Payroll in TallyPrime

TallyPrime offers various features that allows you to implement and process payroll. You can use the **Payroll Info.** menu to create different payroll masters required for computing earnings and deductions for employees.

Introduction to Payroll

The payroll feature in TallyPrime is fully integrated with accounting to streamline payroll processing.

Organisations can set up and process payroll using simple and complex criteria. A collection of predefined processes in TallyPrime enable error-free automation of payroll process.

The payroll feature also provides management related information, statutory forms and reports in the prescribed formats such as:

- Pay Slip, Payroll Statements, Attendance and Overtime Registers.
- Gratuity, Provident Fund (PF), Employee State Insurance (ESI), National Pension Scheme (NPS).
- Professional Tax (PT) and Income Tax (IT).
- Expat Reports.

Features

- Full integration with accounts for simplified payroll processing and accounting.
- User-defined classifications and sub-classifications for comprehensive reporting on aspects such as employees, employee groups, pay components, or departments.
- Support for user-defined Earnings and Deductions Pay Heads.
- Flexible and user-defined criteria for simple or complex calculations.
- Unlimited grouping of Payroll Masters.
- Support for user-defined production units such as attendance, production, or time-based remuneration units.
- Flexible processing period for payroll.
- Comprehensive reports for cost centre as well as employee-wise costing.
- Predefined processes for accurate and timely salary processing, employee statutory deductions & employer statutory contributions.
- Processing payments using the e-payments capability in TallyPrime.
- Auto-fill facility to expedite the attendance, payroll, and employer's contribution processes.
- Accurate computation and deduction of statutory payments such as Income Tax, ESI, EPF, NPS, Professional Tax, and Gratuity.
- Generate statutory forms and challans for Income Tax and EPF & ESI, as prescribed.
- Facility to drill-down to the voucher level for any alteration.
- Compute arrears of previous period(s).
- Track loan details of employees.

In TallyPrime, you can create the following to maintain payroll:

- Employees
- Employee Groups
- Employee Categories
- Payroll Units
- Attendance/ Production Types
- Pay Heads
- Salary Details
- Income Tax Pay Head Configuration

- Income Tax Declarations
- Override Income Tax Exemption Value
- Override Income Tax Value
- Income Tax Configuration
- Previous Employer Details for Income Tax
- Payroll pay heads - Salary, PF, ESI, NPS, PF Admin Expenses

CREATE EMPLOYEES GROUP

Gateway of Tally > Create > Payroll Masters > Employees Group

Group	Under	Define Salary Details
Marketing	Primary	No
Sales	Primary	No
Account	Primary	No
HR	Primary	No

CREATE UNITS (WORK)

Gateway of Tally > Create > Payroll Masters > Units (works)

Unit Type	Symbol	Name
Simple	Hrs	Hours
Simple	Days	Number of Days
Compound	First Unit : Days, Conversion -8,	Second unit : Hrs

CREATE ATTENDANCE / PRODUCTION TYPE

Gateway of Tally > Create > Payroll Masters > Attendance/ Production Type

Name	Under	Attendance Type	Unit
Present	Primary	Attendance / Leave with pay	Period Type : Days
Overtime	Primary	Production	Days of 8 hrs

CREATE PAY HEADS

Gateway of Tally > Create > Payroll Masters > Pay Heads

NAME :BASIC PAY

Pay Head Type: Earning for Employees
Income Type : Fixed
Under : Indirect Expenses
Affect Net Salary : Yes
Use for Calculation of Gratuity : Yes
Calculation Type : On attendance
Attendance with Pay : Present

Calculation Period : Months
Basis of calculation : As per calendar period
Rounding Method : Normal rounding

NAME : HRA

Pay Head Type: Earning for Employees
Income Type : Fixed
Under : Indirect Expenses
Affect Net Salary : Yes
Use for Calculation of Gratuity : No
Calculation Type : As computed value
Rounding Method : Normal rounding
Computation Info
Compute : On specific Formula
Add Pay Head : Basic Pay
Slab Type : Percentage
Value : 20 %

NAME : DA

Pay Head Type: Earning for Employees
Income Type : Fixed
Under : Indirect Expenses
Affect Net Salary : Yes
Use for Calculation of Gratuity : No
Calculation Type : As computed value
Rounding Method: Normal rounding

Computation Info
Compute : On specific Formula Add
Pay Head : Basic Pay
Slab Rate : Percentage
Value : 40 %

NAME :TRANSPORT ALLOWANCE (TA)

Pay Head Type: Earning for Employees
Income Type : Fixed
Under : Indirect Expenses
Affect Net Salary : Yes
Use for Calculation of Gratuity : No
Calculation Type : As computed value
Rounding Method: Normal rounding
Computation Info
Compute : On specific Formula Add
Pay Head : Basic Pay
Slab Rate : Percentage
Value : 10 %

NAME : BONUS

Pay Head Type: Earning for Employees
Income Type : Fixed
Under : Indirect Expenses
Affect Net Salary : Yes
Use for Calculation of Gratuity : No
Calculation Type : **Flat Rate**
Calculation Period: Monthly

NAME :PROVIDENT FUNS (PF)

Pay Head Type: Deduction from Employees

Under : Current Liability
Affect Net Salary : Yes
Calculation Type : As computed value
Rounding Method : Normal rounding

Computation Info
Compute : On specific Formula Add
Pay Head : Basic Pay
Slab Rate : Percentage
Value : 12%

NAME : ESIC

Pay Head Type: Deduction from Employees
Under : Current Liability
Affect Net Salary : Yes
Calculation Type : As computed value
Rounding Method : Normal rounding
Computation Info
Compute : On specific Formula
Add Pay Head : Basic Pay
Add Pay Head : DA
Slab Rate : Percentage
Value : 3%

NAME : OVER TIME

Pay Head Type: Earning for Employees
Income Type : Fixed
Under : Indirect Expenses
Affect Net Salary : Yes
Use for Calculation of Gratuity : No
Calculation Type : On production
Production type : Over time

CREATE EMPLOYEES

Gateway of Tally > Create > Payroll Masters > Employee

Employee Creation Window

Name : Rajesh Saxena
Under : Marketing
DOJ : 1st April 2021
Define Salary Details : Yes

Salary Detail Window Pay

Head

Basic Pay :20000
DA:
HRA:
Transport Allowance (TA) :
Bonus : 1000
Overtime : 50 (Rate)
Provident Fund (PF)
ESIC

Employee Number : M111
Designation : Manager
Function : Marketing Management
Location : Delhi
Gender : Male
DOB : 01-April-1990
Blood Group : A Positive
Father Name : Rohit Saxena
Spouse Name : Reena

Address : Muzaffarnagar Phone
Number : 9876543433 e-mail :
xyz@gmail.com Provide Bank
Detail – Yes **Bank Details**
window appear

Account Number : 123456767788
IFSC code: ABCD0123456
Bank Name : Specify Bank Name
Bank Name : State Bank of India
Transaction Type : e-fund transfer
PAN Number : ASDFG1234C
Aadhar number :1234567891234567 PF
Account number : ABCD11334 PRAN
: 576778788
ESI NUMBER : 5654433
ESI DISPENSARY :
DELHI
Gateway of Tally > Display more Reports> Payroll Reports>Employee Profile

Gateway of Tally > Create > Payroll Masters > Employee

Name	Under	Basic Pay	Bonus	Overtime Rate	Emp Number	Designation
Rajesh Saxena	Marketing	20000	1000	50	M111	Manger
Sunil Saini	Account	20000	1500	100	A001	Manager
Irfan	Account	22000	1000	50	A002	Clerk
Ajay Gulia	HR	25000	1000	80	H001	Head
Ravi Raj	HR	15000	1000	70	H002	Executive
Sameer	Marketing	9000	1000	45	M001	Manager
Jyoti Tyagi	Marketing	11000	000	30	M002	Executive
Payal	Marketing	12000	1000	40	M003	Clerk
Rajesh	Sales	25000	2000	50	S001	GM
Sunita	Sales	15000	1000	45	S002	Manager
Sumit Sinha	Sales	10000	1000	60	S003	Clerk
Sabu	Sales	8000	1000	50	S004	Salesman
Shivam	Sales	8500	1000	50	S005	Salesman
Raveena	Sales	8000	1000	50	S006	Salesman
Ankur Jha	Sales	9000	500	50	S007	Salesman
Anup Kumar	Sales	9200	1000	50	S008	Salesman

Note : Over time rate to be filled for each employees at salary details

PAYROLL VOUCHERS

ATTENDANCE BOUCHER CREATION

Gateway of Tally > Voucher > F10: Other Vouchers > Payroll vouchers > Attendance

Change Voucher Date 31 -05-2021
Ctrl + F (Auto fill)
Attendance Auto Fill Window
Voucher Date : 31-05-2021
Employees Group : All Group
Attendance Type : Present
Default value : 0

Sort by : Employees Name
Fill the value : Number of Present days for each individual

Month May (1-5-2021 to 31-5-2021)

Name	Under	Present	Overtime (hrs)
Rajesh Saxena	Marketing	25	10
Sunil Saini	Account	28	20
Irfan	Account	31	0
Ajay Gulia	HR	25	25
Ravi Raj	HR	15	0
Sameer	Marketing	30	10
Jyoti Tyagi	Marketing	31	5
Payal	Marketing	31	0
Rajesh	Sales	31	0
Sunita	Sales	20	0
Sumit Sinha	Sales	31	12
Sabu	Sales	31	15
Shivam	Sales	31	12
Raveena	Sales	27	20
Ankur Jha	Sales	31	30
Anup Kumar	Sales	28	40

Repeat for above step for attendance type : Overtime

PAYROLL VOUCHER CREATION

Gateway of Tally > Voucher > F10: Other Vouchers > Payroll vouchers > Payroll Ctrl +F (Auto fill)

Payroll Autofill window

Process for : Salary
From : 01-05-2021 To: 31-05-2021
Employees Group : All Items
Sort by : Employees Name

DISPLAY THE SALARY INFORMATION

Gateway of Tally> Display more report >Payroll reports > Payslip

Pay Sheet Attendance

Sheet Payroll Register

Attendance Register

Employee Profile

Employee Head count