**PAYROLL REQUIREMENT DOCUMENT**

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**1.0 Overview**

Company XYZ plans to introduce a newly designed payroll system. The need for this system is  to have a well-oriented, organized mechanism to ensure efficient processing of pay-cheques, tax deductions and record keeping.

**2.0 System Requirements**

2.1 The system will be able to print 5000 checks at the end of each billing cycle.

2.2 The system will calculate a 15.85% deduction from each employee’s gross income towards FICA.

2.3 The system will calculate a 10% deduction from each employee’s gross income towards the state tax.

2.4 The system will calculate 401k deductions to be made from an employee’s gross income as given by the employee prior to any tax deductions.

2.5  The system should be able to handle access by the 2800 employees who are currently working.

**3.0 Response Time**

The system should be able to have a quick response time of 2 seconds for each transactions.

**4.0 Environment**

The system is supposed to run on an IBM mainframe.

Each of the 2800 employees should be able to view the system using IBM PCs.

**5.0 Reports**

The system will print the following three reports:

5.1 The Employee Details Report will include:

* Employee name
* Employee number
* Employee address
* Social security number

5.2 The Gross Earnings Report will include:

* Employee name
* Employee number
* Number of hours worked
* Employee gross income
* Dates for the time period of the report

5.3 The Net Earnings Report will include:

* Employee name
* Employee number
* Employee gross income
* Dates for the time period of the report
* FICA tax deduction value
* State tax deduction value
* 401K deductions
* Employee net income

**6.0 General**

6.1Each employee will be able to view their details: net earnings, gross earnings, vacation time used, vacation time remaining, 401k deductions.

6.2 The system provides access only to the managers to view both net earnings report and gross earnings report, enforcing role-based security permissions.

6.3 The payroll system should forward the net earnings report to the G/L system.