

# **Manual for Salary Calculation**

## **1) Requirements**

<b>No.</b>	<b>Require Documents</b>	<b>Prepare by client</b>	<b>Prepare by TCF</b>
1	Timesheet or any salary information	√	
2	HR Policy	√	
3	Leave Record	√	*√
4	Payroll Confirmation (please see PIT calculation manual)	√	
5	Employment Contract		√
6	Employee ID (if need)		

*\*If customer request, TCF can prepare it but the leave control shall be done by clients site*

## **2) Processing**

Step - 1	Calculate Payroll (see annexure 1)
Step - 2	Calculate PIT calculation (please see the detail in PIT calculation manual)
Step - 3	Prepare Leave Record based on the Timesheet.
Step - 4	Prepare payroll slip (if need)
Step - 5	Request to clients confirm of the document's preparation
Step - 6	After get customer confirmation, please arrange for salary payment
Step - 7	If customer take cash arrangement service, need to issue OPE invoice.
Step - 8	After that customer will provide the evidence that they already transfer and when TCF check the evidence, TCF will issue cheque.
Step - 9	If customer take payment service only, need to register in bank for salary transfer.
Step - 10	Need to send the payroll slip with PDF file to each employee in the end of month.

*\*TCF cannot arrange cash delivery to each staff*

## **Remark;**

**We shall send the payroll report before the salary pay date.**

**That's why the reporting date need to discuss with the customer advance.**

## Annexure 1

### Calculation of Payroll

#### 1) Confirm point

Before start to calculate the payroll, the below point shall confirm with customer

- Did customer have the HR policy about leave, incentive and bonus
- Did the customer set the method of calculation for Overtime, late and leave
- Did the clients have cut off date for the calculation of salary, OT, leave and late
- The currency of salary payment
- Exchange rate policy if the payment is foreign currency
- Salary pays date
- Reporting date of payroll

#### 2) Calculation

	Checking Point	Calculation
Salary income	<ul style="list-style-type: none"> <li>- The salary amount needs to check from the client's salary information list.</li> <li>- In case of new joiner, need to check the salary amount under provision or permeant salary amount (Normally most of the company set the provision period is 3 month and the salary amount is not same with the permeant amount)</li> <li>- Need to check the salary deduction policy if the employee is not fully working in the month or cut off period</li> </ul>	<ul style="list-style-type: none"> <li>- If the employee is working fully in the month or cut off period, the salary shall take from the client's information list</li> <li>- If no, need to consider about deduction base on HR policy. but if there are no special policy, it can calculate, [Basic salary /30 or 31] *working day</li> </ul>
Allowance income	<ul style="list-style-type: none"> <li>- The allowance needs to check from the client's salary information list or HR policy</li> </ul>	<ul style="list-style-type: none"> <li>- Taken the amount from client's information</li> </ul>
Overtime	<ul style="list-style-type: none"> <li>- Need to check the OT hour from client's information</li> <li>- Need to check the HR policy about calculation method</li> </ul>	<ul style="list-style-type: none"> <li>- If HR policy have, need to follow it.</li> <li>- If no HR policy, it can calculate, [Basic salary * 52 week] *8 hr*2time*OT hr 48 hr</li> </ul>
Deduction of Leave	<ul style="list-style-type: none"> <li>- Need to check the leave from client's information</li> <li>- Need to check the HR policy about calculation method</li> </ul>	<ul style="list-style-type: none"> <li>- If HR policy have, need to follow it.</li> <li>- if no, it can calculate, [Basic salary /30 or 31] *leave day</li> </ul>
Deduction of Late	<ul style="list-style-type: none"> <li>- Need to check the late hour from client's information</li> <li>- Need to check the HR policy about calculation method</li> </ul>	<ul style="list-style-type: none"> <li>- If HR policy have, need to follow it.</li> <li>- This is sensitive case, so it shall set the policy for it</li> </ul>
Deduction of PIT	<ul style="list-style-type: none"> <li>- Please check manual for PIT calculation</li> </ul>	<ul style="list-style-type: none"> <li>- Please check manual for PIT calculation</li> </ul>
Deduction of SSB	<ul style="list-style-type: none"> <li>- Need to check the SSB will bear by employee or employer</li> <li>- If born by employer, no need to deduct</li> </ul>	<ul style="list-style-type: none"> <li>- If deduct from employee, it can calculate, 2% of basic salary included the monthly allowance (exclude bonus and incentive that paid base on performance)</li> </ul>

*If employee no. is over 5, the employment contract shall do and the salary, allowance, method of calculation for OT, leave and late shall match with the contract*

Leave need to be calculate based on the Leave and Holiday Act 2018 (Notification 69/2018) and HR policy.

**In the leave and holiday act,**

1) casual leave - (6) days of leave can enjoy since the employee joins to the Company. And casual leave cannot be carried in the next year.

2) annual leave - (10) days of leave can enjoy one year after employee joins to the Company. Annual leave can carry until (3) year if employee and employer agrees. If the annual leave remains when employee resigns, company needs to refund for the remaining.

3) medical leave - (30) days of leave can enjoy one year after employee joins to the Company. And it cannot be carried in the next year.

4) unpaid leave – if there is no remining casual leave, annual leave and medical leave, it shall take the unpaid leave. **It will not pay the salary for it.**

*If customer has special HR policy, needs to record the leave as per customer policy.*

**Remark;**

1) Use the last month update file of leave record, PIT calculation sheet and payslip.

2) Fill each employee leave as per timesheet.