

Objective

Given the target annual CTC figure for a person, work out the salary break-up.

Introduction

The HR department of an organization is responsible for recruitment of personnel as per the requirements of the organization. After one or more rounds of evaluation, when a candidate is selected the HR manager and the reporting manager of the candidate to be recruited decide the annual CTC figure to be offered to the selected candidate.

From the annual CTC figure thus decided, the break-up of this CTC figure into various monthly and annual heads of earning and deduction have to be derived and presented in a format that is easy for the selected candidate as well as HR and Finance executives involved to understand.

Explanation of Salary Break-Up Rules

1. Annual basic salary of a person is 40% of the annual CTC. Basic salary is paid on a monthly basis.
2. HRA, also paid on a monthly basis, is 50% of the basic salary.
3. Conveyance allowance, also paid on a monthly basis, is a fixed amount of Rs 1600 per month.
4. Then there is monthly income head called "Special allowance", which is to be determined by the system, as will be explained later in this note.
5. There is a monthly income head called "Medical reimbursement" which is a fixed amount of Rs 1,250 per month.
6. If the basic salary of a person is less than Rs 15,000 per month, then 12% of the basic salary is the employer's contribution to the employee's provident fund (PF) or if the basic salary of a person is greater than or equal to Rs. 15000 per month then 12% of PF limit i.e. Rs. 15000. Though this amount does not come in the hands of the employee immediately, it goes to the employee's PF account and is eventually paid by the PF department to the employee along with interest. Therefore, this is an income for the employee and is counted as part of the CTC of the employee
7. If the sum of basic salary, HRA, conveyance allowance, special allowance and medical reimbursement for employees is less than Rs 21,000 per month (PF Not included), 4.75% of this sum is paid by the organization to the ESIC department as per the statutory requirements. This amount does not come in the hands of the employee, either now or later, but provides free or nearly free medical treatment benefits to the employee. This amount is also included as part of the CTC of the person.
8. LTA is an annual income head. It is equal to one month's basic salary.

So, the annual CTC of an employee includes all monthly income heads (including PF and ESIC contributions of the company), as well as the annual income head of LTA..

Now, for the calculation of special allowance. This amount is calculated as annual CTC minus the sum of all other income heads.

All amounts are to be rounded off to the nearest Rupee.

Example

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Tips

Create Class Library Project and write above mentioned requirement as a function in a class.

All the limits may get change in future considering the same write your code.

Limits are same for all the employees so no need to specify or pass the value for every employee

Create the UI as WPF Application.

One Textbox to accept the annual CTC from the user and Labels for displaying every annual and Monthly break up