

## **1. Define Salary Structure:**

- 1.1. Gather requirements from HR regarding salary components.
- 1.2. Identify different categories of employees (e.g., full-time, part-time, contract) and their corresponding salary structures.
- 1.3. Define basic pay as the foundation for salary calculation.
- 1.4. Determine house rent allowance (HRA) based on factors, company policy.
- 1.5. Specify various allowances such as transport allowance, conveyance allowance, etc., considering employee needs and industry standards.
- 1.6. Establish deductions including Employee Provident Fund (EPF), Employee State Insurance Corporation (ESIC), income tax (if applicable), etc., complying with legal regulations.
- 1.7. Define the calculation method for each component (e.g., fixed amount, percentage of basic pay).
- 1.8. Consider any additional benefits such as bonuses, incentives, or special allowances for certain roles or performance levels.

## **2. Set Salary Bank Account:**

- 2.1. Collect bank account details from employees through a secure channel.
- 2.2. Verify the accuracy of bank account information provided by employees.
- 2.3. Encrypt and securely store bank account details in the payroll management system database.
- 2.4. Assign unique identifiers (e.g., employee ID) to each bank account for easy retrieval and tracking.
- 2.5. Provide employees with access to review and request to update their linked salary bank account information as needed.
- 2.6. Establish protocols for handling bank account changes or updates to maintain data integrity.

### **3. Link Employee to Salary Structure:**

- 3.1. Access the employee database to identify the employee requiring linkage to a salary structure.
- 3.2. Verify the employee's identity using unique identifiers such as employee ID or personal details.
- 3.3. Retrieve the predefined salary structures available in the system.
- 3.4. Match the employee's job role, experience level, or other criteria with the appropriate salary structure.
- 3.5. Ensure consistency and fairness in assigning salary structures across similar job roles or departments.
- 3.6. Notify the employee of the assigned salary structure and any relevant changes to their compensation.
- 3.7. Update the employee's profile in the system to reflect the linked salary structure.
- 3.8. Monitor and track any subsequent changes or updates to the linked salary structure for accurate payroll processing.

### **4. Salary Components:**

- 4.1. Conduct a thorough analysis of existing loan structures and advances.
- 4.2. Design loan structures that offer flexible repayment options based on employee preferences and financial capabilities.
- 4.5. Determine eligibility criteria for accessing loans and advances, considering factors such as tenure, performance, service age and creditworthiness.
- 4.6. Define clear guidelines for processing bonuses, increments, and deductions such as Loss of Pay (LOP).
- 4.7. Develop standardized procedures for updating or revising salary structures in response to organizational changes or employee requests.
- 4.8. Monitor loan repayment schedules and address any discrepancies or issues promptly to maintain financial stability.

## **5. Monthly Salary Calculations:**

- 5.1. Retrieve attendance records for all employees from the AMS database.
- 5.2. Validate attendance data to ensure accuracy and completeness.
- 5.3. Calculate the total number of working days and non-working days in the month.
- 5.4. Determine the per-day salary rate based on the predefined salary structure and total working days.
- 5.5. Identify instances of leave taken by employees and adjust salary calculations accordingly.
- 5.6. Calculate Loss of Pay (LOP) for absenteeism or unpaid leave based on the per-day salary rate.
- 5.7. Retrieve loan details and deduct loan EMIs from the monthly salary for eligible employees.
- 5.8. Process advances and deduct applicable amounts from the next month's salary as per employee requests.
- 5.9. Compute the net payable amount by subtracting deductions from the total salary.
- 5.10. Generate detailed salary statements for each employee reflecting earnings, deductions, and net payable amounts.

## **6. Reports:**

- 6.1. Determine the frequency and format of required reports (e.g., daily, weekly, monthly; PDF, Excel, etc.).
- 6.2. Configure report parameters including date range, employee IDs, departments, etc.
- 6.3. Customize report templates as needed to include relevant data fields and formatting preferences.
- 6.4. Schedule automated report generation tasks for timely delivery to stakeholders.

6.5. Review generated reports for errors or discrepancies and address any issues promptly.

6.6. Distribute reports to relevant stakeholders through secure channels to maintain data confidentiality.

6.7. Archive generated reports for historical reference and compliance purposes.