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Computerised Accounting - Module 30

Introduction to Payroll in Tally ERP 9

The Payroll management in Tally ERP 9 can streamline their payroll processes, ensure compliance with statutory requirements, and maintain accurate records of employee earnings and deductions. This helps in reducing administrative workload, minimizing errors, and providing employees with timely and accurate salary payments.

Introduction to Salary Structure in Tally

The salary structure in Tally ERP 9 defines the components of an employee's salary and how they are calculated. Tally allows you to create specific salary structures for individual employees or groups of employees, ensuring that salary processing is efficient, accurate, and compliant with statutory requirements.

Salary details for an employee

1. Go to Gateway of Tally > Payroll Info. > Salary Details > Define .
2. Select the employee in the Name field from the List of Groups/Employees.
3. Enter the Effective From date.
4. In the Pay Head column, the Start Type list displays three options namely, Copy From Employee , Copy From Parent Value and Start Afresh.

Note: If pay head details are available in the parent group, you can select Copy From Parent Value to copy the details.

If the option Allow Copy From Employee is enabled in F12: Configuration , you can select the option Copy From Employee .

- If you select Copy From Employee , you can select the Salary Details defined of any Employee, irrespective of the Employee Group.
- If you select Copy From Employee Group , you can view the Salary Details defined for the Employee Group.
- If you select Copy From Parent Value , you can view the Salary Details defined for the Employee Group to which the Employee belongs.
- If you select Start Afresh , you must select the Pay Heads from the List of Pay Heads and enter the values for the necessary Pay Heads, if required.

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Effective From	Pay Head	Start Type	Calculation Type	Computed On
1-Apr-2013		<ul style="list-style-type: none"> Copy from Employee Group Copy From Parent Value Start Afresh 		

5. Modify values for the necessary pay heads as per employees' eligibility.

Effective From	Pay Head	Rate	Per	Pay Head Type	Calculation Type	Computed On
1-Apr-2013	Copy From Parent Value			Earnings for Employees	On Attendance	
	Basic Pay	10,000.00	Months	Earnings for Employees	As Computed Value	Basic Pay
	House Rent Allowance			Earnings for Employees	Flat Rate	
	Conveyance	800.00	Months	Earnings for Employees	As User Defined Value	
	Bonus			Earnings for Employees	As User Defined Value	
	Canteen Deduction			Deductions From Employees	As User Defined Value	
	Overtime	110.00	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		
	Salary Advance Deduction			Loans and Advances	As User Defined Value	
	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	Employer's 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

6. Press Enter to accept.

Salary Details Configuration

1. Go to Gateway of Tally > Payroll Info. > Salary Details > Alter .
2. Select the required Employee/ Employee Group from the List of Groups/Employees.
3. Press F12: Configure.

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Salary Details Configuration

Allow to Override Slab Percentage	? <input checked="" type="checkbox"/> Yes
Allow Copy From Employee	? <input type="checkbox"/> Yes
Show Pay Head Type	? <input type="checkbox"/> Yes
Show Calculation Type	? <input type="checkbox"/> Yes
Show Computed On	? <input type="checkbox"/> Yes

4. Allow to Override Slab Percentage: To prevent changes made to slab percentages, set this option to No . You can set it to Yes , to override the percentages that are already defined at the pay head level. For example, you have defined the slab rate for HRA as 40% in the pay head level, and you want to change the slab rate percentage in the Salary Details screen.

Set **Allow to Override Slab Percentage** to Yes in Salary Details Configuration screen, and set the slab rate percentage to the desired percentage

5. Allow Copy From Employee: If you want copy the salary details of an employee who belongs to a different employee group, set this option to Yes.

6. Show Pay Head Type: If the pay head is an earning or a deduction in the Salary Details screen, set this option to Yes .

7. Show Calculation Type: To display the method of calculation adopted (As Computed Value , As User Defined Value , Flat Rate , On Attendance or On Production), set this option to Yes.

8. Show Computed On: To view the computation information (On Current Deductions Total , On Current Earnings Total , On Current Sub Total , On Specified Formula , set this option to Yes.

Salary Details for Employee Group

1. Go to Gateway of Tally > Payroll Info. > Salary Details > Define .

2. Select the Employee Group (for example, Accounts) in the Name field from the List of Groups/Employees .

3. In the Salary Details screen, specify the date in Effective From field.

4. In the Pay Head column, the Start Type list displays two options namely, Copy From Employee , Copy From Employee Group , and Start Afresh.

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Note: If the pay head details are available in other employee groups, you can select Copy From Employee Group to copy the details .

If the option Allow Copy From Employee is enabled in F12: Configuration , you can select the option Copy From Employee .

5. If you select Copy From Employee Group , the salary details defined for the employee group appears on the screen.

6. If you select Copy From Employee , you can select the salary details defined for an employee, irrespective of employee group.

7. If you select Start Afresh , you can select the pay heads from the List of Pay Heads , and enter the values for the necessary pay heads, if required.

- Select the pay heads from the List of Pay Heads.
- Enter the values in the Rate column, if applicable.
- The Pay Head Type , Calculation Type , and Calculated On columns display the details provided at the pay head creation level.

Effective From		Pay Head	Rate	Per	Pay Head Type	Calculation Type	Computed On
1-Apr-2013		Basic Pay	10,000.00	Months	Earnings for Employees	On Attendance	Basic Pay
		House Rent Allowance			Earnings for Employees	As Computed Value	
		Conveyance	800.00	Months	Earnings for Employees	Flat Rate	
		Bonus			Earnings for Employees	As User Defined Value	
		Canteen Deduction			Deductions From Employees	As User Defined Value	
		Overtime	110.00	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		
		Salary Advance Deduction			Loans and Advances	As User Defined Value	
		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	Employee 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

8. Press Enter to accept.

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Note: If you use any pay head component with Calculation Type: As Computed Value and Compute: On Current Earnings Total, while defining salary details, the sequence of the component must be selected accordingly.

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