**1. System Overview**

A comprehensive payroll management system for large companies in Bhutan supporting 100+ employees across multiple branches with daily and monthly wage structures.

**2. Core Modules Required**

**2.1 Employee Management Module**

* **Employee Master Data**
  + Personal information (Name, Address, Contact, Emergency contacts)
  + Employment details (Employee ID, Join date, Department, Branch, Position)
  + Wage type classification (Daily/Monthly)
  + Bank account details for salary transfer
  + Tax identification numbers
* **Employee Categories**
  + Daily wage employees
  + Monthly wage employees
  + Department-wise categorization
  + Branch-wise allocation

**2.2 Attendance & Time Tracking Module**

* **Daily Attendance Recording**
  + Clock in/out times
  + Break time tracking
  + Working hours calculation
  + Overtime hours calculation
  + Holiday/weekend work tracking
* **Leave Management**
  + Annual leave allocation (28 days)
  + Casual leave (deducted from annual leave)
  + Maternity leave tracking
  + Paternity leave tracking
  + Leave balance management
  + Leave salary deduction calculation (after 28 days in first year)

**2.3 Payroll Processing Module**

* **Wage Calculation Engine**
  + Daily wage: Rate × Days worked
  + Monthly wage: Fixed monthly amount
  + Overtime calculation with different rates
  + Shift differential calculations
  + Pro-rated salary for partial months
* **Allowances & Benefits**
  + Housing allowance
  + Education allowance
  + Transport allowance
  + Other custom allowances
  + Configurable allowance rules per employee/department

**2.4 Deductions Module**

* **Tax Calculations**
  + Bhutan Personal Income Tax (PIT) calculation
  + Tax bracket management
  + Annual tax computation
  + Tax submission reports
* **Other Deductions**
  + Optional health benefits deduction
  + Employee loans/advances
  + Other custom deductions
  + Leave without pay deductions

**2.5 Payroll Approval Workflow**

* **Multi-level Approval Process**
  + Department head approval
  + HR approval
  + Finance approval
  + Final authorization before payment processing
* **Review & Validation**
  + Payroll summary review
  + Exception handling
  + Correction capabilities before final approval

**3. Reporting & Analytics Module**

**3.1 Statutory Reports**

* **Tax Reports**
  + Monthly PIT reports
  + Annual tax statements
  + Employee tax certificates
  + Government submission formats

**3.2 Management Reports**

* **Department-wise Reports**
  + Payroll summary by department
  + Cost center analysis
  + Overtime analysis
  + Leave utilization reports
* **Branch-wise Reports**
  + Branch payroll summaries
  + Comparative analysis across branches
  + Headcount and cost analysis
* **Overall Company Reports**
  + Consolidated payroll reports
  + Annual salary statements
  + Payroll cost analysis
  + Compliance reports

**3.3 Employee Reports**

* **Individual Pay Slips**
  + Detailed earning and deduction breakdown
  + Year-to-date summaries
  + Tax calculations
  + Leave balance information

**4. System Architecture Requirements**

**4.1 Database Design**

* **Core Tables Needed**
  + Employee Master
  + Attendance Records
  + Payroll Transactions
  + Tax Calculations
  + Leave Records
  + Allowances & Deductions
  + Department & Branch Master
  + Approval Workflow Logs

**4.2 Security & Access Control**

* **User Roles**
  + System Administrator
  + HR Manager
  + Department Heads
  + Finance Team
  + Payroll Officers
  + Employees (self-service)
* **Security Features**
  + Role-based access control
  + Data encryption for sensitive information
  + Audit trail for all transactions
  + Secure login with password policies

**4.3 Integration Capabilities**

* **Future Integration Points**
  + Attendance management systems
  + Banking systems for salary transfer
  + Accounting software integration
  + HRMS integration
  + Government reporting portals

**5. Technical Specifications**

**5.1 System Requirements**

* **Platform**: Web-based application
* **Database**: Relational database (PostgreSQL/MySQL)
* **Backup & Recovery**: Automated backup system
* **Scalability**: Support for 100+ employees with growth capacity

**5.2 User Interface Requirements**

* **Web Interface**
  + Responsive design for desktop and mobile
  + Intuitive dashboard for different user roles
  + Easy navigation and search capabilities
  + Print-friendly reports

**6. Compliance & Legal Requirements**

**6.1 Bhutan Labor Laws**

* **Wage Regulations**
  + Minimum wage compliance
  + Overtime rate calculations
  + Holiday pay regulations

**6.2 Tax Compliance**

* **PIT Calculations**
  + Current tax slabs and rates
  + Deduction limits and exemptions
  + Filing and submission requirements

**7. Implementation Phases**

**Phase 1: Core Payroll System**

* Employee management
* Basic payroll processing
* Tax calculations
* Standard reports

**Phase 2: Advanced Features**

* Workflow approvals
* Advanced reporting
* Leave management
* Allowances & benefits

**Phase 3: Integration & Optimization**

* System integrations
* Performance optimization
* Additional customizations
* Mobile app development

**8. Key Deliverables**

**8.1 System Components**

1. **Employee Management System**
2. **Attendance & Time Tracking**
3. **Payroll Processing Engine**
4. **Tax Calculation Module**
5. **Reporting Dashboard**
6. **Approval Workflow System**
7. **User Access Control**

**8.2 Documentation Required**

* **Technical Documentation**
  + System architecture document
  + Database design document
  + API documentation
  + Deployment guide
* **User Documentation**
  + User manuals for different roles
  + Training materials
  + System administration guide

**8.3 Testing Requirements**

* **Unit Testing**
* **Integration Testing**
* **User Acceptance Testing**
* **Performance Testing**
* **Security Testing**

**9. Success Criteria**

* Accurate payroll calculations for all employee types
* Compliance with Bhutan tax regulations
* Efficient processing of 100+ employees
* Successful multi-branch operations
* User-friendly interface with minimal training required
* Reliable reporting and data export capabilities
* Scalable architecture for future growth