Returns to be submitted with the details of any new employee covered under EPF. In Tally.ERP 9, you can generate Form 5 in the prescribed format containing the details of the new joiners in the organisation for the selected month. To generate the PF Form 5 for the month of June 2009, follow the steps given below:

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Provident Fund > Form 5**

In the **Payroll Statutory Print Configuration** screen,

- ❑ Specify **01-04-2009** and **30-04-2009** in the **From** and **To** fields respectively
- ❑ Select the required **Payroll Category, Employee/Group** and **Sorting Method**

- Specify **07-05-2009** in the **Date** field

The completed **Payroll Statutory Print Configuration** screen is as shown:

Payroll Statutory Print Configuration							
<b>Printer</b>	: RnD Printer (Ne01:)	<b>Paper Type :</b>	A4				
<b>No. of Copies</b>	: 1						
<b>Print Language</b>	: English		<i>(Printing Dimensions)</i>				
<b>Method</b>	: Neat Mode	<b>Paper Size :</b>	(8.27" x 11.69") or (210 mm x 297 mm)				
<b>Page Range</b>	: All	<b>Print Area :</b>	(7.95" x 11.34") or (202 mm x 288 mm)				
Report Titles							
<b>Form 5</b>							
(with Print Preview)							
From (blank for beginning) :	<b>1-4-2009</b>						
To (blank for end) :	<b>30-4-2009</b>						
Cost Category :	<input type="checkbox"/> All Items						
Employee/Group :	<input type="checkbox"/> All Items						
Sorting Method :	<b>Account Number</b>						
Date of Printing :	<b>7-5-2009</b>						
			<table border="1"> <tr><td>Sorting Methods</td></tr> <tr><td><b>Account Number</b></td></tr> <tr><td>Date Of Joining</td></tr> <tr><td>Employee Name</td></tr> </table>	Sorting Methods	<b>Account Number</b>	Date Of Joining	Employee Name
Sorting Methods							
<b>Account Number</b>							
Date Of Joining							
Employee Name							

Figure 22.187 Payroll Statutory Print Configuration screen

- Press **Enter** to print.

The printed **PF Form 5** will appear as shown:

**FORM 5**

**THE EMPLOYEES' PROVIDENT FUNDS SCHEME, 1952**  
**[Paragraph 36(2)(a) & THE EMPLOYEES PENSION SCHEME, 1995 Paragraph 20(2)]**

Return of Employees' qualifying for membership of the Employees' Provident Fund, Employees' Pension Fund & Employees' Deposit Linked Insurance Fund for the first time during the month of April 2009 (To be sent to the Commissioner with Form 2 (EPF & EPS))

Name and Address of the Factory / Establishment : **Indus Solutions Pvt. Ltd.**  
 4/1 St. Mark's Road,  
 Bangalore

Code No. of the Factory / Establishment : **KNBN/12345/0203**

Sl No.	Account No.	Name of Employee (in block letters)	Father's Name or Husband's Name (in case of married women)	Date of Birth	Sex	Date of Joining the Fund	Total period of previous service as on the date of joining the Fund (Enclose Scheme Certificate if applicable)	Remarks
1	2	3	4	5	6	7	8	9
1	KABNI/3478412	ROHIT ROY	Mr. S.K.Roy	21-11-1974	Male	1-4-2009		
2	KABNI/3524/112	PREETI SINHA	Susmit Sinha	15-6-1977	Female	1-4-2009		
3	KABNI/4785841	ATUL SHARMA	Jayant Sharma	3-2-1978	Male	1-4-2009		
4	KABNI/32185/552	RAMESH ARORA	Mrs Jaya Arora	18-10-1980	Male	1-4-2009		

Date : **7-5-2009**

Signature of the employer or other authorised Officer of the Factory/Establishment & Stamp of the Factory/Establishment

Figure 22.188 PF Form 5

In our case study, there are two new employees joined during the month of June 2009 and thus Form 5 contains the details of the above employees.

### iii. Form 10

As per the Employees' Provident Funds Scheme, 1952 [para 36 (2)(a) & (b)], a Return is required to be submitted in Form 10 within 15 days of the following month detailing the list of members leaving service during the month.

Form 10 is a monthly Return to be submitted with the details of employees leaving the organisation. In Tally.ERP 9, on resignation or retirement or expulsion of any employee, the date of leaving is required to be specified in the Employee master of such employee. The **Date of Leaving** option in the Employee Master appears, in alteration mode. The Form 10 will contain the details of Employees for whom the date of leaving is specified in the Employee Master.

You can generate Form 10 in the prescribed format containing the details of the employees resigned for the selected month. To generate the PF Form 10 for the month of August 2009, follow the steps given below.

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Provident Fund > Form 10**

In the **Payroll Statutory Print Configuration** screen

- Specify **01-09-2009** and **30-09-2009** in the **From** and **To** fields respectively
- Select the required **Payroll Category, Employee/Group** and **Sorting Method**
- Specify **10-10-2009** in the **Date** field

The completed **Payroll Statutory Print Configuration** screen is as shown:



Payroll Statutory Print Configuration			
<b>Printer</b>	: RnD Printer (Na01:)	<b>Paper Type :</b>	A4
<b>No. of Copies</b>	: 1		
<b>Print Language</b>	: English		(Printing Dimensions)
<b>Method</b>	: Neat Mode	<b>Paper Size :</b>	(8.27" x 11.69") or (210 mm x 297 mm)
<b>Page Range</b>	: All	<b>Print Area :</b>	(7.95" x 11.34") or (202 mm x 288 mm)
<u>Report Titles</u>			
<b>Form 10</b>			
(with Print Preview)			
From (blank for beginning) :	<b>1-9-2009</b>		
To (blank for end) :	<b>30-9-2009</b>		
Cost Category :	<b>[ All Items</b>		
Employee/Group :	<b>[ All Items</b>		
Sorting Method :	<b>Date Of Leaving</b>		
Date of Printing :	<b>10-10-2009</b>		
			<b>Print ?</b>
			<b>Yes or No</b>

Figure 22.189 Payroll Statutory Print Configuration screen

- Press **Enter** to print

The printed **Form 10** is as shown:

<b>FORM 10</b>						
<b>THE EMPLOYEES' PROVIDENT FUNDS SCHEME, 1952</b>						
<b>[Paragraph 36(2) (a) &amp; (b) EMPLOYEES' PENSION SCHEME, 1995 (Paragraph 20(2))]</b>						
Return of the members leaving service during the month of : <b>September 2009</b>						
Name and Address of the Factory / Establishment				: <b>Indus Solutions Pvt. Ltd.</b> 4/1 St. Mark's Road, Bangalore		
Code No. of the Factory / Establishment				: <b>KNBN/12345/0203</b>		
SI No.	Account No.	Name of the Member (in block letters)	Father's Name or husband's Name (in case of married women)	Date of leaving service	Reason for leaving service	Remarks
1	2	3	4	5	6	7
1	KVBN/13524/112	PREETI SINHA	Susmit Sinha	30-9-2009	Personal Reason	

Date : **10-10-2009**

Signature of the employer or the authorised Officer  
Stamp of the Factory/Establishment

Please state whether the member is (a) retiring according to para(69), (i) (a) or (b) of the scheme (b) leaving India for permanent settlement abroad (c) retrenchment (d) Pt. & total disablement due to employment injury (e) discharged (f) resigning from or leaving service (g) taking up employment elsewhere (The name and address of the Employers should be stated) (h) death; (i) attained the age of 58 years.

Certified that the member mentioned at serial No. \_\_\_\_\_ Shri \_\_\_\_\_ was paid/not paid retrenchment compensation of Rs \_\_\_\_\_ under the Industrial Dispute Act, 1947.

Figure 22.190 Printed Form 10

#### iv. Form 12A

As per the Employees' Provident Funds Scheme, 1952 [para 36(1)] and the Employees' Pension Scheme 1995 [para 20(4)] and the Employees' Deposit Linked Insurance Scheme, 1976, a consolidated Statement of dues and remittance is required to be submitted by 25th of the following month to which the dues relate.

You can generate Form 12A in the prescribed format containing the details of the amount of contribution, amount of contribution remitted and the date of remittance in respect of EPF, Pension Fund and EDLI Contribution for the selected month. To generate the PF Form 12A for the month of August 2009, follow the steps given below.

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Provident Fund > Form 12A**

In the **Payroll Statutory Print Configuration** screen

- ❑ Specify **01-04-2009** and **30-04-2009** in the **From** and **To** fields respectively
- ❑ Select the required **Payroll Category, Employee/Group** and **Sorting Method**
- ❑ Specify the **Name & Address of the Bank**
- ❑ Set **Include VPF Account** to **No**
- ❑ Specify **0** in the **Number of Contract Employees** field
- ❑ Press **Enter** to accept **0** in **Number of Rest (Temporary Employees)** field

The completed **Payroll Statutory Print Configuration** screen is as shown.

Payroll Statutory Print Configuration	
<b>Printer</b>	: RnD Printer (Ne01:)
<b>No. of Copies</b>	: 1
<b>Print Language</b>	: English
<b>Method</b>	: Neat Mode
<b>Page Range</b>	: All
<b>Paper Type</b>	: A4
<b>Paper Size</b>	: (8.27" x 11.69") or (210 mm x 297 mm) <i>(Printing Dimensions)</i>
<b>Print Area</b>	: (7.95" x 11.34") or (202 mm x 288 mm)
<u>Report Titles</u>	
Form 12A	
(with Print Preview)	
From (blank for beginning)	: 1-4-2009
To (blank for end)	: 30-4-2009
Cost Category	: [ All Items
Employee/Group	: [ All Items
Name & Address of the Bank	: HDFC, Koramangala
Include VPF Account	: No
Number of Contract Employees	: 0
Number of Rest(Temporary Employees)	: 0
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>Print ?</b>                      Yes or No                 </div>	

Figure 22.191 Completed Print Configuration screen

- Press **Enter** to print

The printed **Form 12A** is as shown:

**(Only for Un-exempted Establishments)**

**EMPLOYEES' PROVIDENT FUNDS AND MISC. PROVISIONS ACT, 1952 EMPLOYEES' PENSION SCHEME(PARA 20 (4))  
FORM 12 - A (R)**

**(To be filled by the EPFO)**

Group Code : **K/BN/12345/0007**  
Establishment status :

Name and Address of the Establishment : **Indus Solutions Pvt. Ltd.**  
4/1 St. Mark's Road,  
Bangalore

Code No. : **KNBN/12345/0203**  
Currency period from : **1-Apr-2009 to 31-Mar-2010**  
Statement of Contribution for the month of : **Apr-2009**

	Wages on which Contributions are payable	Amount of Contribution		Amount of contribution remitted		Amount of Administrative charges due	Amount of Administrative charges remitted	Date Of Remittance (enclose triplicate copies of Challan)
		Recovered from the Employees'	Payable by the Employer	Employee's Share	Employer's Share			
E.P.F. A/c No. 01	26,000.00	3,120.00	956.00	3,120.00	956.00	286.00	286.00	30-Apr-2009
Pension Fund A/c No. 10	26,000.00	NIL	2,164.00	NIL	2,164.00	NIL	NIL	30-Apr-2009
E.D.L.I A/c No. 21	26,000.00	NIL	130.00	NIL	130.00	2.60	2.60	30-Apr-2009

Total No. of Employees : **4** Name & Address of the Bank in which the amount is remitted : **HDFC, Koramangala**  
(a) Contract : **0**  
(b) Rest : **0**  
(c) PF Subscribers : **4**

Details of Subscribers	E.P.F.	Pension Fund	E.D.L.I.
No. of Subscribers as per last month (vide Form 12A)			
No. of New Subscribers (vide Form 5)	4	4	4
No. of Subscribers left service (vide Form 10)			
Nett Total Number of Subscribers	4	4	4

**Signature of the Employer with Official (Seal)**

Figure 22.192 Printed Form 12A

**v. PF Monthly Statement**

The PF Monthly Statement provides a summary of Employee wise monthly PF Employee Deductions and Employer Contribution amount. To print PF Monthly Statement, follow the steps given below:

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Provident Fund > Monthly Statement**

In the **Payroll Statutory Print Configuration** screen,

- ❑ Specify **01-04-2009** and **30-04-2009** in the **From** and **To** fields respectively
- ❑ Select the required **Payroll Category, Employee/Group** and **Sorting Method**

Payroll Statutory Print Configuration														
<b>Printer</b>	: RnD Printer (Ne01:)	<b>Paper Type :</b>	A4											
<b>No. of Copies</b>	: 1													
<b>Print Language</b>	: English		<i>(Printing Dimensions)</i>											
<b>Method</b>	: Neat Mode	<b>Paper Size :</b>	: (8.27" x 11.69") or (210 mm x 297 mm)											
<b>Page Range</b>	: All	<b>Print Area :</b>	: (7.95" x 11.34") or (202 mm x 288 mm)											
<u>Report Titles</u>														
<b>PF Monthly Statement</b>														
(with Print Preview)														
<table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">From (blank for beginning) :</td> <td style="width: 20%;">1-4-2009</td> <td rowspan="5" style="width: 15%; text-align: center; vertical-align: middle;"> <div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>Print ?</b>                      Yes or No                 </div> </td> </tr> <tr> <td>To (blank for end) :</td> <td>30-4-2009</td> </tr> <tr> <td>Cost Category :</td> <td><input checked="" type="checkbox"/> All Items</td> </tr> <tr> <td>Employee/Group :</td> <td><input checked="" type="checkbox"/> All Items</td> </tr> <tr> <td>Sorting Method :</td> <td>Employee Name</td> </tr> </table>				From (blank for beginning) :	1-4-2009	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>Print ?</b>                      Yes or No                 </div>	To (blank for end) :	30-4-2009	Cost Category :	<input checked="" type="checkbox"/> All Items	Employee/Group :	<input checked="" type="checkbox"/> All Items	Sorting Method :	Employee Name
From (blank for beginning) :	1-4-2009	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>Print ?</b>                      Yes or No                 </div>												
To (blank for end) :	30-4-2009													
Cost Category :	<input checked="" type="checkbox"/> All Items													
Employee/Group :	<input checked="" type="checkbox"/> All Items													
Sorting Method :	Employee Name													

Figure 22.193 Print Configuration screen

- ❑ Press **Enter** to Print.

The printed **PF Monthly Statement** for April 2009 will appear as shown:

EMPLOYEE PROVIDENT FUND SCHEME - Monthly Statement										
Name & Address of the Factory or Establishment : <b>Indus Solutions Pvt. Ltd.</b> 4/1 St. Mark's Road, Bangalore										
Statement for the Period : 1-Apr-2009 to 30-Apr-2009										
Emp No	PF Number	Employee Name	Work-ed	Earned Wages	Employee's Contribution			Employer's Contribution		
					PF 12%	VPF	Total	EPS 8.33%	EPF 3.67%	Total
465	KARBN14785B41	Atul Sharma	20	6,500.00	780.00		780.00	541.00	239.00	780.00
578	KARBN13524112	Preeti Sinha	18	6,500.00	780.00		780.00	541.00	239.00	780.00
225	KARBN32185652	Ramesh Arora	22	6,500.00	780.00		780.00	541.00	239.00	780.00
469	KARBN1347B412	Rohit Roy	26	6,500.00	780.00		780.00	541.00	239.00	780.00
		<b>Total</b>		<b>26,000.00</b>	<b>3,120.00</b>		<b>3,120.00</b>	<b>2,164.00</b>	<b>956.00</b>	<b>3,120.00</b>

Figure 22.194 PF Monthly Statement

### vi. Form 3A

As per the Employees' Provident Funds Scheme, 1952 [para 35 & 42] and the Employees' Pension Scheme 1995 (Para 19), a Form (Member's Annual Contribution Card) showing month wise recoveries towards EPF and Pension Fund in respect of a member for one financial year is required to be furnished by the employer before 30th April of the following year.

Form 3A is an annual contribution card to be furnished for each employee in separate sheet to EPFO. To print Form 3A, follow the steps given below:

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Provident Fund > Form 3A**

In the **Payroll Statutory Print Configuration** screen

- Select **Primary Cost Category** in the **Cost Category** field
- Select **All Items** in the **Employee/Group** field
- Specify **01-03-2009** and **28-02-2010** in the **From** and **To** fields respectively
- Set **Include VPF Account** to **No**
- Select the Employee Name in the **Sorting Method** field
- Specify **28-02-2010** in the **Date of Printing** field

The completed **Payroll Statutory Print Configuration** screen will appear as shown:

Payroll Statutory Print Configuration			
<b>Printer</b>	: RnD Printer (Nø01:)	<b>Paper Type :</b>	A4
<b>No. of Copies</b>	: 1		
<b>Print Language</b>	: English		<i>(Printing Dimensions)</i>
<b>Method</b>	: Neat Mode	<b>Paper Size :</b>	(8.27" x 11.69") or (210 mm x 297 mm)
<b>Page Range</b>	: All	<b>Print Area :</b>	(7.95" x 11.34") or (202 mm x 288 mm)
<b>Report Titles</b>			
<b>Form 3A</b>			
(with Print Preview)			
Cost Category	: <input checked="" type="checkbox"/> All Items		
Employee/Group	: <input checked="" type="checkbox"/> All Items		
From (blank for beginning)	: 1-3-2009		
To (blank for end)	: 28-2-2010		
Include VPF Account	: <input type="checkbox"/> No		
Sorting Method	: <input checked="" type="checkbox"/> Employee Name		
Date of Printing	: 28-2-2010		
			<b>Print ?</b>
			Yes or No

Figure 22.195 Payroll Statutory Print Configuration

- Press **Enter** to Print.

The printed **Form 3A** for **Atul Sharma** will appear as shown:

**FORM 3 A [REVISED]**  
**EMPLOYEE'S PROVIDENT FUND ORGANISATION**  
**THE EMPLOYEE'S PROVIDENT FUND SCHEME, 1952 [Paras 35 & 42]**  
**AND THE EMPLOYEES' PENSION SCHEME, 1995 [Para 19]**  
**Contribution Card for currency period from 1-Apr-2009 to 31-Mar-2010**

1. Account No. : KA/BN/14785/841  
 2. Name/Surname (in block letters) : ATUL SHARMA  
 3. Father's / Husband's Name : Jayant Sharma  
 4. Statutory Rate of Contribution : 12 %  
 5. Voluntary Higher Rate of Employee's contribution if any :  
 6. Name & Address of the Factory / Establishment : **Indus Solutions Pvt. Ltd.**  
 4/1 St. Mark's Road,  
 Bangalore  
 7. Code Number : KN/BN/12345/0203

Month	WORKER'S SHARE		EMPLOYER'S SHARE		Refund of Advance	No. of days / period of non contributing service (if any)	Remarks
	Amount of Wages	E.P.F.12%	E.P.F. Difference between 12% & 8.33% if any	Pension Fund Contribution 8.33%			
1	2	3	4a	4b	5	6	7
March 2009 Paid in April 2009							
May 2009	6,500.00	780.00	239.00	541.00			
June 2009	6,500.00						
July 2009	6,500.00						
August 2009							
September 2009							
October 2009							
November 2009							
December 2009							
January 2010							
February 2010							
February 2010 Paid in March 2010							
<b>Total</b>	<b>19,500.00</b>	<b>780.00</b>	<b>239.00</b>	<b>541.00</b>			

Certified that the total amount of contribution (both shares) indicated in this Card i.e. Rs.1,019.00 has already been remitted in full in E.P.S. A/c No.1 & Pension Fund A/c No.10 Rs.541.00  
 Certified that the difference between the total of the contribution shown under Cols. 3, 3a, 4a & 4b of the above table and that arrived at on the total wages shown in column 2 at the prescribed rate is solely due to rounding off the contributions to the nearest rupee under the rules.

Date : **28-Feb-2010** Signature of Employer (with Office seal)

Figure 22.196 Printed PF Form 3A

The next page will contain the Contribution Card in Form 3A for the next employee.



**vii. Form 6A**

As per the Employees' Provident Funds Scheme, 1952 [para 43] and the Employees' Pension Scheme 1975 [para 20], a Form (Consolidated Annual Contribution Statement) providing annual contributions of each member of the establishment is required to be submitted by 30th April.

Form 6A is vital form for compiling the annual Provident Fund statement of a subscriber. In Tally.ERP 9, you can generate Form 6A in the prescribed format. To print Form 6A follow the steps given below:

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Provident Fund > Form 6A**

In the **Payroll Statutory Print Configuration** screen

- ❑ Specify **01-03-2009** and **28-02-2010** in the **From** and **To** fields respectively
- ❑ Select the required **Payroll Category**, **Employee/Group** and **Sorting Method**

The completed **Payroll Statutory Print Configuration** screen will appear as shown:

Payroll Statutory Print Configuration																							
<b>Printer</b>	: RnD Printer (Na01:)	<b>Paper Type</b> :	A4																				
<b>No. of Copies</b>	: 1																						
<b>Print Language</b>	: English		<i>(Printing Dimensions)</i>																				
<b>Method</b>	: Neat Mode	<b>Paper Size</b> :	: (8.27" x 11.69") or (210 mm x 297 mm)																				
<b>Page Range</b>	: All	<b>Print Area</b> :	: (7.95" x 11.34") or (202 mm x 288 mm)																				
<b>Report Titles</b>																							
<b>Form 6A</b>																							
(with Print Preview)																							
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">From (blank for beginning) :</td> <td style="width: 25%;">1-3-2009</td> <td style="width: 25%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td>To (blank for end) :</td> <td>28-2-2010</td> <td></td> <td></td> </tr> <tr> <td>Cost Category :</td> <td><input checked="" type="checkbox"/> All Items</td> <td></td> <td></td> </tr> <tr> <td>Employee/Group :</td> <td><input checked="" type="checkbox"/> All Items</td> <td></td> <td></td> </tr> <tr> <td>Sorting Method :</td> <td>Employee Name</td> <td></td> <td></td> </tr> </table>				From (blank for beginning) :	1-3-2009			To (blank for end) :	28-2-2010			Cost Category :	<input checked="" type="checkbox"/> All Items			Employee/Group :	<input checked="" type="checkbox"/> All Items			Sorting Method :	Employee Name		
From (blank for beginning) :	1-3-2009																						
To (blank for end) :	28-2-2010																						
Cost Category :	<input checked="" type="checkbox"/> All Items																						
Employee/Group :	<input checked="" type="checkbox"/> All Items																						
Sorting Method :	Employee Name																						
			<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>Print ?</b>  <span style="color: red;">Yes or No</span> </div>																				

Figure 22.197 Payroll Statutory Print Configuration for PF Form 6A

- ❑ Press **Enter** to Print.

The printed **Form 6A** will appear as shown:

**FORM 6 A**  
**THE EMPLOYEE'S PROVIDENT FUND SCHEME, 1952. [Paragraph 43]**  
**AND THE EMPLOYEES' PENSION SCHEME, 1995 [Paragraph 20(4)]**

**Annual Statement of contribution for the currency period from 1-Apr-2009 to 31-Mar-2010**

Name & Address of the Establishment : Indus Solutions Pvt. Ltd.  
4/1 St. Mark's Road,  
Bangalore

Statutory Rate of Contribution : 12 %

Code No. of the Establishment : KN/BN/12345/0203

No. of members voluntarily contributing at a higher rate : 0

Sl. No.	Account Number	Name of the Member (in block letters)	Wages, retaining allowance (if any) & DA including cash value of food concession paid during the currency period	Amount of Worker's Contributions deducted from the wages on 12 % E.P.F.	Employer's Contribution		Refund of Advance	Rate of higher voluntary Contribution (if any)	Remarks
					E.P.F. Difference between 12 % & 8.33 %	Pension Fund 8.33 %			
1	2	3	4	5	6	7	8	9	10
1	KWBN/14785/841	ATUL SHARMA	19,500.00	2,340.00	239.00	541.00			
2	KWBN/13524/112	PREETI SINHA	19,500.00	2,340.00	239.00	541.00			
3	KAR/BN/32185/552	RAMESH ARDRA	19,500.00	2,340.00	239.00	541.00			
4	KWBN/13478/412	ROHIT ROY	19,500.00	2,340.00	239.00	541.00			
<b>Total</b>			78,000.00	9,360.00	956.00	2,164.00			

Figure 22.198 Printed Form 6A - Page 1

The Page 2 of PF Form 6A is as shown:

**Indus Solutions Pvt. Ltd.**  
Form 6A : 1-Apr-2009 to 31-Mar-2010

Sl. No.	Reconciliation of Remittances		Adm. Charges at Rs. 1.1 % of wages		Aggregate ( ) Contributions ( )		Cols 5,6,7 Rs. Date of Remittances
	Month/Year	Amount remitted	Pension Fund Contributions	EDLI Contribution	Adm. Charges A/c No. 2	EDLI Adm. Charges 0.01%	
		EPF Contributions including refund of advances A/c. No. 1	A/c. No. 10 /Rs.	A/c No.21		A/c. No. 22 /Rs.	
1	March 2009 Paid in April 2009						
2	May 2009	4,076.00	2,164.00	130.00	286.00	2.60	30-Apr-2009
3	June 2009						
4	July 2009						
5	August 2009						
6	September 2009						
7	October 2009						
8	November 2009						
9	December 2009						
10	January 2009						
11	February 2010						
12	February 2010 Paid in March 2010						
	<b>Total</b>	<b>4,076.00</b>	<b>2,164.00</b>	<b>130.00</b>	<b>286.00</b>	<b>2.60</b>	

i) Total number of contribution cards enclosed ( Form 3A(Revised)): 4

ii) Certified that Form3A duly completed, of all the members listed in this statement are enclosed, except those already sent during the course of the currency period for the final settlement of the concerned members account vide 'Remarks' Furnished against the names of the respective members above.

Signature of the Employer  
(With Office Seal)

**Note:**

1. The names of all members, including those who had left service during the currency period, should be included in this statement. Where the Form 3A in respect of such members had left service were already sent to the Regional Office for the purpose of final settlement of their accounts, the fact should be stated against the members in the 'Remarks' Column above thus Form 3A already sent in the month of \_\_\_\_\_ 200\_\_\_\_\_

2. In case of substantial variation in the wages/contributions of any members as compared to those shown in previous month statement, the reasons should be explained adequately in the 'Remarks' column.

3. In respect of those members who have not opted for Pension Fund their entire employers contribution as the case may be should be under column No. 6.

Figure 22.199 Printed Form 6A - Page 2

### viii. E-Return

In Tally.ERP 9 , you can also generate **PF Form 3A** in **.xls** format for e-filing purposes.

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Provident Fund > E-Return**

In the **Exporting Form 3A Configuration** screen

- ❑ Select **Default (All Languages)** in **Language** field
- ❑ Select **Excel (Spreadsheet)** in **Format** field
- ❑ Specify the **Export Location**
- ❑ Specify **Output File Name** as **Form 3A.xls**
- ❑ Specify **Output Sheet Name** as **Form 3A**
- ❑ Set **Yes** in **Update Existing file, Excel (Spreadsheet) Formatting, with Colour** to **Yes**
- ❑ Specify **01-03-2009** and **28-02-2010** in the **From** and **To** fields respectively
- ❑ Select the required **Payroll Category, Employee/Group** and **Sorting Method**

The completed **Exporting Form 3A Configuration** screen will appear as shown:

Exporting Form 3A	
Language	: <b>Default (All Languages)</b>
Format	: <i>Excel (Spreadsheet)</i>
Export Location	: <b>C:\Tally.ERP9</b>
Output File Name	: <b>Form3A.xls</b>
Output Sheet Name	: <b>Form3A</b>
Update existing file	: <b>Yes</b>
Excel (Spreadsheet) Formatting with Colour	: <b>Yes</b>
From (blank for beginning)	: <b>1-3-2009</b>
To (blank for end)	: <b>28-2-2010</b>
<b>Export ?</b> <b>Yes or No</b>	

Figure 22.200 E-Return

- ❑ Press **Enter** to Export the file

The exported file (E-Return) will be placed in the default Tally.ERP 9 directory.

### Employee's State Insurance Reports

As discussed, the following ESI Reports are available in Tally.ERP 9:

- ❑ Computation Report
- ❑ Form 3
- ❑ Monthly Statement
- ❑ Form 5
- ❑ Form 6

In this section, we will generate each of the above forms / report and understand the purpose and information to be furnished.

#### i. Computation Report

The ESI Computation Report provides the summary of Amount Payable and amount paid in respect of ESI for given period comprising of Employer Contributions and Employee Deductions. To view ESI Computation Report, follow the steps given below:

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Computation**

- ❑ Press **F2** and specify the period as **01-06-2009** to **30-06-2009** and press **Enter**

Payroll Statutory Computation		Indus Solutions Pvt. Ltd.		Ctrl + M
Payroll Statutory Computation		1-Jun-2009 to 30-Jun-2009		
Particulars	Liability			
	Payable	Paid		
<b>Provident Fund</b>				
Employees' Statutory Deductions	3,120.00			
Employer's Statutory Contributions				
Employer's Other Charges				
<b>Employee State Insurance</b>				
Employees' Statutory Deductions	208.00		208.00	
Employer's Statutory Contributions	564.00		564.00	
<b>Professional Tax</b>				
Employees' Statutory Deductions	750.00			
<b>Grand Total</b>	<b>4,642.00</b>		<b>772.00</b>	

Figure 22.201 Payroll Computation report

The report, by default displays summary of Employee’s Provident Fund, Employee’s State Insurance and Professional Tax, you may however configure to display only details of Employee State Insurance.

- Press **F12 : Configure** and enable/disable the following options as required

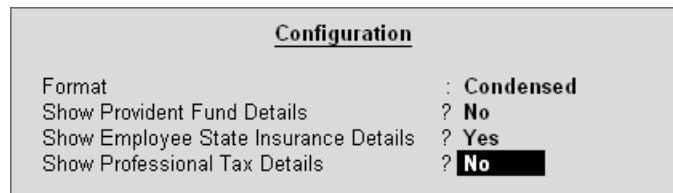


Figure 22.202 F12: Configuration screen

- Press **Enter**

The **ESI Computation** report will appear as shown:

Payroll Statutory Computation		Indus Solutions Pvt. Ltd.		Ctrl + M
Payroll Statutory Computation		1-Jun-2009 to 30-Jun-2009		
Particulars	Liability			
	Payable	Paid		
<b>Employee State Insurance</b>				
Employees' Statutory Deductions	208.00	208.00		
Employer's Statutory Contributions	564.00	564.00		
<b>Grand Total</b>	<b>772.00</b>	<b>772.00</b>		

Figure 22.203 ESI Computation report

To view detailed ledger wise information under each contributions / deductions head, press **Alt+F1**.

The detailed **Employee State Insurance** Computation Report will appear as shown:

Payroll Statutory Computation		Indus Solutions Pvt. Ltd.			Ctrl + M	
Payroll Statutory Computation		1-Jun-2009 to 30-Jun-2009				
Particulars	Gross Amount	Statutory Details			Liability	
		Percentage	A/c No.	Amount	Payable	Paid
<b>Employee State Insurance</b>						
<b>Employees' Statutory Deductions</b>					<b>208.00</b>	<b>208.00</b>
<i>Employee's ESI Contribution @ 1.75%</i>	11,880.00	1.75%		208.00 Cr		
<b>Employer's Statutory Contributions</b>					<b>564.00</b>	<b>564.00</b>
<i>Employer ESI @ 4.75%</i>	11,880.00	4.75%		564.00 Dr		
<b>Grand Total</b>					<b>772.00</b>	<b>772.00</b>

Figure 22.204 Detailed ESI Computation report

You can further drill down to Employee Breakup of Pay Head report and from their to Employee Vouchers and so on, by pressing **Enter** on the required ledger from the above screen.

**ii. Form 3**

As per Regulation 14, a declaration form in Form 3 is required to be filed for every Half Yearly stating the list of Employees whose remuneration is not exceeding Rs. 10,000/- per month. To generate ESI Form 3, follow the steps given below:

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Employee State Insurance > Form 3**

In the **Payroll Statutory Print Configuration** screen,

- ❑ Specify **1-04-2009** and **30-09-2009** in the **From** and **To** fields respectively
- ❑ Select the required **Payroll Category, Employee/Group** and **Sorting Method**
- ❑ Select the required **Gender** from the List of Gender field
- ❑ Type **Bangalore** in the **Place** field

- Specify **10-10-2009** in the **Date of Printing** field
- Type the **Designation** details of the person submitting the declaration form

The completed **Payroll Statutory Print Configuration** screen will appear as shown:

Payroll Statutory Print Configuration			
<b>Printer</b> : RnD Printer (Ne01:)	<b>Paper Type</b> : A4		
<b>No. of Copies</b> : 1			
<b>Print Language</b> : English	<i>(Printing Dimensions)</i>		
<b>Method</b> : Neat Mode	<b>Paper Size</b> : (8.27" x 11.69") or (210 mm x 297 mm)		
<b>Page Range</b> : All	<b>Print Area</b> : (7.95" x 11.34") or (202 mm x 288 mm)		
Report Titles			
<b>Form 3</b>			
(with Print Preview)			
From (blank for beginning) : <b>1-4-2009</b>			
To (blank for end) : <b>30-9-2009</b>			
Cost Category : <input checked="" type="checkbox"/> <b>All Items</b>			
Employee/Group : <input checked="" type="checkbox"/> <b>All Items</b>			
Sorting Method : <b>Employee Name</b>			
Gender : <input checked="" type="checkbox"/> <b>All Items</b>			
Place : <b>Bangalore</b>			
Date of Printing : <b>10-10-2009</b>			
Designation : <b>CFO</b>			
<table border="1" style="border-collapse: collapse;"> <tr> <td style="text-align: center;"><b>Print ?</b></td> </tr> <tr> <td style="text-align: center;"><b>Yes or No</b></td> </tr> </table>		<b>Print ?</b>	<b>Yes or No</b>
<b>Print ?</b>			
<b>Yes or No</b>			

Figure 22.205 Payroll Statutory Print Configuration for ESI Form 3

- Press **Enter** to Print.

The printed declaration form in **Form 3** will appear as shown:



Original	<b>EMPLOYEES' STATE INSURANCE CORPORATION</b> <b>RETURN OF DECLARATION FORM</b> <b>[Regulation - 14]</b>	FORM - 3		
Name & Address of the Factory or Establishment : <b>Indus Solutions Pvt. Ltd.</b> 4/1 St. Mark's Road, Bangalore				
Employer's Code No : <b>KN/BN/34961/0463</b>				
I send herewith the Declaration Forms in respect of the employees mentioned below:  I hereby declare that every person employed as an employee within the meaning of Section 2(9) of the Employees' State Insurance Act, 1948 as on 30-Sep-2009 in this factory or establishment and is in receipt of the remuneration not exceeding Rs.10,000/- (excluding remuneration for overtime work) per month, has been included in this list, excluding only those in respect of whom declaration forms have been sent to the Corporation in the past.				
Sl No.	Name of Employee	Distinguishing Number with the employer if any	Father's or Husband's Name	Insurance No. allotted by the corporation (to be entered at the branch office)
1	2	3	4	5
1	Dinesh	789	Mr. Sujan P	KA/BN/90006/301
2	Rohit Roy	469	Mr. S.K Roy	
3	Tamanna	531	Mr. Susmit	KA/BN/90006/108
Place : <b>Bangalore</b>			Signature :	
Dated : <b>10-Oct-2009</b>			Designation : <b>CFO</b>	

Figure 22.206 Printed Form 3

### iii. Monthly Statement

The ESI Monthly Statement provides a summary of Employee wise monthly ESI Employee Deductions and Employer Contribution amount. To print ESI Monthly Statement, follow the steps given below:

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Employee State Insurance > Monthly Statement**

In the **Payroll Statutory Print Configuration** screen,

- Specify **01-06-2009** and **30-06-2009** in the **From** and **To** fields respectively
- Select the required **Payroll Category, Employee/Group** and **Sorting Method**

The completed **Payroll Configuration Print** screen will appear as shown:

Payroll Statutory Print Configuration	
<b>Printer</b> : RnD Printer (Ne01:)	<b>Paper Type</b> : A4
<b>No. of Copies</b> : 1	
<b>Print Language</b> : English	<i>(Printing Dimensions)</i>
<b>Method</b> : Neat Mode	<b>Paper Size</b> : (8.27" x 11.69") or (210 mm x 297 mm)
<b>Page Range</b> : All	<b>Print Area</b> : (7.95" x 11.34") or (202 mm x 288 mm)
Report Titles	
<b>ESI Monthly Statement</b>	
(with Print Preview)	
From (blank for beginning) : <b>1-6-2009</b>	
To (blank for end) : <b>30-6-2009</b>	
Cost Category : <input type="checkbox"/> <b>All Items</b>	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>Print ?</b>            Yes or No         </div>
Employee/Group : <input type="checkbox"/> <b>All Items</b>	
Sorting Method : <b>Employee Name</b>	

Figure 22.207 Payroll Statutory Print Configuration screen

- Press **Enter** to Print.

The printed **ESI Monthly Statement** for June 2009 will appear as shown:

EMPLOYEES' STATE INSURANCE - Monthly Statement									
Name & Address of the Factory or Establishment : <b>Indus Solutions Pvt. Ltd.</b> 4/1 St. Mark's Road, Bangalore									
Statement for the Period : 1-Jun-2009 to 30-Jun-2009									
Sl. No	Employee No	Employee Name	ESI No	Worked Days	Earned Wages	Fixed Wages	Employees' Contribution	Employer's Contribution	Total
1	789	Dinesh	KA/EN/90006/301	23	700.00	13,084.00	12.00	33.00	45.00
2	469	Rohit Roy		26	10,380.00	10,380.00	182.00	493.00	675.00
3	531	Tamanna	KA/EN/90006/108	26	800.00	13,400.00	14.00	38.00	52.00
				<b>Total</b>	<b>11,880.00</b>	<b>36,864.00</b>	<b>208.00</b>	<b>564.00</b>	<b>772.00</b>

Figure 22.208 ESI Monthly Statement

#### iv. Form 5

As per Regulation 26, a Return of Contribution in Form 5 is required to be submitted to the appropriate Branch Office within 42 days of the expiry of the contribution period (i.e., 12th May or November 11th of each year). Such return of contribution should be prepared in quadruplicate and submitted separately for the main Code Number and each sub-code number.

The employer may make compliance from the parent unit and submit only one return in respect of all the branches or may make compliance through their Branch Offices/ Sales Offices separately in the Regions where such offices are located.

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Employee State Insurance > Form 5**

In the **Payroll Statutory Print Configuration** screen

- Specify **01-04-2009** and **30-09-2009** in the **From** and **To** fields respectively
- Select the required **Payroll Category, Employee/Group** and **Sorting Method**
- Select the required **Display Employee Name Style** in **Appearance of Employee Names** field
- Specify **Bangalore** in the **Place** Field
- Specify **30-09-2009** in the **Date of Printing** field
- Type the name of the Signatory in the **Authorised Signatory Name** field
- Type the **Designation** details of the signing authority
- In the **Residential Address** field provide the Home Address of Authorised Signatory

The completed **Payroll Statutory Print Configuration** screen for ESI Monthly Statement is as shown:

Payroll Statutory Print Configuration			
<b>Printer</b>	: RnD Printer (Ne01:)		
<b>No. of Copies</b>	: 1		
<b>Print Language</b>	: English		
<b>Method</b>	: Neat Mode		
<b>Page Range</b>	: All		
<b>Paper Type</b>	: A4		
	<i>(Printing Dimensions)</i>		
<b>Paper Size</b>	: (8.27" x 11.69") or (210 mm x 297 mm)		
<b>Print Area</b>	: (7.95" x 11.34") or (202 mm x 288 mm)		
Report Titles			
<b>Form 5</b>			
(with Print Preview)			
From (blank for beginning)	: 1-4-2009		
To (blank for end)	: 30-9-2009		
Cost Category	: <input type="checkbox"/> All Items		
Employee/Group	: <input type="checkbox"/> All Items		
Sorting Method	: Account Number		
Appearance of Employee Names	: Name Only		
Place	: Bangalore		
Date of Printing	: 30-9-2009		
Authorised Signatory Name	: Mr. Nikhil		
Designation	: CFO		
Residential Address	: No. 36, BTM Layout, Cross Street-6, 3rd Main		
<table border="1"> <tr> <td><b>Print ?</b></td> </tr> <tr> <td>Yes or No</td> </tr> </table>		<b>Print ?</b>	Yes or No
<b>Print ?</b>			
Yes or No			

Figure 22.209 Payroll Statutory Print Configuration screen

- Press **Enter** to Print

The printed **Form 5** will appear as shown:

Original (Page1)  
FORM-5

Name of Branch Office **Koramangala** Employer's Code No. **KNBN/34961/0463**

**RETURN OF CONTRIBUTIONS  
EMPLOYEES' STATE INSURANCE CORPORATION  
Regulation - 26**

Name & Address of the Factory or Establishment : **Indus Solutions Pvt. Ltd.**  
4/1 St. Mark's Road,  
Bangalore

PARTICULARS OF THE PRINCIPAL EMPLOYERS.

a) Name **Mr. Nikhil** b) Designation **CFO**  
c) Residential Address **No. 36, BTM Layout, Cross Street  
-6, 3rd Main**

Contribution Period From **1-Apr-2009** To **30-Sep-2009**

I furnish below the details of the employer's and employee's share of contribution in respect of the under mentioned Insured persons. I hereby declare that the return includes every employee, employed directly or through an immediate employer or in connection with the work of the factory / establishment or any work connected with the administration of the factory / establishment or purchase of raw materials, sale or distribution of finished products etc., to whom the ESI Act, 1948 applies, in the contribution period to which this return relates and that the contributions in respect of Employer's and Employee's share have been correctly paid in accordance with the provisions of the Act and regulations.

Details of Total Contribution are as below:

Employer's Share	:	<b>564.00</b>
Employee's Share	:	<b>208.00</b>
Total Contribution	:	<b>772.00</b>

Details of Challans :

Sl No	Month	Date of Challan	Amount	Name of the Bank and Branch
1	June	30-Jun-2009	772.00	HDFC & 5300320
<b>Total amount paid</b>			<b>772.00</b>	

**I declare that**

a) All the Records and Registers have been maintained as per provisions contained in ESI Act, Rules & Regulations framed therein.

b) During the period of return \_\_\_\_\_ No. of Declaration forms have been submitted.

c) During the above period \_\_\_\_\_ No. of TICs have been received.

d) During the above period \_\_\_\_\_ No. of PICs have been received.

e) During the above period \_\_\_\_\_ No. of PICs have been distributed amongst the eligible IPs.

f) During the above period \_\_\_\_\_ accidents have been reported to the concerned Branch Office.

g) During the period 3 No. of employees directly employed by us have been covered and a total wages of Rs.11,880.00 have been paid to such employees.

h) During the period \_\_\_\_\_ No. of employees directly employed by us have not been covered and a total wages of Rs. \_\_\_\_\_ have been paid to such employees.

Figure 22.210 Printed Form 5 - Page 1

The Page 2 of **Form 5** is as shown:

Page 2

i) During the period \_\_\_\_\_ No. of employees employed through immediate employer have been covered and a total wages of Rs. \_\_\_\_\_ have been paid to such employees.

j) During the period \_\_\_\_\_ No. of employees employed through immediate employer have not been covered and a total wages of Rs. \_\_\_\_\_ have been paid to such employees.

k) Following components of wages have been taken into consideration for the purpose of payment of contribution :-

- 1 Basic
- 2 House Rent Allowance
- 3 Conveyance
- 4 Overtime Pay

l) Following components of wages have not been taken into consideration for the purpose of payment of contribution :-

- 1 Variable Pay

The above mentioned information is based on records and any information if found incorrect will render me liable for prosecutions under provisions of ESI Act and action for recovery of contribution due along with interest and damages as per provisions of the ESI Act.

Place : **Bangalore**  
 Date : **30-Sep-2009**

Signature of the Employer :  
 Designation : **CFO**  
 (with Rubber stamp)

**CERTIFICATE BY CHARTERED ACCOUNTANT**  
 ( To be submitted in case of Employers employing 40 or more Employees )

Certified that I have verified the above return from the records & Registers of M/s Indus Solutions Pvt. Ltd. and found it to be correct.

Signature & Seal Of  
 the Chartered Accountant with Membership No.

Important Instructions: Information to be given in Remarks Column (No.9)

If any I.P. is appointed for the first time and / or leaves during the contribution period indicate 'A' \_\_\_\_\_ (date) and / or 'L' \_\_\_\_\_ (date)

Please indicate Insurance Nos. in ascending order

Figures in Column 4,5 & 6 of the Return

Invariably strike totals of column 4,5 & 6 of the Return

No overwriting shall be made. Any corrections, if made, should be signed by the Employer

Every page of this Return should bear full signature and rubber stamp of the Employer

Daily wages in Column 7 of the return shall be calculated by dividing figures in Column 5 by figures in Column 4 to two decimal places

For \*CP ending 31st March, due date is 12th May  
 For CP ending 30th September, due date is 11th November

Figure 22.211 Printed Form 5 - Page 2



**v. Form 6**

As per Regulation 32, a register of Employees covered under Employees State Insurance Scheme, containing information regarding the Insurance No., dispensary, other occupational details, Employer’s Share and month wise (under that particular Half Year) ESI details (i.e., Gross wages, Number of working days and ESI Contribution for each employee) should be furnished. To generate Form 6, follow the steps given below:

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Employee State Insurance > Form 6**

In the **Payroll Statutory Print Configuration** screen

- Type **01-04-2009** in the **From** field
- Type **30-09-2009** in the **To** field
- Select the required **Payroll Category, Employee/Group** and **Sorting Method**

The completed **Payroll Statutory Print Configuration** screen will appear as shown:

<b>Printer</b>	: RnD Printer (Ne01:)	<b>Paper Type :</b>	A4
<b>No. of Copies</b>	: 1		
<b>Print Language</b>	: English		<i>(Printing Dimensions)</i>
<b>Method</b>	: Neat Mode	<b>Paper Size :</b>	(8.27" x 11.69") or (210 mm x 297 mm)
<b>Page Range</b>	: All	<b>Print Area :</b>	(7.95" x 11.34") or (202 mm x 288 mm)
<b>Report Titles</b>			
<b>Form 6</b>			
(with Print Preview)			
From (blank for beginning)	: 1-4-2009		
To (blank for end)	: 30-9-2009		
Cost Category	: <input checked="" type="checkbox"/> All Items		
Employee/Group	: <input checked="" type="checkbox"/> All Items		
Sorting Method	: Account Number		
			<b>Print ?</b> Yes or No

Figure 22.213 Payroll Statutory Print Configuration for ESI Form 6

- Press **Enter** to Print.

The printed **Form 6** will appear as shown:



Page 1

**Indus Solutions Pvt. Ltd.**  
4/1 St. Mark's Road,  
Bangalore

**FORM 6**  
REGISTER OF EMPLOYEES  
EMPLOYEES' STATE INSURANCE CORPORATION  
(Regulation 32)

Contribution Period : From **1-Apr-2009** to **30-Sep-2009**

Sl. No	Insurance No.	Name of the insured person	* Name of dispensary to which attached	Occupation	Rate of wages etc., in the first wage period	Deptt. and shift, if any	If appointed or left service during the contribution period, date of appointment/ leaving service	No. of days for which wages paid /payable	Month: April Total amount of wages paid/payable	Employees' share of contribution
1	2	3	3(A)	4	5	6	7	8	9	10
1		Rohit Roy		Manager		Administration	1-Apr-2009	26		
2	K4BN/900006/108	Tarnanna		Manager	30.77	Facilities Management	5-Jun-2009	0		
3	K4BN/900006/301	Dinesh		Manager	30.43	Corporate Sales	8-Jun-2009	0		
Total									Employer's Share	
									Grand Total	
									Paid On	

Note: The Figure in Columns 7 to 24 shall be in respect of wage periods ending in a particular calendar month.

Figure 22.214 Printed Form 6 - Page 1

The Page 2 of **Form 6** will appear as shown:

**Indus Solutions Pvt. Ltd.**  
4/1 St. Mark's Road,  
Bangalore

**FORM 6**  
REGISTER OF EMPLOYEES  
EMPLOYEES' STATE INSURANCE CORPORATION  
(Regulation 32)

Contribution Period : From **1-Apr-2009** to **30-Sep-2009**

Page 2

Sl. No.	Month: May			Month: June			Month: July		
	No. of days for which wages paid/payable	Total amount of wages paid /payable	Employees' share of contribution	No. of days for which wages paid/payable	Total amount of wages paid /payable	Employees' share of contribution	No. of days for which wages paid/payable	Total amount of wages paid /payable	Employees' share of contribution
1	11		13	14	15	16	17	18	19
2	25	10,380.00		26	10,380.00	182.00	31	31	
3	0	800.00		26	800.00	14.00	31	31	
	0	700.00		23	700.00	12.00	31	31	
	Total	11,880.00		Total	11,880.00	208.00	Total	Total	
		Employer's Share		Employer's Share		564.00	Employer's Share	Employer's Share	
		Grand Total		Grand Total		772.00	Grand Total	Grand Total	
		Paid On		Paid On		30-Jun-2009	Paid On	Paid On	

Note: The Figure in Columns 7 to 24 shall be in respect of wage periods ending in a particular calendar month.

Figure 22.215 Printed Form 6 - Page 2

The Page 3 of Form 6 will appear as shown:

**Indus Solutions Pvt. Ltd.**  
4/1 St. Mark's Road,  
Bangalore

**FORM 6**  
REGISTER OF EMPLOYEES  
EMPLOYEES' STATE INSURANCE CORPORATION  
(Regulation 32)

Page 3

Contribution Period : From **1-Apr-2009** to **30-Sep-2009**

Sl. No	Month: August		Month: September		Summary						
	No. of days for which wages paid/payable	Total amount of wages paid /payable	No. of days for which wages paid /payable	Total amount of wages paid /payable	Total No. of days for which wages paid /payable in Contribution	Total amount of wages paid /payable in Contribution Period (Rs)	Total Employee's share of Contribution	Daily wages (Rs.)	R- marks		
1	20	21	22	23	24	25	26	27	28	29	30
2	31			30			77	10,380.00	182.00	134.81	
3	31			30			118	800.00	14.00	6.78	
	31			30			115	700.00	12.00	6.09	
	Total			Total				11,880.00	208.00	147.68	
		Employer's Share			Employer's Share						
		Grand Total			Grand Total						
		Paid On			Paid On						

Note: The Figure in Columns 7 to 24 shall be in respect of wage periods ending in a particular calendar month.

Figure 22.216 Printed Form 6 - Page 3

## Professional Tax Reports

As discussed earlier, Professional Tax is applicable to those individuals or professionals in India who are involved in any profession or trade. The state government of each state governs and administers the levy and collection of Professional Tax in the respective State. The state is empowered with the responsibility of structuring as well as formulating the professional tax criteria for the respective state. Professional tax is charged on the incomes of Individuals, profits of business or gains in vocations as per the list II of the Indian Constitution.

In India, the professional tax slabs are different for all the states in India and some of the states have formulated different professional tax slabs for men, women and the senior citizens of the respective states. The rates depend upon profession, years in the profession and the amount of income or turnover and so on.

In Tally.ERP 9, based on the Slab Rates defined in the Professional Tax Ledger, the Professional Tax Report is generated, capturing the amount of Professional Tax deducted under each slab rate.

### i. Professional Tax Computation Report

The Professional Tax Computation Report provides the summary of Amount deducted as Professional Tax in accordance with the Slab rates applicable for the particular state, from the Earnings of the Employees exceeding the prescribed threshold limits.

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Professional Tax > Computation Report**

- From the **List of Ledgers** drop down, select **Professional Tax** and press **Enter**, the Payroll Statutory Print Configuration screen appears
- In the **Payroll Statutory Print Configuration** screen,
  - Specify **01-06-2009** and **30-06-2009** in the **From** and **To** fields respectively
  - Select the required **Payroll Category, Employee/Group** and **Sorting Method**
  - Type **Bangalore** in the **Place** field
  - Specify **30-06-2009** in the **Date of Printing** field

The completed **Payroll Statutory Print Configuration** screen will appear as shown:

Payroll Statutory Print Configuration			
<b>Printer</b>	: RnD Printer (Ne01:)		
<b>No. of Copies</b>	: 1		
<b>Print Language</b>	: English		
<b>Method</b>	: Neat Mode		
<b>Page Range</b>	: All		
<b>Paper Type</b>	: A4		
	<i>(Printing Dimensions)</i>		
<b>Paper Size</b>	: (11.69" x 8.27") or (297 mm x 210 mm)		
<b>Print Area</b>	: (11.34" x 7.95") or (288 mm x 202 mm)		
Report Titles			
<b>PROFESSIONAL TAX PAYABLE BY EMPLOYER</b>			
(with Print Preview)			
From (blank for beginning)	: 1-6-2009		
To (blank for end)	: 30-6-2009		
Cost Category	: <input type="checkbox"/> All Items		
Employee/Group	: <input type="checkbox"/> All Items		
Place	: Bangalore		
Date of Printing	: 30-6-2009		
Authorised Signatory Name	: Mr. Nikhil		
<table border="1"> <tr> <td><b>Print ?</b></td> </tr> <tr> <td>Yes or No</td> </tr> </table>		<b>Print ?</b>	Yes or No
<b>Print ?</b>			
Yes or No			

Figure 22.217 Payroll Statutory Print Configuration screen

- Press **Enter** to Print.

The printed **Professional Tax Computation** Report for the month of June 2009 will appear as shown:

**PROFESSIONAL TAX PAYABLE BY EMPLOYER**

Return of Tax payable for the period : **June, 2009**

Name of the Employer : **Indus Solutions Pvt. Ltd.**  
 Address : 4/1 St. Mark's Road,  
 Bangalore  
 Registration Certificate No. : **KA/PT/53487520**

Number of employees during the month in respect of whom the tax is payable as under :

SN. o.	Employees whose monthly salaries / wages / both are				Number of Employees	Rate of tax per month Rs.	Amount of Tax Deducted Rs.
1	Rs	0	to	5,000.00		0.00	
2	Rs	5,000.00	to	8,000.00		60.00	
3	Rs	8,000.00	to	10,000.00		100.00	
4	Rs	10,000.00	to	15,000.00	1	150.00	150.00
5	Rs	15,000.00	and above		3	200.00	600.00
<b>TOTAL</b>					<b>4.00</b>		<b>750.00</b>

Amount Paid : **750.00**

Amount in Words : **Rs. Seven Hundred Fifty Only**

I certify that all employees who are liable to pay the tax in my employment during the period of return have been covered by the forgoing particulars. I also certify that the necessary revision in the amount of tax deductible from the salary or wages of the employees on account of variation in the salary or wages earned by them has been made wherever necessary.

I, Shri Mr. Nikhil solemnly declare that above statements are true to the best of my knowledge and belief.

Place : Bangalore  
 Date : **30-Jun-2009** Signature of Employer

Figure 22.218 Printed PT Computation Report

## ii. Professional Tax Statement

The Professional Tax Statement provides the summary of Employee wise Gross Wages paid, No. of Working Days and the amount of Professional Tax deducted during the selected period. To generate the Professional Tax Statement for a month,

Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Professional Tax > Statement**

- ❑ From the **List of Ledgers** drop down, select **Professional Tax** and press **Enter**, the Payroll Statutory Print Configuration screen appears
- ❑ In the **Payroll Statutory Print Configuration** screen, specify **01-06-2009** and **30-06-2009** in the **From** and **To** fields respectively
- ❑ Select the required **Payroll Category, Employee/Group** and **Sorting Method**

The completed **Payroll Statutory Print Configuration** screen will appear as shown:

Payroll Statutory Print Configuration			
<b>Printer</b>	: RnD Printer (Ne01:)	<b>Paper Type</b> :	A4
<b>No. of Copies</b>	: 1		
<b>Print Language</b>	: English		<i>(Printing Dimensions)</i>
<b>Method</b>	: Neat Mode	<b>Paper Size</b> :	: (8.27" x 11.69") or (210 mm x 297 mm)
<b>Page Range</b>	: All	<b>Print Area</b> :	: (7.95" x 11.34") or (202 mm x 288 mm)
Report Titles			
<b>Professional Tax</b>			
Professional Tax Monthly Statement			
(with Print Preview)			
		From (blank for beginning) :	<b>1-6-2009</b>
		To (blank for end) :	<b>30-6-2009</b>
			<b>Print ?</b> <span style="color: red;">Yes or No</span>

Figure 22.219 Payroll Statutory Print Configuration screen

- ❑ Press **Enter** to Print.

The printed **Professional Tax Statement** for June 2009 will appear as shown:

PROFESSIONAL TAX - Monthly Statement (Professional Tax)					
Name & Address of the Factory or Establishment : <b>Indus Solutions Pvt. Ltd.</b> 4/1 St. Mark's Road, Bangalore					
Statement for the Period : 1-Jun-2009 to 30-Jun-2009					
Sl.No	Employee No.	Employee Name	Worked Days	Gross Wages	Value
1	465	Atul Sharma	26	30,500.00	200.00
2	578	Preeti Sinha	24	15,508.00	200.00
3	225	Ramesh Arora	20	20,115.00	200.00
4	469	Rohit Roy	26	10,380.00	150.00
<b>Total</b>				<b>76,503.00</b>	<b>750.00</b>

Figure 22.220 Printed Professional Tax Statement



You can view **PT Computation Report** from **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Computation** menu, detailing Professional Tax collected and paid during a given period in the manner as discussed in **Provident Fund Computation Report** section.

## Gratuity Report

The Gratuity Report displays the provisional liability of an employer towards his employee in respect of gratuity payable at the time of cessation of employment either by resignation, death, retirement or termination.

The Gratuity Summary Report displays the gratuity amount payable in accordance with the pay components and formulae defined in the ledger master, as discussed earlier. In Tally.ERP 9, the Gratuity amount is calculated proportionately for eligible days in a year to the extent of completed months of service.

You can view Gratuity Report either from Statutory Reports menu or Payroll Reports menu i.e., **Gateway of Tally > Display > Payroll Reports > Statutory Reports** or **Gateway of Tally > Display > Statutory Reports > Payroll Reports**.



Go to **Gateway of Tally > Display > Payroll Reports > Statutory Reports > Gratuity Report**

The **Gratuity Report** for the Employees eligible for Gratuity will appear as shown:

Gratuity Summary		Indus Solutions Pvt. Ltd.		Ctrl + M	
For All Employees		1-Jun-2009 to 30-Jun-2009			
Particulars	Date of Joining	Date of Leaving	Gratuity Eligible Salary	Gratuity Amount	
<b>Primary Cost Category</b>			<b>57,000.00</b>	<b>2,740.00</b>	
<b>Administration</b>			<b>7,000.00</b>	<b>337.00</b>	
Rohit Roy	1-4-2009		7,000.00	337.00	
<b>R &amp; D</b>			<b>12,000.00</b>	<b>577.00</b>	
Preeti Sinha	1-4-2009	30-9-2009	12,000.00	577.00	
<b>Sales</b>			<b>38,000.00</b>	<b>1,827.00</b>	
Atul Sharma	1-4-2009		20,000.00	962.00	
Ramesh Arora	1-4-2009		18,000.00	865.00	
<b>Grand Total</b>					<b>2,740.00</b>

Figure 22.221 Gratuity Summary Report



In order to ascertain the **Gratuity payable amount**, set **Use for Gratuity** to **Yes** in the Pay Head master (i.e. Basic Pay, Dearness Allowance etc.)

**Button Options in the Gratuity Report:**

- ❑ **F4: Change Currency** – Allows you to display the report in any other foreign currency other than base currency.
- ❑ **F5: Employee Wise** – Allows you to display the Employee-wise Gratuity report.
- ❑ **F7: Employee Filters** – This option (**Ctrl+F7**) allows you to display the Gratuity report for a particular Cost Category with the required Group or Employee.



The above report displays the details of all employees' along with the Date of Birth, Date of Joining and the Gratuity Eligible Salary, besides commenting on the total Gratuity liability as on date. Press **F12: Configure** to configure for additional options

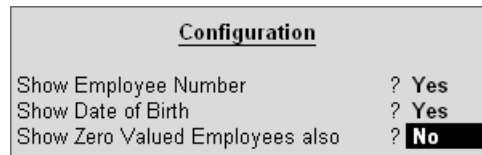


Figure 22.222 F12: Configuration screen

Tally.ERP 9 allows you to drill down to the **Gratuity Details report** from the above display.

- Select the required employee and press **Enter**

The **Gratuity Details** screen displays as shown:

Gratuity Details		Indus Solutions Pvt. Ltd.		Ctrl + M
Employee Name	: Ramesh Arora			
Date of Joining	: 1-Apr-2009			
Till Date	: 30-Jun-2009			
No. of Months worked for	: 1.00			
Gratuity Days of a Month	: 26			
Gratuity Eligible salary	: 18,000.00			
Months From	Months To	Eligibility days for Gratuity per year	Gratuity Amount	
1	60	0	865.00	
<b>Total</b>			865.00	

Figure 22.223 Gratuity Details Report



*Once the employee is deactivated (i.e., when the date of leaving is filled in the Employee master), Tally.ERP 9 stops computing Gratuity for the deactivated employee. If the tenure of service of such an employee falls below the eligible slab for gratuity calculation, he/she will not be entitled for any gratuity amount. However, in cases where the tenure of service is spread over more than one eligible slab(s), he/she will be entitled to the sum total of all the slabs.*

### Points to Remember

- ❑ Payroll is the process of maintaining records of all employees' salaries.
- ❑ The Payroll function in Tally.ERP 9 facilitates accurate and timely employee payments.
- ❑ The Attendance/Production Type is used to record attendance and production data.
- ❑ Salary components constituting Pay Structures are called Pay Heads.
- ❑ Gratuity is a monetary benefit paid by an employer to an employee, at the end of the employment, for the services rendered over the period of employment.
- ❑ Attendance voucher is a voucher type used to record attendance, overtime, leave or production details.
- ❑ Payroll voucher is used to record employees' payroll related transactions.
- ❑ Payslip is a document, issued to an employee, that itemises each component of his/her earnings and deductions.
- ❑ Pay Sheet is a matrix report with details of pay heads pertaining to employees.
- ❑ Payroll Statement helps to generate reports for specific pay heads.
- ❑ Attendance Sheet displays information relating to employees' attendance or production data.
- ❑ Gratuity Summary Report calculates the liability of a company in terms of gratuity.
- ❑ Expat Report provides comprehensive information about employees who are abroad, on short/ long-term assignments.