

Introduction to Payroll in Tally ERP 9

Payroll management in Tally ERP 9 offers a comprehensive solution for handling employee salaries, deductions, bonuses, and compliance with statutory requirements such as Provident Fund (PF), Employee State Insurance (ESI), and Professional Tax (PT). This module simplifies the payroll process by integrating seamlessly with other accounting functions, providing a unified system for managing financial and employee-related data.

Key Features of Payroll in Tally ERP 9

1. Employee Database Management

- Maintain detailed records of each employee, including personal details, employment history, and salary structure.
- Categorize employees into different groups based on departments, designations, and pay heads.

2. Payroll Processing

- Automate the calculation of salaries, including gross pay, net pay, deductions, allowances, and bonuses.
- Generate payslips and salary statements for individual employees or groups of employees.
- Support for different pay periods, such as monthly, weekly, or bi-weekly payroll processing.

3. Attendance and Leave Management

- Track employee attendance, leave records, and overtime.
- Integrate attendance data from biometric devices or manual registers.
- Configure leave policies, accruals, and balances for different leave types such as casual leave, sick leave, and earned leave.

4. Statutory Compliance

- Ensure compliance with statutory requirements such as PF, ESI, PT, and Income Tax.
- Automate the calculation of statutory deductions and contributions.
- Generate statutory reports and challans for submission to regulatory authorities.



CBSE



ICSE



NTSE



Banking &
Insurance



Central Govt.
Service



State Govt.
Services



LAW
Entrance



MBA
Entrance



Railways & Metro
Services

...many more

abhyasonline.in



Course
&
Test Series

Computerised Accounting - Module 24

5. Loans and Advances

- Manage employee loans and advances, including disbursement, repayment schedules, and interest calculations.
- Track outstanding balances and recoveries through payroll deductions.

6. Reports and Analytics

- Generate various payroll reports such as salary registers, pay sheet reports, attendance reports, and statutory compliance reports.
- Analyze payroll data to identify trends, monitor expenses, and ensure accuracy in payroll processing.

7. Security and User Access Control

- Restrict access to sensitive payroll information through user-defined roles and permissions.
- Maintain a secure and confidential environment for managing employee data.

Enable Payroll in Tally.ERP 9

You can enable or activate payroll in Tally.ERP 9 from the Cost/Profit Centres Management section under F1: Accounting Features in F11: Features . You can then enable the statutory features provided for Payroll from F11 > F3 features.

Enable Payroll Feature

1. Go to Gateway of Tally > F11: Features > F1: Accounting Features .
2. Tab down to Cost/Profit Centres Management section.
3. Set the option Maintain payroll to Yes.
4. Set the option Maintain more than one payroll or cost category to Yes , to allocate employee cost by creating separate employee categories.

Note: You can enable the option Maintain more than one payroll or cost category to Yes , where parallel allocation of employee cost/cost centre is required.

CBSE

ICSE

NTSE

Banking & Insurance

Central Govt. Service

State Govt. Services

LAW Entrance

MBA Entrance

Railways & Metro Services

...many more

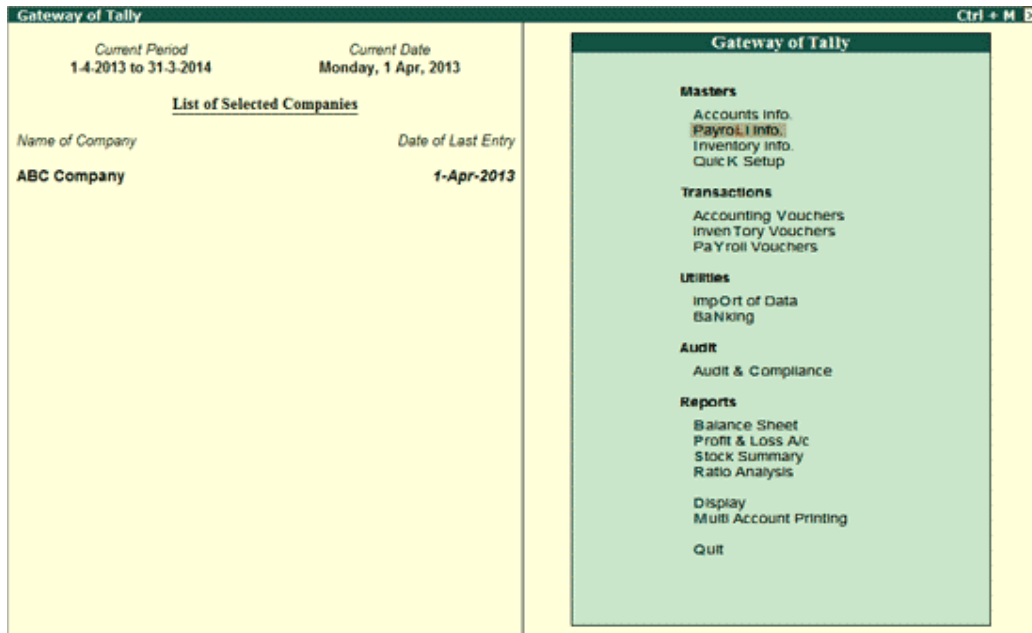
abhyasonline.in

**Course
&
Test Series**

Computerised Accounting - Module 24

5. Press Enter to accept and save, and return to the Gateway of Tally screen.

The Gateway of Tally screen appears as shown below:



Enable Statutory Features of Payroll

To use the Provident Fund, Employee State Insurance (ESI), National Pension Scheme (NPS), Income Tax and Professional Tax features for Indian Payroll, you must enable Statutory Features for Payroll.

Note: The Payroll Statutory Features are available only for India. For other countries, this option is not available.

1. Go to Gateway of Tally > F11: Features > F3: Statutory & Taxation.

CBSE

ICSE

NTSE

Banking & Insurance

Central Govt. Service

State Govt. Services

LAW Entrance

MBA Entrance

Railways & Metro Services

...many more

abhyasonline.in

Computerised Accounting - Module 24

Course & Test Series



 **CBSE**

 **ICSE**



 **NTSE**



 **Banking & Insurance**



 **Central Govt. Service**



 **State Govt. Services**



 **LAW Entrance**



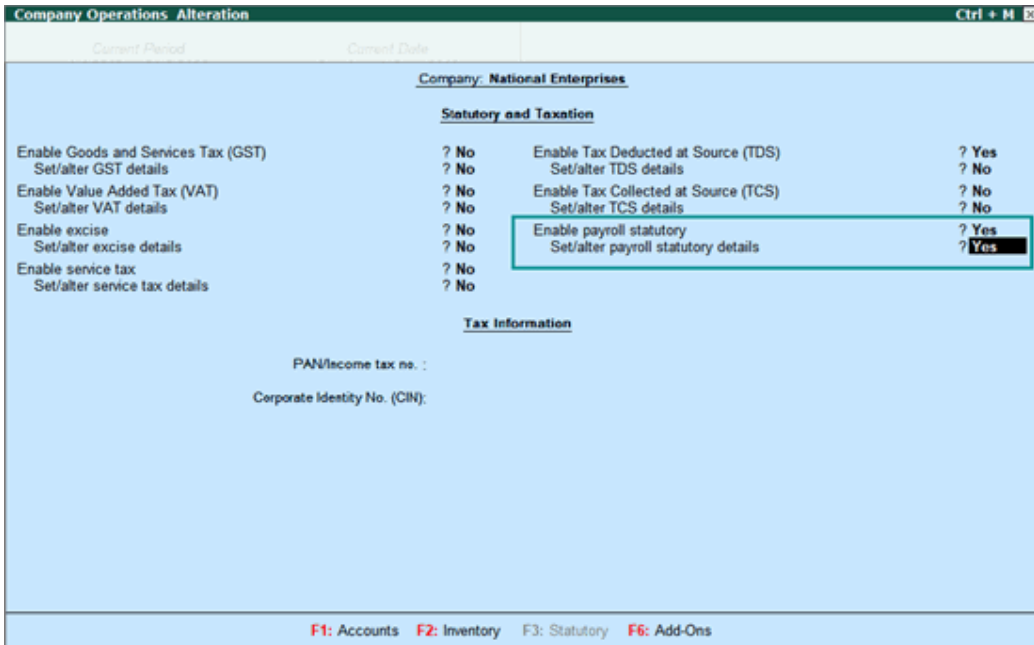
 **MBA Entrance**



 **Railways & Metro Services**

...many more

abhyasonline.in



Company: National Enterprises			
Statutory and Taxation			
Enable Goods and Services Tax (GST)	? No	Enable Tax Deducted at Source (TDS)	? Yes
Set/alter GST details	? No	Set/alter TDS details	? No
Enable Value Added Tax (VAT)	? No	Enable Tax Collected at Source (TCS)	? No
Set/alter VAT details	? No	Set/alter TCS details	? No
Enable excise	? No	Enable payroll statutory	? Yes
Set/alter excise details	? No	Set/alter payroll statutory details	? Yes
Enable service tax	? No		
Set/alter service tax details	? No		

Tax Information

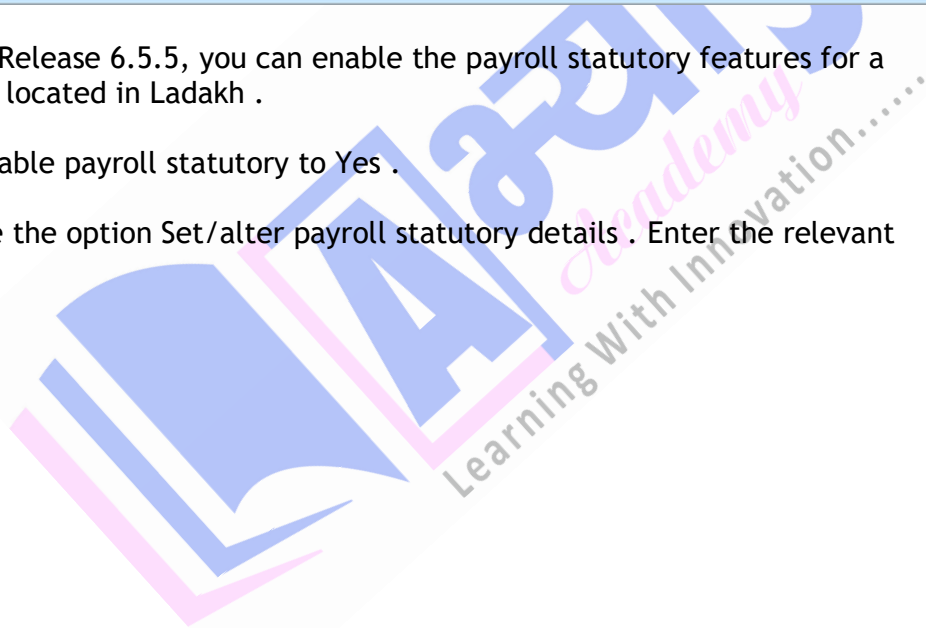
PAN/Income tax no. :

Corporate Identity No. (CIN):

F1: Accounts F2: Inventory F3: Statutory F6: Add-Ons

Note: In Release 6.5.5, you can enable the payroll statutory features for a company located in Ladakh .

2. Set Enable payroll statutory to Yes .
3. Enable the option Set/alter payroll statutory details . Enter the relevant details.



**Course
&
Test Series**

Computerised Accounting - Module 24

 **CBSE**

 **ICSE**

 **NTSE**

 **Banking &
Insurance**

 **Central Govt.
Service**

 **State Govt.
Services**

 **LAW
Entrance**

 **MBA
Entrance**

 **Railways & Metro
Services**

...many more

abhyasonline.in

Payroll Statutory Details

Provident Fund

Company code : **KAFBD0012345012**
Company account group code :
Company security code :

Employee State Insurance

Company code : **12345/23457**
ESI branch office : **Koramangala**
Standard working days per month : **26 Days**

National Pension Scheme

Corporate registration number : **1268941**
Corporate branch office number : **3954175**

Income Tax

Tax deduction and collection Account Number (TAN): **KARA07884F**
TAN registration number : **ALRTH3827R12**
Income tax circle or ward : **Bangalore**
Deductor type : **Others**
Deductor branch/division : **Bommanahalli**
Name of person responsible : **Rajesh**
Son/daughter of : **Suresh Mehta**
Designation : **CFO**
PAN : **AYRHT1816G**

(Note: All the above details will be used in Challan, Forms & Returns)

In the Provident Fund section,

1. Enter Company Code as allotted by the PF department.
2. Enter Company Account Group Code as specified by the PF department.
3. Enter Company Security Code as specified by the PF department.

In the Employee State Insurance section,

1. Enter Company Code as allotted by the Employee State Insurance Corporation (ESIC).

Course
&
Test Series

Computerised Accounting - Module 24

2. Enter the name of the ESI Branch Office.

3. In the Standard Working Days (per month) field, enter the number of days to be considered for the calculation of daily wages, and monthly gross amount for ESI benefits. If this field is left blank, the system considers the Calendar Period as the basis for calculation.

Note: ESI Eligibility Amount is specified in the Stat file.

In National Pension Scheme section,

1. Specify the Corporate Registration Number as allotted by the Central Recordkeeping Agency (CRA) during registration.

2. Specify the Corporate Branch Office Number allotted by the Central Recordkeeping Agency (CRA) during registration.

In the Income Tax section,

1. Specify the 10 digit TAN assigned to the employer in Tax deduction and collection Account Number (TAN) .

2. Specify the TAN registration number .

3. Specify the name of the Income Tax Circle/Ward , to which the employer is associated.

4. Select the Deductor Type as:

- Government for central or state government companies.
- Others for other companies.

5. Enter the name of Deductor branch/division .

6. Enter the Name of Person Responsible for TDS deduction in the company.

7. Enter the father's name of the person who is responsible for TDS deduction in the company, in the field Son/Daughter of .

8. Specify the official Designation of the person who is responsible for TDS deduction in the company.

9. Specify the PAN.

 CBSE

 ICSE

 NTSE

 Banking & Insurance

 Central Govt. Service

 State Govt. Services

 LAW Entrance

 MBA Entrance

 Railways & Metro Services

...many more

abhyasonline.in

**Course
&
Test Series**

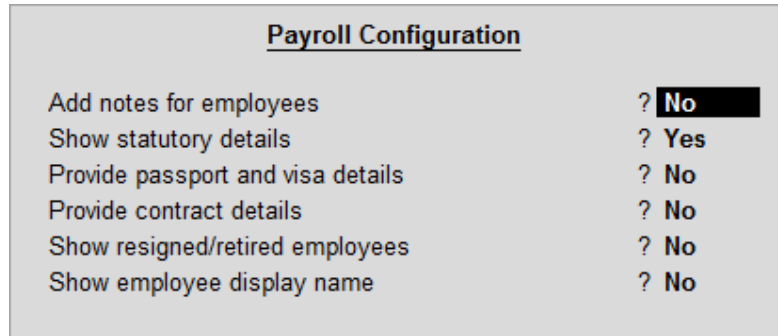
Computerised Accounting - Module 24

Press Enter to accept and save.

Payroll Configuration

You can use the Payroll Configuration screen to configure some basic aspects of Payroll.

1. Go to Gateway of Tally > F12: Configure > Payroll Configuration.



2. Set the option Add notes for employees to Yes to enter any additional information about the employee in the Employee Creation/Alteration screen.

3. Set the option Show statutory details (for India/ SAARC companies only) to Yes to enter the PF, ESI, NPS and Employee PAN details in the Employee Creation screen, and print the same information in the employee pay slip.

Note: For International Companies, the option Show Statutory Details will allow to capture only the **Employee's Income Tax Number** in the Employee Creation screen.

4. Set the options Provide passport and visa details and Provide contract details to Yes to capture and display the following information in the Expat Reports:

- The employee's Passport Number , Passport Expiry date , Visa Number , and Visa Expiry date .
- The employee's Contract Start and Expiry dates in the Employee Master .

5. Set the option Show resigned/retired employees to No , to avoid displaying the names of resigned employees in the attendance and payroll vouchers.

6. Set the option Show employee display name to Yes , if the payroll reports need to include a different name for the employee, while printing.

CBSE

ICSE

NTSE

Banking & Insurance

Central Govt. Service

State Govt. Services

LAW Entrance

MBA Entrance

Railways & Metro Services

...many more

abhyasonline.in

**Course
&
Test Series**

Computerised Accounting - Module 24

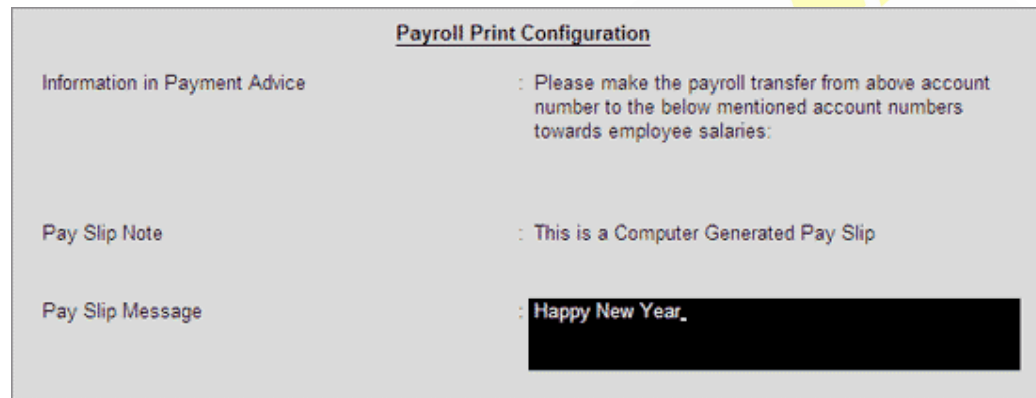
Note: This option is useful when the company has multiple employees who have the same name.

You can configure additional printing preferences using the Payroll Print Configuration screen.

Payroll Print Configuration

You can use the Payroll Print Configuration screen to configure the message to be included while printing the Payment Advice and the Pay Slip .

1. Go to Gateway of Tally > F12: Configure > Printing > Payroll . The Payroll Print Configuration screen appears as shown below:



2. Alter the pre-filled content in the Information in Payment Advice field, if required. It will be printed in the Payment Advice sheet.

3. Enter required information in the Pay Slip Note field, to be displayed instead of the Authorised Signatory details in the Pay Slip .

4. Enter the required Pay Slip Message to be included in all printed payslips. For example , in the month of January you may include the message Happy New Year!

5. Press Enter to accept.

 **CBSE**

 **ICSE**

 **NTSE**

 **Banking & Insurance**

 **Central Govt. Service**

 **State Govt. Services**

 **LAW Entrance**

 **MBA Entrance**

 **Railways & Metro Services**

...many more

abhyasonline.in