

Indian Institute of Information Technology, Vadodara
CS301 – Software Engineering Project
 Team 02 – ninEngineers

Salary components of an Employee

Indian Institute of Information Technology, Vadodara										Indian Institute of Information Technology, Vadodara												
	Pay Bill for the month August, 2015									Pay Bill for the month August 2015												
										Deductions												
S.N	Name of Employee and Designation	Pay	Grade Pay	D.A.	H.R.A	Arrears	Transport Allowance	DA On TA	Gross Total	C.PF/GPF	Income Tax	Licence Fee	Water Char.	Elect. Char.	Furniture Rent	other recovery	Pay & Allow	Tax on Profession	Rev. Stamp	Total of Deductions	Net Amount Payable	Remark
1																						
2																						

Table 1: Existing Employee Salary Bill

Important terms and its description:

- Grade Pay** – Decided by the HR Admin based upon the type of post and by the administration of the Institution, at the time of appointment. This component is the key factor which derives all other components.
- Payband** – It is decided by the pay commission. The central pay commission has divided jobs in 4 paybands. They are:

PB-1 (Rs.5200-20200)

Grade pay	Pay in the Pay Band	Total
1,800	5,200	7,000
1,900	5,830	7,730
2,000	6,460	8,460
2,400	7,510	9,910
2,800	8,560	11,360

PB-2 (Rs.9300-34800)

Grade pay	Pay in the Pay Band	Total
4,200	9,300	13,500
4,600	12,540	17,140
4,800	13,350	18,150

PB-3 (Rs.15600-39100)

Grade pay	Pay in the Pay Band	Total
5,400	15,600	21,000
6,600	18,750	25,350
7,600	21,900	29,500

PB-4 (Rs.37400-67000)

Grade pay	Pay in the Pay Band	Total
8,700	37,400	46,100
8,900	40,200	49,100
10,000	43,000	53,000
12,000	47,100	59,100

3. Basic pay – Pay-in-payband + Grade Pay.

4. Dearness Allowance (DA) – 119% * Basic pay

5. House Rent Allowance (HRA) – 20% * Basic Pay

6. Arrears – Occasional.

For example: At the start of financial year Institute pays according to the previous years policies. If government announces any policy reform & issue it's report after a couple of months, the difference in the gross earnings is paid in the form of arrears.

7. Transport Allowance (TA) -

Grade Pay (1)	Travel Entitlements (2)
Officers drawing grade pay of Rs.10,000/- and above and those in pay scale of HAG + and above	Business/Club Class by air/AC First class by train
Officers drawing grade pay of Rs.7600, Rs.8700 and Rs. 8900	Economy Class by air/AC First class by train
Officers drawing grade pay of Rs.5400 and Rs.6600.	Economy Class by air/AC II Tier class by train.
Officers drawing grade pay of Rs.4200, Rs. 4600 and Rs.4800	AC II Tier class by train.
Officers drawing grade pay below Rs. 4200	First Class/AC III Tier/AC Chair car by train

The revised Travel entitlements are subject to following:-

- In case of places not connected by rail, travel by AC bus for all those entitled to travel by AC II Tier and above by train and by Deluxe/ordinary bus for others is allowed.
- In case of road travel between places connected by rail, travel by any means of public transport is allowed provided the total fare does not exceed the train fare by the entitled class.

Transport Allowance (TA)

8. Dearness Allowance on TA – 119% * TA

9. General Provident Fund – $[6.4\% * \text{Basic Pay}]_{\min}$

10 . Contributory Provident Fund – $[10\% * \text{Basic Pay}]_{\min}$

11. Income Tax Slabs -

For example:

If probable gross earnings per annum of an individual = 12,00,000 (1,00,000/month).

So, probable income tax = $0 + 10\%(2.5 \text{ L}) + 20\%(5 \text{ L}) + 30\%(12 \text{ L} - 10 \text{ L})$
 $= 0 + 25 \text{ K} + 1 \text{ L} + 60 \text{ K} = 1.85 \text{ L}$

Probable income tax/month = $1.85 \text{ L} / 12 = 15.41 \text{ K}$.

Income Tax Slabs	Income Tax Rates
Where Total Income does not exceed Rs. 2,50,000	NIL
Where the Total Income exceeds Rs. 2,50,000 but does not exceed Rs. 5,00,000	10% of the Amount by which it exceeds Rs. 2,50,000
Where the Total Income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	20% of the Amount by which it exceeds Rs. 5,00,000
Where the Total Income exceeds Rs. 10,00,000	30% of the Amount by which it exceeds Rs. 10,00,000

12 (a) Licence Fee – Deducted from salary of employee based on the level of accommodation.

For more information, go to link given below <http://www.estates.nic.in/WriteReadData/dlcirculars/Circulars20073.pdf>

(b) Water Charges - Deducted as per the norms of the Institution (decided by HR Admin)

(c) Electricity Charges - Deducted as per the norms of the Institution (decided by HR Admin)

(d) Furniture Rent - Deducted as per the norms of the Institution (decided by HR Admin, based on the furniture provided by the Institute)

13. Other Recoveries – Deducted as per the decision of HR Admin, based upon any amount that Employee bears on the Institute which he/she has failed to repay within the expected period.

14. Professional Tax -

15. Revenue Stamp – A deduction that requires purchase of Govt. Revenue Stamps.
(Generally, of Rs.2 to Rs.3)

16. Net Payable Amount – (Gross Total – Total of Deductions)

Gross Pay	Professional Tax/month
≤5999	Nil
6000-8999	80 Rs.
9000-11999	150 Rs.
12000 - above	200 Rs.

Professional Tax