

# Payroll Policy

*'Name of the Company' understands the importance of payroll for employees and works the fullest to process each employee's payment before the specified date of every month. The policy covers every component for calculations while keeping it compliant to the government rules.*

## Purpose

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The purpose of the Payroll policy is to complete every employee's payment before the [\(date\)](#) of every month without any irregularities.

## Scope

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The payroll policy applies to every employee regardless of their status in the company.

## Payroll Administration

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['Name of the Company'](#) ensures to keep a transparent pay structure for each employee along with detailing the regular pay, overtime, time-sheet maintenance, compensations, bonuses, and reimbursements, whichever is actively existing.

The payroll administration of the company looks after every component stated above while keeping the payment of employees fully compliant.

## Components of Pay

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The payroll service of the company entails every small detail to support and motivate their employees. The components that are included in the salary are enlisted below:

1. The basic pay: It outlines the gross earnings that employees earn according to their salary structure defined.
2. Time-sheet keeping: The time-sheet comprises the daily details of the working hours and activities completed throughout the day.
3. Bonus: The bonus is the amount that employees can receive for any excellent performance.
4. Overtime: Any overtime hours worked by the employees will be counted according to the pro-rate basis and it will comply with the rules stated by the government.
5. Tax information: The tax such as TDS, PF, ESIC, etc. will be deducted from the salary for which will be prior informed to all employees. The company will also share form-16 to the employee, which they can use for tax return.

6. Investment Declarations: The employees can submit any investment declarations, and the company confirms that it will be added to their salary structure.
7. Travel reimbursements: Any reimbursement amounts remaining to return will be included in the salary.
8. Encashments: The pending leaves of employees will be encashed through the salary according to the Leave policy instructions.
9. Loan deductions: Company can also deduct the loan amount through installments and inform the employees about the same.

## Payroll Accounting

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Payroll administration must confirm that every payroll reports, ledger, bank reconciliations, and salary structures remain up-to-date for any audit check.

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