**Ref. No:** MetLife-UP-2300

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| **Client name:** American Life Insurance Company, Bangladesh Branch (MetLife)  **Accounting period:** 01 January 2020 to 31 December 2020 | | |
|  | |  |
| **Work done by** | **:** Ranti Saha | **Date:** 18-03-2021 |
| **Work reviewed by** | **:** Israt Jahan | **Date:** 22-03-2021 |

**Payroll Process**

**We have summarized the current practice regarding payroll process as per discussion with following process owner of MetLife.**

|  |  |
| --- | --- |
| **Name** | **Designation** |
| Mr. Md. Tauhidul Alam | Director and Head of Human Resource (HR) |

American Life Insurance Company, Bangladesh Branch manages payroll by its well-designed process. Salary are paid monthly and two festival bonus is paid to the employees of the company.

**Salary and bonus payment procedure:**

Salary sheet is **prepared** by Mr. ……………, Payroll Manager based on appointment letter/confirmation letter before 25th days of each month.

After preparation of salary sheet Mr. ……………, Payroll Manager sends the sheet to Mr. Md. Tauhidul Alam, Director and Head of Human Resource (HR) for **checking**.

After checking the sheet Mr. Md. Tauhidul Alam, Director and Head of Human Resource (HR) sends the salary sheet to Mr. Syed Hammadul Karim, Country General Manager for approval.

After verification of the sheet Mr. Syed Hammadul Karim, Country General Manager **approves** the salary sheet.

After getting approval from Mr. Syed Hammadul Karim, Country General Manager, Local Finance Team prepares a **Bank Advice** to Branch Manager, Standard Chartered Bank, for salary transfer of the employees. Bank advice is signed by Financial Controller and Chief Financial Officer.

**Journal Entry:**

1. **To accrue salary expense for the month**

|  |  |
| --- | --- |
| Salary/bonus expense | Debit |
| TDS Payable-Salary | Credit |
| Salary/bonus payable | Credit |

1. **To record the payment of salary**

|  |  |
| --- | --- |
| Salary/bonus payable | Debit |
| Bank-Standard Chartered Bank | Credit |

**Recruitment procedure:**

Recruitment is done by the Human Resource department on the basis of approved work plan. Initially, Mr. Md. Tauhidul Alam, Director and Head of Human Resource (HR) to start recruitment process for a particular position in line with the business plan and requisition raised from respective line manager of the Company.

Afterwards, the recruitment process is approved by MetLife Global in case of employee related with the global operation and in case of employee related with local line management the recruitment process is approved by Country General Manager. After that job circular is posted on Linked In (professional network) and makes short list of job seeker.

After short listing, HR Department called them for interview. First interview is taken by HR and respective line manager and final interview is taken by Country General Manager.

After final selection Mr. Syed Hammadul Karim, Country General Manager approved an appointment letter issued by HR, mentioning the joining date.

The appointee joins the company by writing Joining Report to the head of the department. A personal file is maintained by HR Department for the employee from the date of joining.

**Resignation procedure:**

If any employee wants to resign, he/she have to submit resignation letter to his/her respective line manager.

Afterwards, the line manager sends the resignation letter to the Human Resource Department.

After receiving resignation letter, HR Department sends it to Mr. Syed Hammadul Karim, Country General Manager for his consent.

After getting consent from Country General Manager, the resignation is accepted.

After resignation letter is accepted, an exit interview is taken for the employee.

Afterwards, final settlement is made with the resigned employee.

**Dismissal procedure:**

Dismissal process starts with the raising of complain against any particular employee.

After receiving complain, show cause letter is issued to the accused employee for written explanation regarding the complaint.

If the explanation is not satisfactory, an enquire committee if formed for investigation.

After enquiry, the committee issue a report.

Based on enquiry report, final decision is taken by Mr. Syed Hammadul Karim, Country General Manager

After that, the convicted employee is dismissed from the Company.

Afterwards, final settlement is done with the dismissed employee.