

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. By leveraging the payroll management features in Tally ERP 9, businesses can streamline their payroll processes, ensure compliance with statutory regulations, and maintain accurate records of employee earnings and deductions, thereby enhancing overall efficiency and accuracy.

Create Employee Groups (Payroll)

Creating Employee Groups helps to classify employees based on different parameters, such as their job function, department, location, cadre/designation, and so on. You can also define salary structures at the Employee Group level to apply a common salary structure for an entire department such as Marketing, R&D, Sales, and Accounts.

Create Single Employee Group

1. Go to Gateway of Tally > Payroll Info. > Employee Groups > Create (under Single Group).
2. Select the Employee Category from the List of Categories.
3. Enter the Name of the Employee group.
4. Select the group under which the employee group is to be added.
5. Set the option Define Salary Details to Yes.
6. Press Enter to view the Salary Details Creation screen.
7. Specify the salary details applicable to the employee group in this screen. The Salary Details Creation screen appears as shown below:

 **CBSE**

 **ICSE**

 **NTSE**

 **Banking & Insurance**

 **Central Govt. Service**

 **State Govt. Services**

 **LAW Entrance**

 **MBA Entrance**

 **Railways & Metro Services**

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Computerised Accounting - Module 26

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- ICSE**
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Effective From	Pay Head	Rate	Per	Pay Head Type	Calculation Type	Computed On
1-Apr-2013	Basic Pay	25,000.00	Months	Earnings for Employees	On Attendance	Basic Pay
	House Rent Allowance			Earnings for Employees	As Computed Value	
	Conveyance	1,200.00	Months	Earnings for Employees	Flat Rate	
	Bonus			Earnings for Employees	As User Defined Value	
	Canteen Deduction			Deductions From Employees	As User Defined Value	
	Overtime	120.00	Hrs	Earnings for Employees	On Production	
	Professional Tax			Employees' Statutory Deductions	As Computed Value	On Current Earnings Total
	Reimbursement			Reimbursements to Employees	As User Defined Value	
	Variable Pay			Earnings for Employees	As User Defined Value	
	Gratuity			Gratuity		
	Employees' EPF Deduction @ 12%			Employees' Statutory Deductions	As Computed Value	Basic Pay
	Employees' ESI Deduction @ 1.75%			Employees' Statutory Deductions	As Computed Value	@Basic Pay + House Rent Allowance + Conveyance + Overtime
	Employees' NPS Deduction @ 10% - Tier I			Employees' Statutory Deductions	As Computed Value	Basic Pay
	Income Tax			Employees' Statutory Deductions	As Per Income Tax Slab	
	Employer EPS @ 8.33%			Employer's Statutory Contributions	As Computed Value	Basic Pay
	Employer's EPF @ 3.67%			Employer's Statutory Contributions	As Computed Value	Employees' EPF Deduction @ 12% - Employer EPS @ 8.33%
	Employer ESI @ 4.75%			Employer's Statutory Contributions	As Computed Value	@Basic Pay + House Rent Allowance + Conveyance + Overtime
	Employer NPS @ 10%			Employer's Statutory Contributions	As Computed Value	Basic Pay
	Employees' NPS Deduction @ 10% - Tier II			Employees' Statutory Deductions	As Computed Value	Basic Pay

Note: You can define the pay structure for an Employee Group using pay heads which are applicable to most employees. You can then copy and apply the structure to individual employees.

8. Press Enter to navigate to the Employee Group Creation screen.

Employee Group Creation		ABC Co
Category	: Primary Cost Category	
Name	: Sales	
(alias)	:	
Under	: Primary	Accept ? Yes or No
Define Salary Details	: Yes	

9. Press Enter to save.

Employee Group Configuration

1. Press F12 to add/remove options in the Employees Group Creation screen.

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Employee Group Configuration

Allow ALIASES along with Names ? **Yes**
Allow Language ALIASES along with Names ? **No**

2. Set the option Allow ALIASES along with the Names to Yes to add aliases for names of employee groups.

3. Set the option Allow Language ALIASES along with Names to Yes to add aliases in other languages (if Multilingual feature is enabled).

4. Press Ctrl+A to accept.

Create Multiple Employee Groups

1. Go to Gateway of Tally > Payroll Info. > Employees Groups > Create (under Multiple Groups).

2. Select the employee group under which you want to add the new employee group, in the Under Employee Group field. If you want to create an independent group, select All Items in this field.

3. Select the employee category into which you want to add the new group, in the Category field.

4. Enter the group name in the Name of Employee Group field.

5. Select the employee group under which you want to categorise the new group, in the Under field. The Multi Employee Group Creation screen appears as shown below:

S.No.	Category	Name of Employee Group	Under
1.	Primary Cost Category	Accounts	Primary
2.	Primary Cost Category	Marketing	Primary
3.	Primary Cost Category	R&D	Primary
4.	Primary Cost Category	Sales	Primary
5.	Primary Cost Category	Support	Primary

