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Computerised Accounting - Module 25

Introduction to Payroll in Tally ERP 9

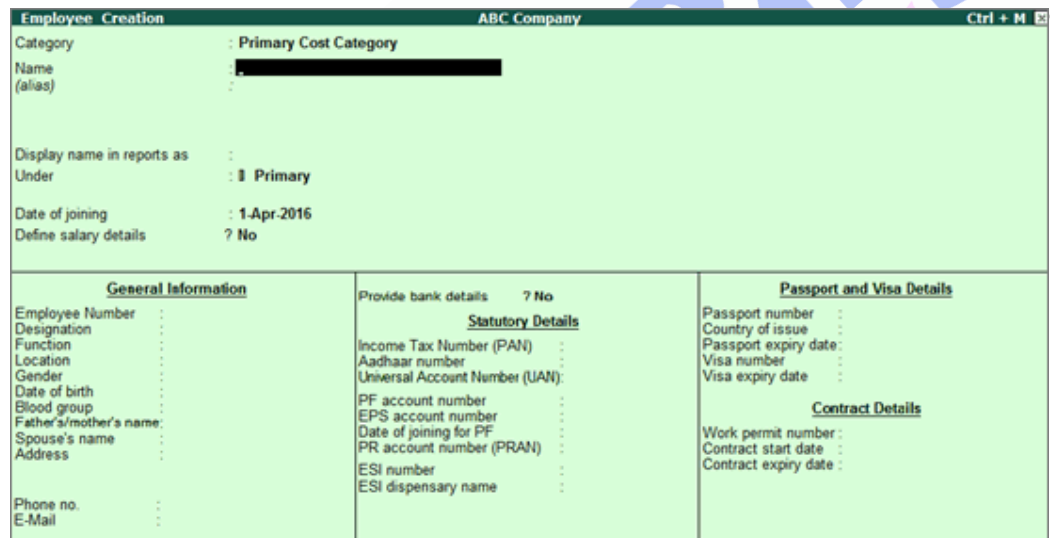
Payroll Management in Tally ERP 9 is a comprehensive solution designed to streamline and automate the payroll process for businesses. It integrates seamlessly with the accounting functions in Tally, ensuring accurate and efficient management of employee-related financial data.

Create Employees (Payroll)

The Employee Master in Tally.ERP 9 can be used record all employee-related information. In addition to general information, you can also enter Payment, Statutory, Expat and Contract details of employees. To enter Statutory related information in the Employee Master, enable the option Show Statutory Details in the Payroll Configurations screen.

Create Single Employee

1. Go to Gateway of Tally > Payroll Info. > Employees > Create (under Single Employee).



The screenshot shows the 'Employee Creation' window in Tally ERP 9. The window title is 'ABC Company'. The 'Category' is set to 'Primary Cost Category'. The 'Name (alias)' field is filled with a redacted name. The 'Display name in reports as Under' is set to 'Primary'. The 'Date of joining' is '1-Apr-2016' and 'Define salary details' is 'No'. The form is divided into three main sections: 'General Information', 'Statutory Details', and 'Passport and Visa Details'. 'General Information' includes fields for Employee Number, Designation, Function, Location, Gender, Date of birth, Blood group, Father's/mother's name, Spouse's name, and Address. 'Statutory Details' includes Income Tax Number (PAN), Aadhaar number, Universal Account Number (UAN), PF account number, EPS account number, Date of joining for PF, PR account number (PRAN), ESI number, and ESI dispensary name. 'Passport and Visa Details' includes Passport number, Country of issue, Passport expiry date, Visa number, and Visa expiry date. There are also 'Contract Details' fields for Work permit number, Contract start date, and Contract expiry date. The 'Provide bank details' checkbox is checked.

2. Enter the Name of the employee. By default, the system displays the same value in the Display name in reports as .

3. Modify the Display name in reports as , if required.

4. Select the Employee Group in the field Under.

5. Enter the Date of joining.

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Note: The Date of resignation/retirement option is available only on the Employee Alteration screen. After you enter the Date of resignation/retirement , you can also select a Reason for leaving .

6. Set the Define salary details? option to Yes , and press Enter to open Salary Details Creation screen.

In the Salary Details Creation screen, you can specify salary details of an employee. The Salary Details Creation screen appears as shown below:

Effective From	Pay Head	Rate	Per	Pay Head Type	Calculation Type	Computed On
1 Apr 2016	Basic Pay	35,000.00	Months	Earnings for Employees	On Attendance	Basic Pay
	House Rent Allowance	1,500.00	Months	Earnings for Employees	As Computed Value	Basic Pay
	Convenience Bonus			Earnings for Employees	Flat Rate	Basic Pay
	Canteen Deduction			Earnings for Employees	As User Defined Value	Basic Pay
	Overtime	150.00	Hrs	Deductions From Employees	As User Defined Value	Basic Pay
	Professional Tax			Earnings for Employees	On Production	Basic Pay
	Reimbursement			Employees' Statutory Deductions	As Computed Value	On Current Earnings Total
	Gratuity			Reimbursements to Employees	As User Defined Value	Basic Pay
	Variable Pay			Gratuity	As User Defined Value	Basic Pay
	Employee PF @ 12%			Earnings for Employees	As User Defined Value	Basic Pay
	Employee's ESI @ 1.75%			Employees' Statutory Deductions	As Computed Value	Basic Pay
	Employee's NPS Deduction @ 10%			Employees' Statutory Deductions	As Computed Value	Basic Pay
	Employee's NPS @ 10% Tier II			Employees' Statutory Deductions	As Computed Value	Basic Pay
	Income Tax			Employees' Statutory Deductions	As Computed Value	Basic Pay
	Employer EPS @ 8.33%			Employer's Statutory Contributions	As Computed Value	Basic Pay
	Employer EPF @ 3.67%			Employer's Statutory Contributions	As Computed Value	Basic Pay
	Employer ESI @ 4.75%			Employer's Statutory Contributions	As Computed Value	Basic Pay

In the Effective From date field, the Date of joining appears by default. You cannot alter the Effective From date.

7. Select the relevant Pay Heads from the List of Pay Heads in the Pay Head column, and enter values for the required pay heads.

8. Define the salary structure, and press Enter to navigate to the Employee Creation screen.

Note: This option will be available only if the option Add NOTES for Employees is enabled in the Employee Configuration screen.

9. Enter remarks, if any, in the Notes field.

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10. Enter the employee General Information , employee's Bank Details for salary processing, Payment Details , Statutory Details , Passport & Visa Details and Contract Details.

Note:

- ◆ Date of Birth is the basis to determine if the Employee is a senior citizen while Gender is used to arrive at the correct Income Tax computation (based on the slab).
- ◆ If your bank master is enabled for e-payments, you can choose any of the e-payments options (e-fund transfer, e-cheque, or e-DD) during voucher creation for payroll payments.

In Statutory Details , you must enter the Income Tax Number (PAN) , Aadhaar Number , Universal Account Number (UAN) , EPS Account Number, PF Account Number and ESI Number . This information is required for printing Employee Count (No. of Employees) in the PF & ESI Challans and other Statutory Reports.

To update the Permanent Retirement Account Number (PRAN) of the employees covered under the National Pension Scheme (NPS), enable the Applicable for NPS? option and specify the PRAN in the PR Account Number field.

Employee Creation		ABC Company		Ctrl + M
Category	: Primary Cost Category			
Name (alias)	: Employee A			
Display name in reports as	: Employee A			
Under	: Sales (/ Primary)			
Date of joining	: 1-Apr-2016			
Define salary details	: ? Yes			
General Information		Statutory Details	Passport and Visa Details	
Employee Number	: 0063	Income Tax Number (PAN)	: AAAP51234D	
Designation	: Senior Executive	Aadhaar number	: 012345670959	
Function	: Sales	Universal Account Number (UAN)	: 10009876543	
Location	: Bengaluru	PF account number	: KA/BN/003456467	
Gender	: Male	EPS account number	: KA/BN/003456467	
Date of birth	: 15-Dec-1975	Date of joining for PF	: 1-Apr-2016	
Blood group	: A Positive	PR account number (PRAN)	: KA/BN/003456467	
Father's/mother's name	: Mr. Ram Mohan	ESI number	: ESI 3456	
Spouse's name	: Anjali	ESI dispensary name	: Rajalinnagar	
Address	: #27, 9th Cross, Dalaj Layout Subramani Colony Bengaluru-56	Passport number	: E569871	
Phone no.	: 080-22323859	Country of issue	: India	
E-Mail	: emp1575@gmail.com	Passport expiry date	: 12-Aug-2017	
		Visa number	: S088963321	
		Visa expiry date	: 20-Jun-2017	
		Contract Details		
		Work permit number	: SE005984	
		Contract start date	: 1-Apr-2016	
		Contract expiry date	: 31-Mar-2017	
		Accept ?		
		Yes or No		

11. Press Enter to save.

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Note: For International Companies, only Income Tax Number option is available under Statutory Details. For UAE, only Labour Card Number, Emirates ID number and Emirates ID expiry date options is available under Statutory Details.

You can configure the salary structure using the Salary Details screen.

Employee Configuration

1. Click F12: Configure to change the default display for the Employee Creation screen.

<u>Employee Configuration</u>	
Provide aliases along with name	? Yes
Provide language aliases for name	? No
Add notes for employees	? No
Show statutory details	? Yes
Provide passport and visa details	? Yes
Provide contract details	? Yes
Show employee display name	? No

2. Set the option Provide alias along with name? to Yes to add aliases for the employee.

3. Set the option Provide language aliases for name? to Yes to add the aliases in other languages as selected (only while using Multilingual feature)

4. Set the option Add notes for employees? to Yes to add notes or remarks for an employee.

5. Set the option Show statutory details? to Yes to enter the PAN, PF, PR, EPS Account Number, the Date of Joining and Relieving.

6. Set the option Provide passport and visa details? to Yes to enter the passport and visa details of the employee.

7. Set the option Provide contract details? to Yes , to enter contract details such as Work Permit Number, Contract Start Date and End Date.

8. Set the option Show employee display name? to Yes , to print a different name for an employee while printing reports. This option is useful the same name is shared by a number of employees.

9. Press Ctrl+A to accept.

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Create Multiple Employees

1. Go to Gateway of Tally > Payroll Info. > Employees > Create (under Multiple Employees).
2. Select the employee group under which you want to create all the employees, in the Under Employee Group field. If an independent employee is to be created, select All Items in this field.
3. Select the employee category in which you want to add the group, in the Category field . The default category Primary Cost Category appears selected in this field.
4. Specify the name of the employee in the Employee Name field.
5. Select the employee group into which you want to add the employee in the Under field .
6. Enter the joining date of the employees in the Date of Joining field.

The Multi Employee Creation screen appears, as shown below, displaying the details of employees you added.

Multi Employee Creation				
ABC Company				
Under Employee Group : All Items				
S.No.	Category	Employee Name	Under	Date of joining:
1.	Primary Cost Category	Employee B	Sales	5-Apr-2016
2.	Primary Cost Category	Employee C	R&D	1-Jun-2016
3.	Primary Cost Category	Employee D	Sales	1-Sep-2016

7. Press Ctrl+A to accept the changes.