



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. Some of the key features of our compensation structure are as following:

- ✓ *Balance employee's needs, statutory requirements and organization's expectations in a just and fair manner.*
- ✓ *Standardized structure across bands with required amount of flexibility to customize based on individual needs*

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

- ☐ Basic Salary & Monthly Allowances
- ☐ Variable Pay
- ☐ Social Security & Health Benefits
- ☐ Retiral Benefits

The details for each component have been explained below.

Disclaimer:

Your individual compensation structure may not necessarily have all the components as applicable to the respective Band





Basic Salary and Monthly Allowances

Components	Description	Taxability	Rules of Claiming
Basic Salary	The Basic Salary is standard as per organization's guidelines and has an impact on components such as PF contribution, Medical insurance cover, Gratuity and HRA.	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
Holiday Allowance	Holiday Allowance is payable maximum up to INR 50,000 spread over 12 months.	Fully Taxable	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
Skill Allowance	Skill Allowance is payable monthly and is applicable for employees who possess niche skills. In the event of transfer to other projects, the allowance would stand withdrawn, wef date of transfer and / or in the event of cessation of employment, during the ongoing performance period, the entire paid amount would be subject to recovery. The management reserves the right to withdraw this allowance at any point of time.	Fully Taxable	Auto



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Compensatory Allowance	Compensatory Allowance is a stand-alone component that adjusts the amount of CTC against all other fixed components	Fully Taxable	Auto
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Variable Pay

Components	Description	Taxability	Rules of Claiming
Engagement Performance Bonus (EPB)	Engagement Performance Bonus (EPB) is an engagement bonus payable on a monthly basis based on the EPB guidelines	Fully Taxable	Payable as per EPB Policy
Performance Bonus (PB)	Performance Bonus (PB) is payable at the year end	Fully Taxable	<p>The quantum of payout will be based on the current year's bonus plan guidelines. The amount mentioned in your letter is the total earning potential; the payout could vary from 0% to 100% or more. This will be calculated based on your individual contributions against the Key Performance Parameters (KPP) as well as the company's performance.</p> <p>Bonus will be paid 60 days after the completion of the review cycle. Bonus (of any kind) is not earned unless the employee is on rolls of HCL on the Bonus Pay Day (except where governed by local statutory norms).</p>





Retiral Benefits

Components	Description	Taxability	Rules of Claiming
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".
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.





Insurance Benefits

You and your dependents will be covered under Social Security as per the law and Insurance Benefits policy offered by the company. The amount towards various insurances (Medical Insurance, Term Life Insurance, Personal Accident Insurance) is mentioned under 'Insurance and Medical Benefits' component in your compensation structure.

Some of the benefits derived from the same are explained as following:

Components	Description	Rules of Claiming
Hospitalization Expenses (applicable to Employees covered under Medical Insurance policy)	Coverage: Employee & Dependent Sum Insured: The hospitalization coverage limit applicable to you will be as per Medical Insurance Policy	The policy covers Hospitalization expenses, and Maternity expenses. Employees (who are not covered under the ESI Act, 1948] will be mandatorily covered under this benefit. Employee has opportunity to cover his/her family members under this benefit as per policy guidelines. Please refer 'Medical Insurance policy' for further details. Company reserves the right to amend the benefit plan and shall keep all employees informed/updated.
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. 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.	Company reserves the right to amend the benefit plan as per change in ESIC act and shall keep all employees informed/updated.
Term Life Cover (including EDLI)	Coverage: Employee only Policy provides safety net for your family in case of any eventuality due to any reasons. Please refer Life Insurance Policy on Policies Hub for more details.	Company reserves the right to amend the benefit plan and shall keep all employees informed/updated.



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Insurance Cover for Disability due to accident	Insurance cover for Disability provides safety net against any permanent or partial disability that may arise due to an accident. The amount payable by Insurer for a disability shall depend on nature of the disability. Please refer Disability cover due to accident on Policies Hub for more details.	Company reserves the right to amend the benefit plan and shall keep all employees informed/updated.
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All the above benefits are sincere efforts to make employees feel financially and mentally secure about self and families. For detailed policies please refer "Policies Hub"

Your compensation details are personal and strictly confidential 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 you and design an optimal compensation and benefits package that is best suited for our employee needs. It is our endeavor to provide you a great career while seeking your 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 & growth and hope our relationship will go a long way!

Cheers!!

