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**Process Mapping Documentation**

**Payroll Module**



**Towell Group**

**Version No 1.0**

**ZingHR**

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**Acknowledgement By**

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| Signature |  |  |  |  |
| Date | **28-Oct-2023** | **28-Oct-2023** | DD-MMM-YYYY | DD-MMM-YYYY |

**Revision History**

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| **Ver.#** | **Date** | **Reviewed by** | **Changed by** | **Change History** |
| 1.0 | 28-Oct-2023 | Santosh S | - | Draft 1 - Document prepared based on the minutes. |
| 1.1 |  |  |  |  |
| 1.2 |  |  |  |  |

**Sign Off (version maintenance)**

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| **Ver.#** | **Sign Off Received On** | **PMD Signed by** | **Sign Off Document** |
| 1.0 | DD-MMM-YYYY |  |  |
| 1.1 |  |  |  |
| 1.2 |  |  |  |

# **Introduction:**

## This document has been generated in specific response to **Towell Group**, request for the implementation of ZingHR Product & specific customization to meet their current requirements.

## This document is prepared based on the discussion and the requirement document shared that needs to be implement as per “AS-IS”& “TO-BE”.

## This document is to be treated as complete and final with respect to the requirement in **Payroll Management** and supersedes all other earlier discussions, emails and documents.

# **Purpose of Document**

## This document is intended to consolidate functional requirements detailing the Human Resource which include (Movement Module) processes in **Towell Group.** Once completed, reviewed and in concurrence, this document will be used as the base for the scope of implementation.

## **Towell Group** & ZingHR team should ensure that any amendment in policy or scope changes in future, will be updated in this document based on the version maintained. Updated document should be circulated to all key users of **Towell Group** and ZingHR team.

# **Team Introduction**

## The customer’s name is ‘**WJ Towell Group**’. This company will be shortly called **‘WJ Towell Group’**.

## 

## HRMS Software is from a company called ‘**ZingHR**. This company will be shortly called ‘**ZingHR**’.

## 

## Process Owner, Admins, Super Admin & Spl Users are called as ‘Role Player’ with unique role player name will be called out. All rights for this role player are tagged based on few parameters (**Organization Structure, Country, Group, Business Cluster, Company, Business Division/Function, Cost Location, Legal Entity, Sub Function, Department, Sub Department, Grade, Designation, Ethnicity**), they are mapped based on the business needs. Every role player name will be tagged with a process owner. We can add single or multiple process owners for every role player.

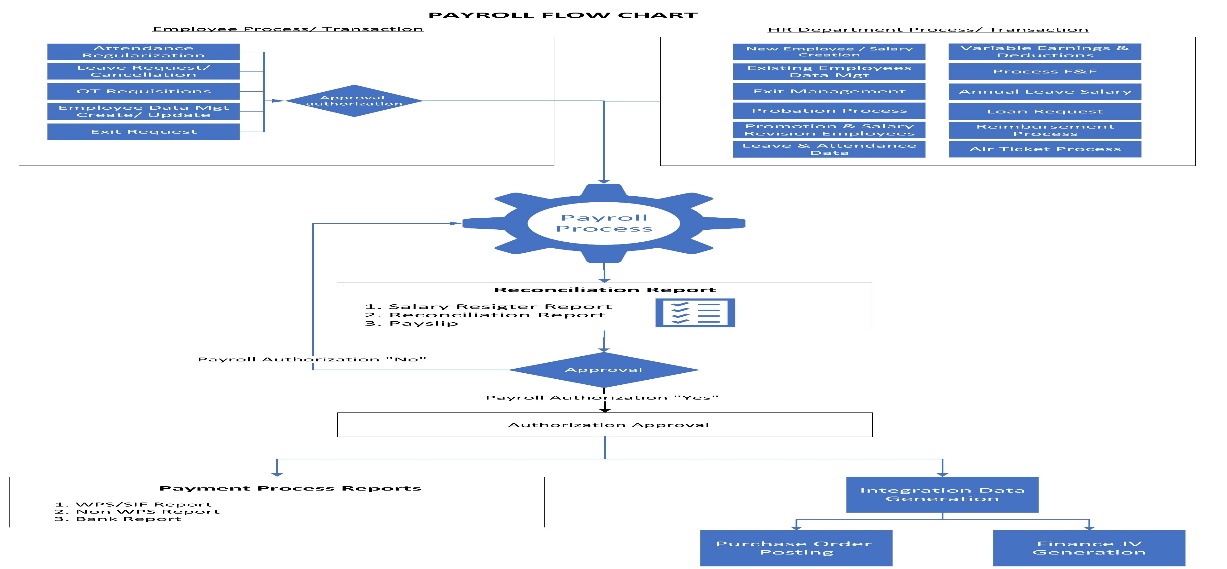
1. **Process**

## **Payroll Management**

## **Scope**

## The process of payroll management in the system includes setting up the payroll for different entities, capture and maintain employees’ salary information, their increments, processing employee’s monthly payroll and end of service benefits for employees in accordance to the company policies.

## **Payroll Process Flow**



## **Payroll Logic:**

* + Payroll is configured as common practice for the entire **Towell Group**.
  + **Towell Group** will go with the payroll logic of “**365 days**” pay process logic.
  + **What is meant by 365 days payroll logic?**
    - The system calculates the entire process with the denominator of 365 days.
    - Using this payroll logic, the calculation will be same for all the months irrespective of 28, 29, 30 or 31 for the month.
    - Note:
      * Payroll engine will be tuned for 365 days logic entirely for **Towell Group**. Even in the future any companies come in, the payroll logic will be 365 days concepts.

## **Pay group details:**

* + - Combination of payroll rules and required component are grouped and termed as Pay group.
    - For **Towell Group**, we have a below pay group.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sr.No** | **Pay Group** | **Pay Group** | **Country** | **Comments** |
| 1 | Alfajer Furnishing LLC | Alfajer Group | Oman | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |
|  |
|  |
|  |
|  |
| 2 | Cold Storage and Trading Company LLC | ENHANCE Group | Oman | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 3 | Fairtrade LLC | ENHANCE Group | Oman | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 4 | Majan Distribution Company LLC | ENHANCE Group | Oman | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 5 | Matrah Cold Stores LLC | ENHANCE Group | Oman | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 6 | Silk Route Restaurant | Head Office Group | Oman | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 7 | METCO | Head Office Group | Oman | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 8 | WJ Towell LLC | Head Office Group | Oman | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 9 | Mazoon Printing Publishing Packaging LLC | Mazoon Printing Group | Oman | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 10 | Modern Cleaning Services and Trading Co LLC | Property Division Group | Oman | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 11 | Oman International Development Co. LLC | Property Division Group | Oman | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 12 | Preform Plus Plastic Industries L.L.C | Property Division Group | Oman | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 13 | Towell Maintenance LLC | Property Division Group | Oman | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 14 | Towell Talati Co | Property Division Group | Oman | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 15 | Towell Urban Development Company LLC | Property Division Group | Oman | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 16 | Eint Automotive LLC | TAC & Eint Group | Oman | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 17 | Towell Auto Centre LLC | TAC & Eint | Oman | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 18 | Towell Auto Leasing and Trading LLC | Towell Auto Leasing Group | Oman | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 19 | Towell Auto Leasing and Trading LLC | Towell Auto Leasing | Oman | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 20 | Swift Technology Gate LLC | Towell Take Solutions | Oman | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 21 | Gulf Seafood LLC | Gulf Seafood LLC Group | UAE | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 22 | Taj Mahal Purification of Potable Water LLC | Taj Mahal Purification of Potable Water LLC Group | UAE | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 23 | Towell Mattress And Furniture Industry | Towell Mattress And Furniture Industry | UAE | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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| 24 | WJ Towell Co LLC | ENHANCE UAE | UAE | \* Attendance Period : 16th to 15th \* Pay period: Current month days \* Currency – OMR \* Pay days – 365 days logic \* Cut off period - 20 |  |
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## **Do salary have salary range based on the grade?**

* No, all Salaries are defined based on Adhoc creation. No specific grade or salary ranges are maintained.

## **Who will process the payroll and other line items** **for** “**Towell Group**”?

|  |  |  |
| --- | --- | --- |
| **Role Name** | **Employee Name** | **Action Items** |
| Payroll Admin |  | * View of Employee Details and Salary Details * Options to post the variable earning and deduction. * Can run the payroll for this company pay group. * Can view the specific output reports of payroll. |
| Payroll Manager |  | * View of Employee Details and Salary Details * Options to post the variable earning and deduction. * Can run the payroll for this company pay group. * Can view the specific output reports of payroll. |
| Finance Team |  | * Can view the payroll payment & JV reports |

## **Employee Salary Components:**

* Below are the elements which is part of “**GROSS**” salary for the employee.
* Salary computations are made automation based on updating gross.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Components** | **Category** | **Type** | **Part of Payroll** | **Total Gross** | **Payslip View** | **Arrear** | **Unpaid** |
| **Currency** |  | **OMR** | | | | | |
| **Gross Salary** |  | **Total Salary of the employee** | | | | | |
| Basic Salary | E | Fixed | Y | Y | Y | Y | Y |
| House Rent Allowance | E | Fixed | Y | Y | Y | Y | Y |
| Car Allowance | E | Fixed | Y | Y | Y | Y | Y |
| Communication Allowance | E | Fixed | Y | Y | Y | Y | Y |
| Confidentiality Allowance | E | Fixed | Y | Y | Y | Y | Y |
| Conveyance Allowance | E | Fixed | Y | Y | Y | Y | Y |
| Cost of Living Allowance | E | Fixed | Y | Y | Y | Y | Y |
| Fixed Overtime Allowance | E | Fixed | Y | Y | Y | Y | Y |
| Food Allowance | E | Fixed | Y | Y | Y | Y | Y |
| Furniture Allowance | E | Fixed | Y | Y | Y | Y | Y |
| Laundry Allowance | E | Fixed | Y | Y | Y | Y | Y |
| Living Out | E | Fixed | Y | Y | Y | Y | Y |
| Loading And Offloading Allowance | E | Fixed | Y | Y | Y | Y | Y |
| Mileage Allowance | E | Fixed | Y | Y | Y | Y | Y |
| Other Allowance | E | Fixed | Y | Y | Y | Y | Y |
| OYVS | E | Fixed | Y | Y | Y | Y | Y |
| Special Allowance | E | Fixed | Y | Y | Y | Y | Y |
| Transport Allowance | E | Fixed | Y | Y | Y | Y | Y |
| Utility Allowance | E | Fixed | Y | Y | Y | Y | Y |
| Acting Allowance | E | Fixed | Y | Y | Y | Y | Y |
| Annual Leave Encashment | E | Variable | Y | Y | Y | Y | Y |
| Education allowance | E | Variable | Y | Y | Y | Y | Y |
| EX Gratia | E | Variable | Y | Y | Y | Y | Y |
| Extra Mileage Claim | E | Variable | Y | Y | Y | Y | Y |
| Holiday Compensation Pay | E | Variable | Y | Y | Y | Y | Y |
| Incentives | E | Variable | Y | Y | Y | Y | Y |
| Increment Adjustment | E | Variable | Y | Y | Y | Y | Y |
| Leave Encashment | E | Variable | Y | Y | Y | Y | Y |
| Leave Ticket allowance | E | Variable | Y | Y | Y | Y | Y |
| Medical Expenses | E | Variable | Y | Y | Y | Y | Y |
| Miscellaneous Earnings | E | Variable | Y | Y | Y | Y | Y |
| ML Basic Earnings | E | Variable | Y | Y | Y | Y | Y |
| ML Special Allowance | E | Variable | Y | Y | Y | Y | Y |
| Negative Salary Adjustment | E | Variable | Y | Y | Y | Y | Y |
| Night Overtime Allowance | E | Variable | Y | Y | Y | Y | Y |
| Normal Overtime Allowance | E | Variable | Y | Y | Y | Y | Y |
| NR Food Allowance | E | Variable | Y | Y | Y | Y | Y |
| Other Debtor Recharge Pay | E | Variable | Y | Y | Y | Y | Y |
| Other Temp All | E | Variable | Y | Y | Y | Y | Y |
| Overtime | E | Variable | Y | Y | Y | Y | Y |
| OYVS-Maintenance | E | Variable | Y | Y | Y | Y | Y |
| Pay for Performance | E | Variable | Y | Y | Y | Y | Y |
| Social Benefit Allowances | E | Variable | Y | Y | Y | Y | Y |
| Special Incentives | E | Variable | Y | Y | Y | Y | Y |
| Staff Bonus | E | Variable | Y | Y | Y | Y | Y |
| Stock profit | E | Variable | Y | Y | Y | Y | Y |
| Taxi Claims | E | Variable | Y | Y | Y | Y | Y |
| Commission | E | Variable | Y | Y | Y | Y | Y |
| Temporary HRA Allowance | E | Variable | Y | Y | Y | Y | Y |
| Trip Allowance | E | Variable | Y | Y | Y | Y | Y |
| Notice Payment | E | Variable | Y | Y | Y | Y | Y |
| Hold Salary | E | Variable | Y | Y | Y | Y | Y |
| Absent Deduction | D | Deduction | Y | Y | Y | N | N |
| Salary Advance Deduction | D | Deduction | Y | Y | Y | N | N |
| Bank Deduction Charges | D | Deduction | Y | Y | Y | N | N |
| Cash shortage | D | Deduction | Y | Y | Y | N | N |
| CUG Deduction | D | Deduction | Y | Y | Y | N | N |
| Employee Bills Deduction | D | Deduction | Y | Y | Y | N | N |
| Furnishing Deduction | D | Deduction | Y | Y | Y | N | N |
| House Rent allowance deduction | D | Deduction | Y | Y | Y | N | N |
| Housing Loan Third Party Deduction | D | Deduction | Y | Y | Y | N | N |
| Increment Ded | D | Deduction | Y | Y | Y | N | N |
| Joining Allowance -Deduction | D | Deduction | Y | Y | Y | N | N |
| Joining ticket deduction | D | Deduction | Y | Y | Y | N | N |
| Leave Advance Salary | D | Deduction | Y | Y | Y | N | N |
| Personal Loan Deduction | D | Deduction | Y | Y | Y | N | N |
| MFC-CON Finance Deduction | D | Deduction | Y | Y | Y | N | N |
| Miscellaneous Deduction | D | Deduction | Y | Y | Y | N | N |
| NR Staff Accomodation Rent Deduction | D | Deduction | Y | Y | Y | N | N |
| Other Deduction | D | Deduction | Y | Y | Y | N | N |
| OYVS-MFC-VEH Deduction | D | Deduction | Y | Y | Y | N | N |
| Personal Ticket Deduction | D | Deduction | Y | Y | Y | N | N |
| Recruitment charges deduction | D | Deduction | Y | Y | Y | N | N |
| Recurring Accident Deduction | D | Deduction | Y | Y | Y | N | N |
| Recurring stock loss deduction | D | Deduction | Y | Y | Y | N | N |
| Relocation allowance -Deduction | D | Deduction | Y | Y | Y | N | N |
| ROP Fines Deduction | D | Deduction | Y | Y | Y | N | N |
| Sick Leave Deduction | D | Deduction | Y | Y | Y | N | N |
| ML Leave Deduction | D | Deduction | Y | Y | Y | N | N |
| Social Insurance Employee | D | Deduction | Y | Y | Y | N | N |
| Staff Courier Deduction | D | Deduction | Y | Y | Y | N | N |
| Stock Loss Deduction | D | Deduction | Y | Y | Y | N | N |
| Unpaid Leave Deduction | D | Deduction | Y | Y | Y | N | N |
| Van Shortage Deduction | D | Deduction | Y | Y | Y | N | N |
| Vehicle Allowance Advance deduction | D | Deduction | Y | Y | Y | N | N |
| Visa charges Deduction | D | Deduction | Y | Y | Y | N | N |
| Notice Pay Deduction | D | Deduction | Y | Y | Y | N | N |
| Air Ticket Provision | C | Provision | N | N | N | N | N |
| Bonus Provision | C | Provision | N | N | N | N | N |
| Education Provision | C | Provision | N | N | N | N | N |
| Fuel | C | Provision | N | N | N | N | N |
| Group Life Provision | C | Provision | N | N | N | N | N |
| Gratuity Provision | C | Provision | N | N | N | N | N |
| GSM Charge Limit | C | Provision | N | N | N | N | N |
| Leave Salary Provision | C | Provision | N | N | N | N | N |
| Medical Insurance | C | Provision | N | N | N | N | N |
| Parking Charge | C | Provision | N | N | N | N | N |
| Social Insurance Employer | C | Provision | N | N | N | N | N |
| Visa Provision | C | Provision | N | N | N | N | N |
| Workmen Comp Provision | C | Provision | N | N | N | N | N |

## **Pay mode**

* We will be having three pay modes, these pay modes are mapped in employee level.
  + By WPS
    - * + SIF transfer reports will be generated based on the below prerequisite.
        + Employees will be mapped to ‘WPS’ pay mode.
        + Employee corporate bank details is mandatory.
        + Employee Labour Card details is mandatory.
        + Report will be generated in .txt format
  + By Non-WPS
    - * + Non-WPS reports will be generated based on the below prerequisite.
        + Employees will be mapped to ‘Bank’ pay mode.
        + Employee corporate bank details is mandatory.
        + Report will be generated in xls format
  + By Bank
    - * + Bank transfer reports will be generated based on the below prerequisite.
        + Employees will be mapped to ‘Bank’ pay mode.
        + Employee corporate bank details is mandatory.
        + Report will be generated in xls format
  + By Cheque
    - * + Cash payment mode are like processing outside ZingHR.
        + Report can be generated
  + By Cash
    - * + Cash payment mode are like processing outside ZingHR.
        + Report can be generated

## **Payment Method & Support Report:**

* We have four pay modes, shared the details above.
* Attached reports formats below:
  + By WPS



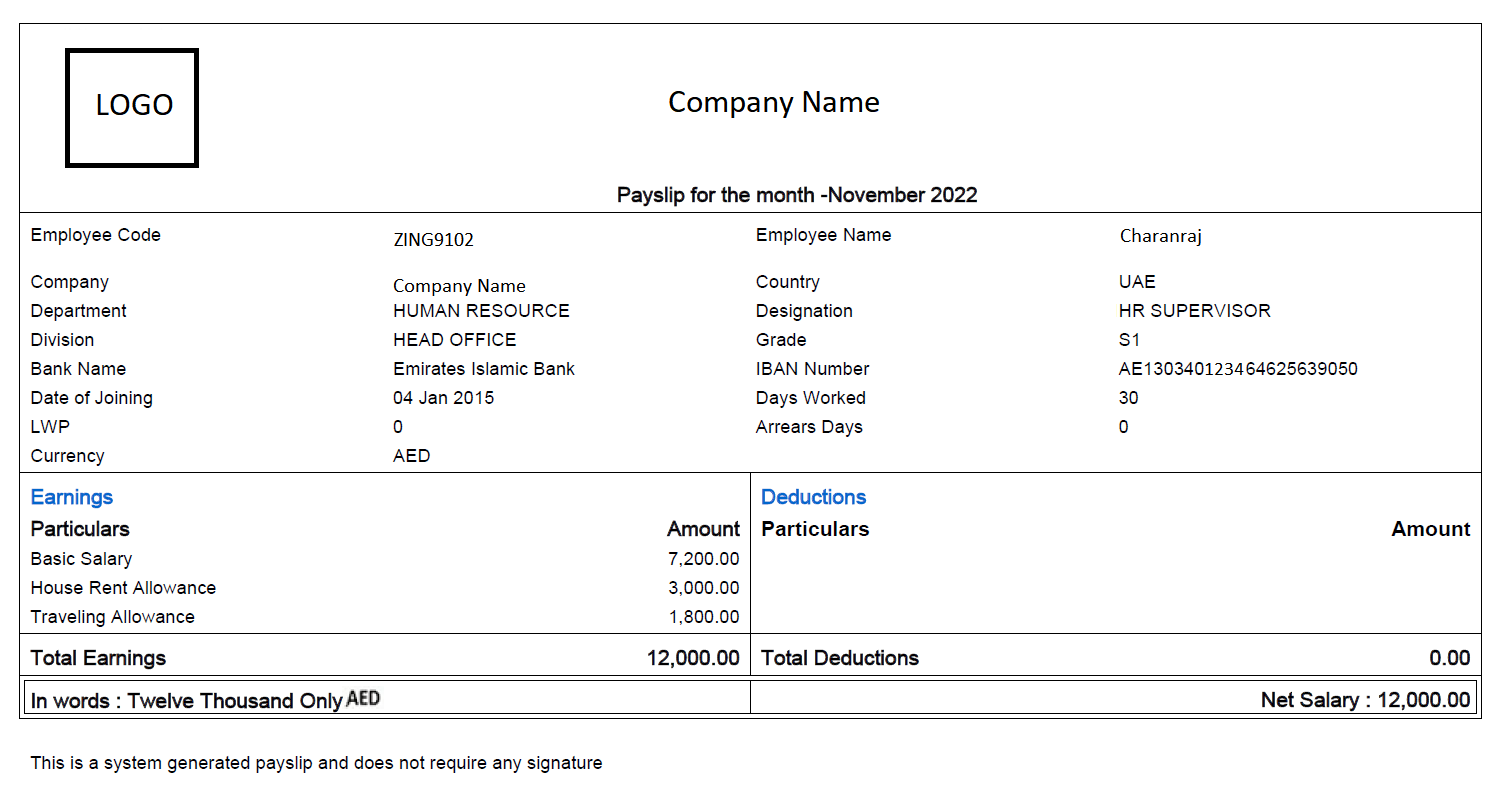
* + By Non-WPS



* + By Bank/ Cash/ Cheque Report



## **Payslip Format:**



## **Payroll Logic and Calculation based on monthly calendar days computation – Per Day logic:**

* Per Days Logic computation:
  + ***Formula*** = (Gross Salary)/Max days in Month

## **Payroll Logic and Calculation based on monthly calendar days computation – Loss of Pay computation:**

* Loss of pay, will be deducted on the existing gross break up components.
  + ***Formula*** = Gross Salary - ((Gross Salary)/Max Days in Month)\* No of LOP days.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **LOP Calculation** | | | | |
| **LOP Days** | 2 |  | **Calendar days** | 29 |
| **Denominator** | 31 | | **Gross** | 10000 |
| **Earnings** | | | **Deduction** | |
| **Components** | **Actual** | **Earned** | **Components** | **Earned** |
| **Basic** | 5000 | 4677.419 |  |  |
| **HRA** | 2500 | 2338.71 |  |  |
| **Car Allowance** | 1000 | 935.485 |  |  |
| **Other Allowance** | 1500 | 1403.226 |  |  |
|  |  |  |  |  |
| **Gross Earning** | 10000 | 9354.839 | **Gross Deduction** | 0 |
|  |  |  |  |  |
| **Net Pay** |  | 9354.839 |  |  |

## **Payroll Logic and Calculation based on 365 days computation – New Joiner Pro-rata:**

* New Joiner Pro-rata deduction will happen on the existing all gross break up components.
  + ***Formula*** = Gross Salary - ((Gross Salary)/30.42)\* No of days not worked.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DOJ Calculation** | | | | |
| **DOJ** | 5-Nov-23 |  | **Calendar days** | 26 |
| **Denominator** | 31 | | **Gross** | 10000 |
| **Earnings** | | | **Deduction** | |
| **Components** | **Actual** | **Earned** | **Components** | **Earned** |
| **Basic** | 5000 | 4193.548 |  |  |
| **HRA** | 2500 | 2096.774 |  |  |
| **Car Allowance** | 1000 | 838.710 |  |  |
| **Other Allowance** | 1500 | 1258.065 |  |  |
|  |  |  |  |  |
| **Gross Earning** | 10000 | 8387.097 | **Gross Deduction** | 0 |
|  |  |  |  |  |
| **Net Pay** |  | 8387.097 |  |  |

## **Payroll Logic and Calculation based on Monthly calendar days computation – Existing Employees with Full Salaries:**

* Employees will full process calculation
  + ***Formula*** = Gross Salary Break up.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Existing Employee Full Day Calculation** | | | | |
| **DOJ** | 01-Sep-23 |  | **Calendar days** | 30 |
| **Denominator** | 30 | | **Gross** | 10000 |
| **Earnings** | | | **Deduction** | |
| **Components** | **Actual** | **Earned** | **Components** | **Earned** |
| **Basic** | 5000 | 5000 |  |  |
| **HRA** | 2500 | 2500 |  |  |
| **Car Allowance** | 1000 | 1000 |  |  |
| **Other Allowance** | 1500 | 1500 |  |  |
|  |  |  |  |  |
| **Gross Earning** | 10000 | 10000.00 | **Gross Deduction** | 0 |
|  |  |  |  |  |
| **Net Pay** |  | 10000.00 |  |  |

## **Payroll Logic and Calculation based on 365 days computation – Total Services Experience days computation & Exit Process computation :**

* For computation of total services days, below formula will be applied. Especially for gratuity computation, we will use below formula.
  + ***Formula for Service year***= ((LWD-DOJ+1) /365
* For computation of exit process, below formula will be applied.
  + ***Formula*** = (Gross)- (((Gross)/30)\*(Month end days- DOL Day))

## **Payroll Logic and Calculation based on monthly calendar days computation – Salary Revision Calculation:**

* Based on the revision date, the system will calculate the pro-rata value and pay the employee.
  + ***Formula*** = Gross differences – (Gross differences /30\*No of working days)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Salary Revision (Arrear of Aug 2020) and Payroll for Sep-2020** | | | | | |
| **Changes of Salary date** | | 1-Aug-20 | |  |  |  |
| **Components** | | **Paid –Aug 2020** | **Actual – Sep 20** | **Earned – Sep 20** | **Components** | **Earned** |
| **Gross** | | 10000 | 15000 | 15000 |  |  |
| **Basic** | | 6000 | 9000 | 12000 +3000 |  |  |
| **HRA** | | 4000 | 6000 | 8000 + 2000 |  |  |
|  | |  |  |  |  |  |
|  | |  |  |  |  |  |
| **Gross Earning** | | 10000 | 15000 | 20000 | **Gross Deduction** | 0.00 |
|  | |  |  |  |  |  |
| **Net Pay** | |  |  | 20000 |  |  |

## **Gross & Fixed Allowance Logic:**

* + During Unpaid Leave, basic will be part of deduction element.
  + For new joiner, these components will be paid in pro-rata basis.
  + This element will be part of retro pay in case of back dated promotion.
  + This element will be part of retro pay in case of back dated promotion.

## **Attendance & Unpaid Leave Deduction elements in Payroll:**

* Every month on 16th late night at 11:40 pm, system will execute the scheduler and convert all the absent record to unpaid leave record.
* Those Unpaid leave record will be moved to payroll for salary deduction.
* Same way, when the employee apply unpaid leave, based on the approval. These records will hit the payroll and deduct the salaries for the employees.
  + ***Formula*** = Gross Salary - ((Gross Salary)\* ( Max Days in Month – Unpaid Leaves) /Max Days in Month).

## **Leave Deduction elements in Payroll:**

**Sick Leave Slab:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Country** | **Leave Start** | **Leave End** | **Deduction ( % )** | **Remarks** |
| UAE | 1 | 15 | 0 | Sick Leave Deduction |
| UAE | 16 | 45 | 50 | Sick Leave Deduction |
| UAE | 46 | 90 | 100 | Sick Leave Deduction |
|  |  |  |  |  |
|  |  |  |  |  |
| Oman | 1 | 15 | 0 | Sick Leave Deduction |
| Oman | 16 | 30 | 25 | Sick Leave Deduction |
| Oman | 31 | 45 | 50 | Sick Leave Deduction |
| Oman | 46 | 70 | 75 | Sick Leave Deduction |

* Sick Leave Deduction
  + Employee who have crossed more than 15 days, will come into salary deduction process in payroll as below:
    - ***Formula =*** Gross Salary – ((((Gross Salary)\*12/365)\* No of days leaves)\*50%).
    - ***Formula =*** Gross Salary – ((((Gross Salary)\*12/365)\* No of days leaves)\*100%)

## **Statutory Calculation - Pension Computation**

* Share the slab for the pension computation.

|  |  |  |  |
| --- | --- | --- | --- |
| **Nationality** | **Calculation** | **Employee** | **Employer** |
| UAE | Actual Monthly Gross | 5% | 12.5% |
| Oman | Actual Monthly Gross | 7% | 10.5% |

* Pension are computed based on the employee’s nationality.
* Employees applicable for pension are not eligible for gratuity.
* Pension computation report to be provided with employee and employer contribution details.
* Shared the policies nationality wise:
  + - * **UAE**:
        + For local employees in UAE - UAE, Pension deduction is done on the Actual Gross Salary. If there is an unpaid leave deduction for the current month, In that case also pension is deducted in Actual Gross Salary.
        + Employee Contribution will be part of payroll. Employer Contribution will be stored in the system. Both these details are shown in report.
        + Contribution Details:

|  |  |  |  |
| --- | --- | --- | --- |
| **Nationality** | **Calculation** | **Employee** | **Employer** |
| UAE | Actual Monthly Gross | 5% | 12.5% |

* + - * + Every year in the month of January, employees’ salary is updated to Pension authorities. This updated salary is considered for Pension deduction calculation. Any increments that happens in the year should not be considered for Pension calculation for the current year for new joiners, the gross salary at the time of joining is considered for calculation.

* + - * + Pension deduction is Not pro-rated for new joiners or leavers; entire amount is deducted in the joining and leaving month, irrespective of the date of joining and date of leaving

* + - * **Oman:**
        + For local employees of Oman, Social security deduction is done on the Actual Gross Salary
        + Employee Contribution will be part of payroll. Employer Contribution will be stored in the system. Both these details are shown in report.
        + Contribution Details:

|  |  |  |  |
| --- | --- | --- | --- |
| **Nationality** | **Calculation** | **Employee** | **Employer** |
| Oman | Actual Monthly Gross | 7% | 10.5% |

* + - * + Every year in the month of February employees’ salary is updated to Social Security authorities. This updated salary is considered for Social Security deduction calculation. Any increments that happens in the year should not be considered for Social Security calculation for that year and is updated only in the subsequent year. For new joiners, the gross salary at the time of joining is considered for calculation.
        + Social Security deduction is not pro-rated for new joiners or leavers.
        + There is no Maximum and Minimum gross based on which the Social Security is calculated. Based on the actual gross, the social security is deducted for all local employees.

## **Statutory Calculation -Gratuity Accrual Computation**

* Gratuity calculation is done based on “Current Basic”.
* This computation is done for all employee every month.
* During computation of services period, we need to exclude the unpaid days based on the month wise approved record.
* Slab will be referred as per LAW.
* Accrual should compute till Last working days of the employees.
* All accruals are computed based on the slab “Resignation, Retirement & End of Contract”.

## **Over Time Computation:**

* Standard hrs for general and custom shift is 9 hrs. More than 9 hrs will be treated as OT.
* Over time eligible employees are configuration will be bases on company policy.
* Post HR Generalist, approve the OT Hrs system automatically push the records in payroll for computation.

* **Normal Over Time:**
  + - * All extra hrs which is part of working days will be considered as normal over time hrs.
      * Calculation for normal over time hrs:
        + ((Actual monthly Basic/240) \*1.25\* OT Hrs
* **Holiday** 
  + - * If Employee has worked during weekends or holidays, system will consider under this category.
      * Based on employee IN & OUT time, total number of hours will be considered for Over Time.
      * Calculation for Day Off/ Holiday over time hrs:
        + ((Actual monthly Basic/240) \*2 \* OT Hrs
* **Night Shift / Week Off** 
  + - * If Employee has worked during weekends or holidays, system will consider under this category.
      * Based on employee IN & OUT time, total number of hours will be considered for Over Time.
      * Calculation for Day Off/ Holiday over time hrs:
        + ((Actual monthly Basic/240) \*1.5 \* OT Hrs

## **Leave Encashment:**

* Leave Encashment will be auto paid by system during end of service benefit Process.
* No encashment will be paid during the ongoing service period of the employee. Encashment is always paid during exit process of an employee.
* During exit process, leave encashment calculation are done till employee LWD (Last Working Date).
* If the employment status is ‘Probation’. Then system will not pay the encashment to the employee.
  + ***Formula*** : Monthly Actual Gross / 30 \* No of leave balance

## **Leave Accrual:**

* System will compute based on leave accrual days. These accrual days are computed based on “Monthly Credit – Unpaid Leave”.
  + ***Formula*** :
    - Monthly Leave Accrual Days = Yearly Entitled Days / 365 \* Process month days (Exclude Unpaid Leave)
    - Monthly Leave Accrual Amount = Monthly Actual Gross \* Accrual Days / Calendar Days in Month.

## **Negative Pay:**

* In the monthly payroll, if the employee net pay is in negative, then system should hold the negative net pay salary of the employee.
* If net pay is in negative, system should hold the negative payment for current month and transfer to next month for deduction if the value can be adjusted else it will transfer to next month till it gets adjusted.
* Negative net pay employee will not be part of bank transfer process.
* This option will be enabled only for monthly payroll.

## **Medical Insurance:**

* HR generalist will enter the medical insurance for all employees. Entering of data can be done using upload for all the employees.
* For new joiners, during the employee creation the amount will be entered.
* Post the amount updated, below process will happen.
* Note:
  + During the transfer employee’s accrual will be pro-rated based on the effective data and JV segmentation.

## **Leave Advance Salary**

* The vacation benefit process is carried out to the employee who are going on vacation for a particular period of time. This vacation process is applicable for the particular leave type (Annual Leave). The vacation benefit is paid to the employee once the vacation request is approved.
* This vacation is raised only after the annual leave request is approved.
* Above 15 days leave request are eligible for vacation leave salary process.
* Vacation salary request should be approved within attendance period of the pay date. Anything approved, after the cutoff date then it will be treated to pay in next month.

**Current Month salary:**

* System will process the current payroll month leave period days as vacation leave salary + remaining salaries of current month and pay to the employee.
* ***Formula for computing the vacation salary*** = (Gross Salary \*12/365\* Leave Days of Aug-2023) + Remaining salaries of Aug 2023

## **Air Ticket Module – WJ Towell team will be discussed internally and share the requirements.**

## **Salary Hold:**

* **Salary Hold Process:**
  + Salary hold process is available for active employees and exit process employees.
  + This request needs to raise by HR Generalist for holding the employee’s salary.
    - Months
      * Salary Hold can be processed month wise.
      * If the salary hold month option is enabled, system will start holding the salaries from current month till the salary hold is released; system holds continuously.
* **Salary Hold Release** 
  + Salary Hold employee will be shown under this category. To release the salary, HR Generalist should initiate the process.
  + Salary Release Date:
    - Based on the release date set, system will pay the salaries to the employee along with the payroll.
    - Release payment will be always paid in monthly payroll.
* **Payroll Impact:**
  + For Salary Hold:
    - Employee’s Salary will be processed and kept on hold.
    - Processed salary will be shown in all salary report with respective salary hold flag.
    - Hold Employees and Amount will not be part of Bank payment report or WPS report and Cheque report.
  + For Salary Release,
    - Salary Hold amount will be paid in a separate component (Salary Hold Release). This will be paid as part of monthly salary.

## **Full & Final Settlement Process (End of Services)**

* When HR Generalist completed “Final Closure” process of Exit management.
* Then employees is ready for processing “Full & Final Settlement Process”.
* Note:
  + Full & Final Settlement Process is done only after employee is “Inactive” in the system.
  + We can’t do any process when employee is “Active”.
* Full & Final Settlement Process form will be available to “HR Generalist”, when the request is processed system will compute all the necessary component based last working date of the employee.
* Post confirmation of Full & Final Settlement Process, Settlement report can be exported.
* All component available in component excel sheet are applicable for EOS process.
* Note:
  + All Settlement payments data can be viewed in bank payment report only for the closure payroll month.

## **Journal Voucher & Logic:**

* **Scope**:
  + ZingHR computes JV based on the required format & logic.
  + System computes the JV for all process and keep it ready for posting.

1. **ASIS Report format**

|  |  |  |
| --- | --- | --- |
| Report Name | Access Enable to | Status |
| Payslip | Employee & HR Generalist & Group HR | Attached the report |
| Salary Register Current month | HR Generalist & Group HR |
| Salary Register Previous month | HR Generalist & Group HR |
| Salary variance report | HR Generalist & Group HR |
| Bank Transfer Report | HR Generalist & Group HR |
| Cheque Transfer Report | HR Generalist & Group HR |
| WPS Transfer Report | HR Generalist & Group HR |
| WPS 80% verification report | HR Generalist & Group HR |
| Pension Report | HR Generalist & Group HR |
| Gratuity Monthly report | HR Generalist & Group HR |
| Gratuity Monthly Data for Year | HR Generalist & Group HR |
| Gratuity YTD report | HR Generalist & Group HR |
| Settlement Report | HR Generalist & Group HR |
| Consolidated JV Report | HR Generalist & Group HR & Finance Team | Required Customization, Documents will be shared before starting the customization. |
| Employee wise JV report | HR Generalist & Group HR & Finance Team | Required Customization, Documents will be shared before starting the customization. |
| Component Master Report | HR Generalist & Group HR | Attached the report |
| Housing Loan Report | HR Generalist & Group HR |
| Leave Accrual Report | HR Generalist & Group HR |
| Air Ticket Status Report | HR Generalist & Group HR | Required Customization, Documents will be shared before starting the customization. |
| Air Ticket c Report | HR Generalist & Group HR | Required Customization, Documents will be shared before starting the customization. |
| Payroll - Signing Report | HR Generalist & Group HR | Required Customization, Not available as part of product offering |

1. **Change Request:**

* Leave Encashment – At any time leave encashment to paid @Basic salary and entry to be generated for Finance system.
* Mid Pay Out Request – Require Mid payout option and generate the JV.
* Laps Leave Accrual Provision for accounting system – Not feasible as its standard product of HRMIS system.
* Leave Advance Salary – Provision requires to pay the variable (Overtime / Loan) along with Leave Advance Salary.
* Cost Report – Generate the cost Report by Attribute wise.
* JV – Generate the JV by legal Entity wise.
* Payment File - Generate the JV by legal Entity wise.
* Cross charging Report – Not feasible.
* Monthly CTC Budget Report – Require provision for CTC budget.