



**REWARDING
PERFORMANCE**

COMPONENT GUIDELINES (OFFSHORE)

We have been working towards providing our employees a distinct advantage by designing a salary structure that is easy to comprehend and significantly beneficial with respect to monetary aspects/ cash flow. The key feature of our compensation structure is to balance employees' needs, statutory requirements and organizations expectations in a just and fair manner.

To facilitate an easy understanding of your structure, the various components in your annual compensation have been categorized under the following broad heads

Components	Description	Taxability	Rules of Claiming
Basic Salary	The Basic Salary is standard across organization and brought to a certain value of the CTC. Basic salary has an impact on various other components such as the PF contribution, Gratuity etc. and hence has to be balanced so as not to substantially reduce the employee's take home salary.	Fully Taxable	Auto
House Rent Allowances (HRA)	The HRA is payable maximum up to 100% of the Basic Salary and paid monthly. This includes the Company Leased Accommodation value.	HRA is subject to taxes. An exemption can be claimed if the employee is occupying a rented accommodation and for an amount equivalent to the minimum of the following: <ul style="list-style-type: none"> 40% of Basic salary (50% in case the residential house is situated in Mumbai, Kolkata, Delhi or Chennai). Actual HRA. Rent Paid by the employee minus 10% of Basic Salary 	Auto
Advance Statutory Bonus	Applicable where monthly gross is less than INR 21,000 (excluding variable component) as per the statutory norms	Fully Taxable	Auto
Employer's contribution to provident fund	As per EPF act, both an employee and employer have to contribute 12% of the basic salary towards Provident Fund. Out of the 12% employer's contribution, 8.33% or INR 1250 per month, whichever is higher is remitted towards Employees Pension Scheme. All employees are thereby eligible to draw pension post retirement except those who had opted out of EPS as per Form-11 declaration	Employer's contribution to Provident Fund to the extent of 12% of Basic Salary is tax free. Employees' contribution to PF is eligible for tax benefit under Section 80C subject to an overall ceiling of INR 150,000/-	During the service, PF accretions can be withdrawn for certain specific requirements as per provisions of the EPF and Miscellaneous Provisions Act 1952. PF for HCLT is maintained in-house by an exempted trust under the name of HIL EPF Trust.
ESIC (applicable to monthly gross – advance statutory bonus < INR 21000 per month)	Coverage: Employee & Dependent Contribution: Employer contributes 4.75%* of monthly gross salary, Employee contributes 1.75%* of monthly gross salary as well. *The percentages and amount are in compliance with the current ESIC Act.	Not Applicable	Company reserves the right to amend the benefit plan as per change in ESIC act and shall keep all employees informed/updated.

	Employee has an option to enroll under medical insurance in addition to ESIC; however, in such a case, the additional cost of annual medical premium has to be borne by the employee as per terms and conditions elucidated under Medical Insurance policy.		
Gratuity	As per Payment of Gratuity Act, it is employer's liability to pay 15 days Basic salary (15/26 of a monthly Basic) for every completed year of service to each of his employees on their exit, after five years of continuous service, subject to maximum limit of INR 20 Lakh.	Gratuity amount paid to the employee is exempted from tax for up to INR 20 Lakh from all previous / existing employers. Any amount paid above this is subject to tax. The tax exemption is subject to the employee giving a declaration that he/she has not received gratuity above the maximum permissible amount in the previous employment(s)	Gratuity is receivable by an employee only when he / she leaves the service after completion of a continuous service of at least 5 years.

Your compensation details are personal and strictly confidential only to you. This should not be shared with any person other than your reporting manager and HR. If you are found violating this clause, it will be treated as misconduct and necessary disciplinary action will be taken.

As in the past, HCL will strive to create a unique experience for our employees and design an optimal compensation and benefits package that is best suited for our employee needs. It is our endeavor to provide a great career to each and every HCLite while seeking their support and active contribution towards setting new benchmarks in the industry. We thank you for being an integral part of this arduous yet fulfilling journey towards excellence and growth and hope our relationship will go a long way!

Cheers!!

