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For : Birla Corporation Limited, Unit: Birla Jute.
Module : PIS (Payroll Information System)

Document Title : System Requirement Study
Document No : SWT/1920/PIS-SRS/1
Release : 1.0.0

Software Requirements Specification
PIS (Payroll Information System)

VERSION CONTROL

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Revision History

Name	Date	Reason For Changes	Version

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1. Introduction:

This section gives a scope of description and overview of everything included in this SRS document. Study conducted at BJM Mill along with respective designated employees assigned to brief us on the logistics. SRS has been made depending on the decision taken at the time of study between two members of BJM and Softweb.

1.1 Purpose:

The purpose of this document is to give a detailed description of the requirements for the "Payroll Information System (PIS)"module. This will be used for the Total Payroll and Salary process of all Executive Staff of BJM. It will illustrate the purpose and complete declaration for the development of system. This document is primarily intended to be proposed to a customer for its approval and a reference for developing the first version of the system for the development team. This module of the ERP system allows a company to organize and track the total Payroll and Salary Process in an efficient manner.

1.2 Scope:

The "Payroll Information System (Module)" is a part of "swtERP System from which user can maintain the Salary process of all Executive covered under the Units mentioned. It will also facilitate users to generate various MIS report which will be effective for Management to take decisions.
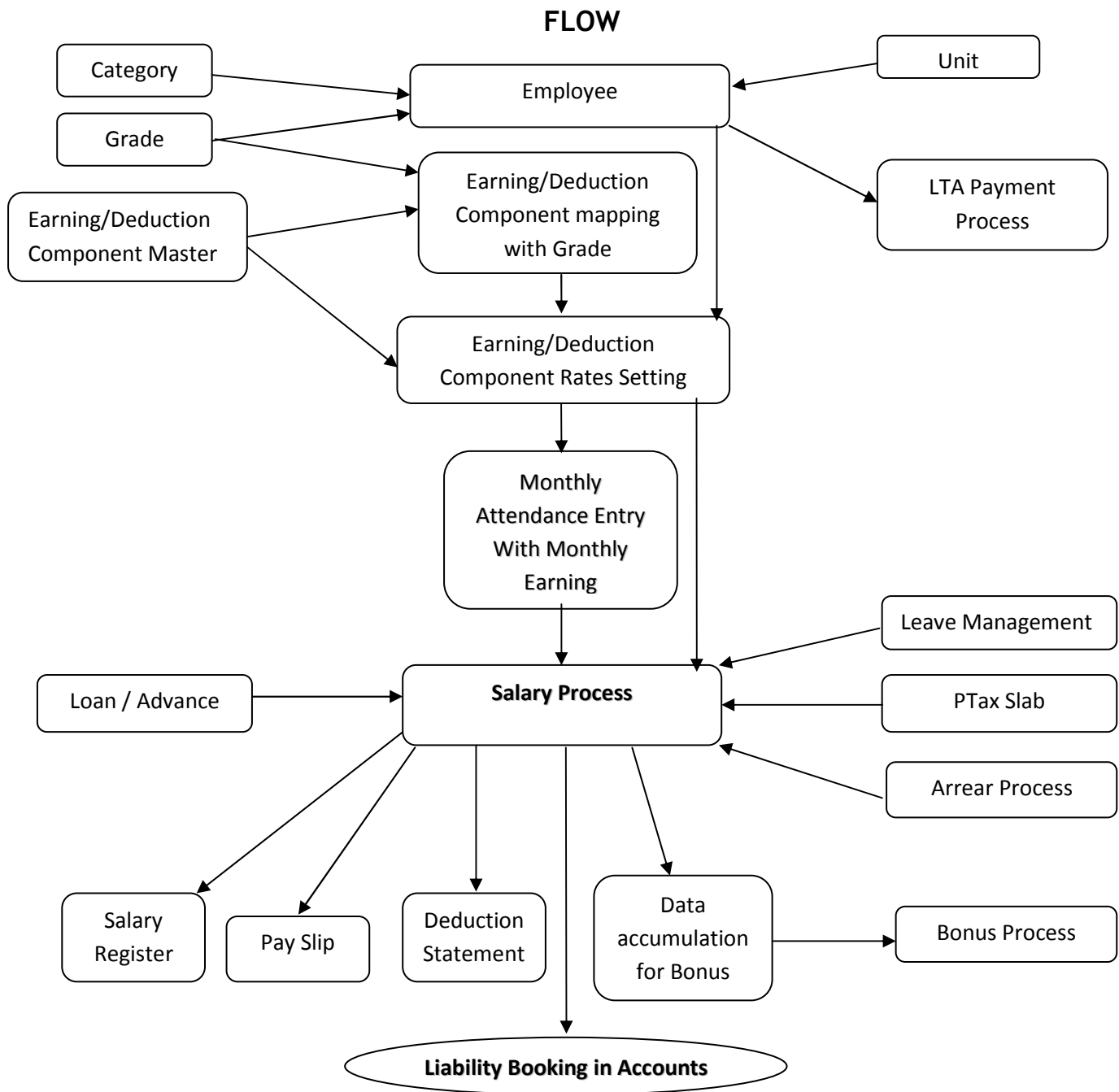
2. Overview:

PIS starts with the attendance data entry through manual attendance entry system. Users can make the necessary entries for all kind of leave entitlements. Monthly earnings and deduction can be generated as per rate mentioned and attendance entry. Total advance including PF/Other advance data can be maintained seamlessly. At any point of time user can track individual employee wise present status of Advances. Employee salary will be processed on monthly basis.

After salary have been processed automatically data will be accumulated for Bonus, Arrear.

Separate interface will be available for liability transfer to Accounts.

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2.1. Product function:

FLOW

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3.2. Existing Practice :

Unit : Birla Jute Mill (BJM)

Birlapur Service Division (BSD) or Dairy Farm

Recreation Center (R Centre)

Category: Staff

Sub Staff

Grade: Under Staff Category the following Grades exists:

Clerk, Assistant, Senior Assistant, Jr. Officer and Jr. Engineer , Asst. Officer and Asst. Engineer , Officer and Engineer , Sr. Officer and Sr. Engineer, Assistant Manager , Deputy Manager , Manager , Senior Manager , Dy. General Manager , Senior General Manager, Assistant Vice President, Vice – President , Senior Vice President , Joint President , Senior Joint President , President.

Assignment Component -> One time fixed rate, normally a *rollover* component (i.e. appears automatically in every months calculation). On selection of effective Month/Year, Category & Grade all the employees list are populated below. The Components marked as Assignment Component appears in columns and the user can fill up the relevant values in the Matrix.

There are two types of Assignment Component
   a) Attendance Dependant -> Rate depends proportionately on days present i.e. (Fixed Rate/No. of days in month) x Attendance days)
   b) Non-Attendance Dependant -> Rate does not depend on days present.

Attendance Entry Component -> The components which would be entered every month against each employee. Values may differ in different months.

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Earning Components:

1) Basic : Assignment component , attendance dependent.

2) Personal Allowance: Assignment component, attendance dependent.

3) Special Allowance: Assignment component , attendance dependent.

4) ADHOC: Assignment component , attendance dependent.

5) Medical: Quarterly component , paid through salary , those who are not in ESI , only permanent employee will be entitled. This allowance is given in the month of June, September, December & March.
   Calculation Logic -> (Current Basic Rate + Special Allowance Rate)/4 will be given in one month,
   In case the employee has joined in the middle of any Quarter then the calculation will be on the basis of date of joining. e.g. Basic –> 10000 & Special Allowance -> 5000

   a) General Calculation -> (10000+5000)/4

   b) In case Date of Joining falls midway i.e. joined/confirmed on 2nd May-> (10000+5000)/365*334/4
      (334-> the number of days of year from date of joining. The figure 365 will change in case of leap year)

Note: The above logic applies only to Confirmed employees and not employees working in Probation.

If after payment Basic rate or Spl. Allow. Rate Increase then difference amount for the paid month will be given in the due month.

6) Overtime: Attendance Entry Component

7) Leave Encashment: Formula (Current Basic Rate + Special Allowance + Personal Allowance) / 30 * Leave Encashment Days

8) Leave Encashment days: Attendance Entry Component

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9) Conveyance Allowance: Basic Rate Slab based, Attendance dependant component.

Formula –> (Basic Slab rate/days of month) x No. of days worked in that month.

10) House Rent Allowance: Percentage based component on earned Basic. Round off Rupee 5.

Other Allowance: Previous month Adjustment. (We do not have provisions for such inputs as it complicates the whole scenario. We recommend user to re-process previous month's salary since he has already come to know about the errors)

11) Variable Dearness Allowance (DA): Assignment component, Attendance dependent, No arrear effect. Include in PF Gross.

All the above components are of normal round off type i.e. round to nearest integer, excepting HRA.

Deduction Components:

1) Provident Fund: 12 or 10 percent of (Basic + Variable Dearness Allowance)

2) Voluntary Provident Fund: (Basic + VDA) * VPF Percent /100

3) Income Tax: Attendance Entry (Manual Input)

4) House Rent: House Rent, Attendance Entry (Manual Input)

5) Club: Attendance Entry (Manual Input)

6) Ladies Club: Attendance Entry (Manual Input)

7) Compulsory Saving: Slab based component, Based on Basic rate, no arrear effect.

8) BJM Car: Attendance Entry (Manual Input)

9) Labor Welfare Fund: deducted on Jun and Dec , Rs. 3 (Manual Input)

10) Professional Tax : As per government slab

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11) Furniture: Attendance Entry

12) Library: Percentage component, Based on Basic Rate

13) Lottery: Attendance Entry (Manual Input)

14) ESI: As per government rule

15) Life Insurance Policy: Attendance Entry (Manual Input)

16) Chowkidari: Attendance Entry (Manual Input)

17) Other Deduction: Attendance Entry (Manual Input)

18) Recreation: Attendance Entry (Manual Input)

19) Games: Attendance Entry (Manual Input)

20) School Bus: Assignment Entry (Manual Input)

21) Unrealized Deduction: (As discussed the same would not be applicable)

22) Electricity Deduction: (Auto fetch – Logic detailed below)

23) Loan : Four Types of loan PF Loan, Staff Loan, Bank Loan, Salary Advance

Electricity Module:

On receipt of periodic electricity bills from Electricity Board the same would be entered into the system against each Electric Meter reference. The Electric Meters will be mapped to Employee Codes.

Free Units would be maintained in Electricity Meter master against each unique Meter Number.

In case consumed unit exceeds the number of free units then the excess units will be chargeable. The rate would be derived automatically by dividing the total bill amount by units consumed as mentioned in the bill. The deduction for executives will be charged in full in the month and year of entry of bills.

Types of Loan:

a) Staff Loan

b) Salary Advance

c) Bank Loan

d) PF Loan

Staff loan: i) Interest not applicable.

ii)Two loan's cannot exist at the same time. If previous loan balance is due then the balance has to be adjusted with the new loan amount.

e.g. If Previous loan balance of Rs. 5000 exists and staff applies for a new loan of Rs. 20000 then the new loan amount would be Rs. 20000 but the payable amount will be Rs. 15000.

iii) The EMI amount can be changed. The amount can only be increased.

iv) Loan Stop for a particular month not possible.

Installment amount is deducted in full. In case deduction is not possible then the installment is deducted in the subsequent month.

Salary advance: Similar to Staff loan.

Bank Loan: i) Maximum Limit Rs. 25000

ii) Person is eligible to get this loan provided he has worked for a minimum period of 5 years.

iii) Deduction starts immediately in the same month in which the loan is taken.

iv) Capital and Interest are deducted simultaneously.

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v) Interest is charged on reducing balance method.

vi) Interest is deducted first and then capital is deducted.

vii) In case interest cannot be deducted (full/partial) the amount is transferred to un-realized interest component.

In case Capital cannot be deducted, no partial deduction is done and the capital amount is deducted in subsequent month.

viii) In case previous loan balance exists, the same is adjusted with the new loan.*(Similar to staff loan)*

ix) The EMI amount can be changed. The amount can only be increased.

x) Loan Stop for a particular month is not possible.

xi) If loan cannot be deducted from salary due to low balance then the interest amount will accumulate. Subsequently when the next salary is processed then the accumulated interest amount is attempted to be deducted first and then one capital amount is deducted.

(In the above case if the complete accumulated interest cannot be deducted then the balance interest is again transferred to un-realized component)

xii) There is no partial deduction of capital installment.

xiii) If previous loan capital recovered upto 60 percent the employee is entitled for new loan, the balance will adjust with the new loan (Same as staff loan).

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xiv) 10 % of the loan amount is deducted and deposited in **Share fund** and it is returned to the employee at the time of retirement.

xv) 5 % of the loan amount is deducted and deposited in **Guarantee fund** and it is returned to the employee at the time of retirement.

xvi) Loan Payable amount signifies: Loan amount – Outstanding Loan Amount – Outstanding Loan Interest – Share fund amount – Guarantee fund amount

PF Loan :

Refundable Loan:

From   BJM WPF Trust

Eligible After 1 year of PF Membership.

Eligible amount :

   X = Current Basic Rate * 36 months

   Y = Total PF Contribution (PF_E,PF_C,VPF) till the loan month.

   If X > Y then eligible amount = Y

   Else eligible amount = X

Interest calculation done on the basis of flat rate.

If loan taken for one year than one year interest will charge upto 1 year and 28 days, after 28 days interest for 2 years will be applicable.

2 year interest will be charge upto 2 years 42 days. After 42 days interest for 3 years will charge. After that in every year grace period Will be 42 days

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After capital deduction interest will deduct. If capital deduction is
complete within the grace period then not extra interest will charge.

If mill operations are suspended for a long time, grace period of interest
calculation can be increased according to the management decision.

For worker, 50 percent of capital EMI and interest EMI will deduct in the
month of Puja, Id, Holi, Diwali

EMI change possible (only increase)

No. deduction stop.

From   BIPF Trust

Same as Bank Loan (Reducing balance)

Loan interest change while running a loan.

Recovery from salary and settlement.

Non Refundable Loan :
- Daughter Marriage
- Illness
- Education

Applicable criterias:

Eligible after 5 years of Pf membership, eligible amount = 25 % of (Opening balance
of the financial year of PF_E and VPF)

Eligible after 9 years of Pf membership, eligible amount = 50 % of (Opening balance
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Eligible if 50% of the previous refundable loan is recovered. And adjusted with the loan.

Min. difference between two same types of loan should be 5 years.

Loan for Purchase of land

Eligible after 7 years of Pf membership, eligible amount = 25 % of (Opening balance of the financial year of PF_E, PF_C and VPF   )

Eligible after 9 years of Pf membership, eligible amount = 50 % of (Opening balance of the financial year of PF_E,PF_C and VPF   )

Eligible if 50% of the previous refundable loan is recovered. And adjusted with the loan.

This loan can be availed only once during the service period.

Loan for Construction of building

Eligible after 7 years of Pf membership, eligible amount = 50 % of (Opening balance of the financial year of PF_E, PF_C and VPF   )

Eligible after 9 years of Pf membership, eligible amount = 100 % of (Opening balance of the financial year of PF_E,PF_C and VPF   )

Eligible if 50% of the previous refundable loan is recovered. And adjusted with the loan.

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This loan can be availed only once during the service period.

Minimum balance that should be maintained in PF fund is Rs. 1000

Amount deduction sequence: PF_E, VPF and then PF_C

Loan for House Extention

Eligible after 5 yrs of taking of Loan for Construction of building

Eligible amount = 100 % of (Opening balance of the financial year of PF_E and

VPF)

Eligible if 50% of the previous refundable loan is recovered. And adjusted with

the loan.

This loan can be availed only once during the service period.

Minimum balance that should be maintained in PF fund is Rs. 1000

If anybody takes a loan for House Extention first then he/she will not be

eligible for Loan for Purchase of land & Loan for Construction of building

If anybody takes a loan for Construction of building first then he/she will not

be eligible for taking loan for Purchase of land

Leave : PL, SL

PL : Entitlement - 40

Maximum carry forward limit – 300

Financial year wise,

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Entitlement applicable after confirmation, proportionate on date of joining.

Accumulation month wise

Leave encashment applicable

Minimum encashment days – 10 days

Minimum encashment days – 30 days

Encashment will be possible only in case 60 days balance available

SL : Entitlement – 15 based on previous year attendance proportionately.

Maximum carry forward limit – 90

Financial Year wise

Leave encashment not applicable

LTA :   Current basic rate + Special Allowance rate + Personal Allowance rate

One can take max. of 2 years at a time (Last year and Current year).

For last year he will get according to the last year max. rate.

For current year he will get according to the current rate.

After taking LTA if Basic rate increases, then increased portion will be applicable.

If anyone's LTA is due for 3 years, then he/she will get LTA for 2 yrs. 1 year LTA will be no longer valid.

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Proportionate on the basis of date of joining.

Furnishing : Eligible if Basic rate >= 15000

Eligible amount = Current basic rate + Special Allowance rate + Personal

Allowance rate

Entitled after confirmation at the time of Puja.

Entitled only once in a year.

Bonus : Eligible if basic rate < 21000

Based on last year.

Minimum work days should be 30 in a year.

As per government rules.

Gratuity : As per government rules.

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