

Essential Payroll Checklist for Indian HR Professionals

Managing payroll effectively is crucial for Indian HR professionals. Ensuring compliance, accuracy, and timely payments is key to employee satisfaction and business success.

This eBook breaks down the essentials into a clear, actionable checklist.



Employee Data & Salary Calculation

Employee Data Management

- Collect employee details (PAN, Aadhaar, bank account, etc.)
- Update employee data regularly
- Maintain attendance and leave records
- Verify salary structures and CTC breakups

Salary Calculation

- Calculate gross salary (basic pay, allowances, bonuses)
- Deduct statutory components (EPF, ESI, PT, TDS)
- Include overtime, incentives, and reimbursements
- Cross-check tax exemptions and deductions (HRA, LTA, etc.)

Compliance

Compliance & Deductions

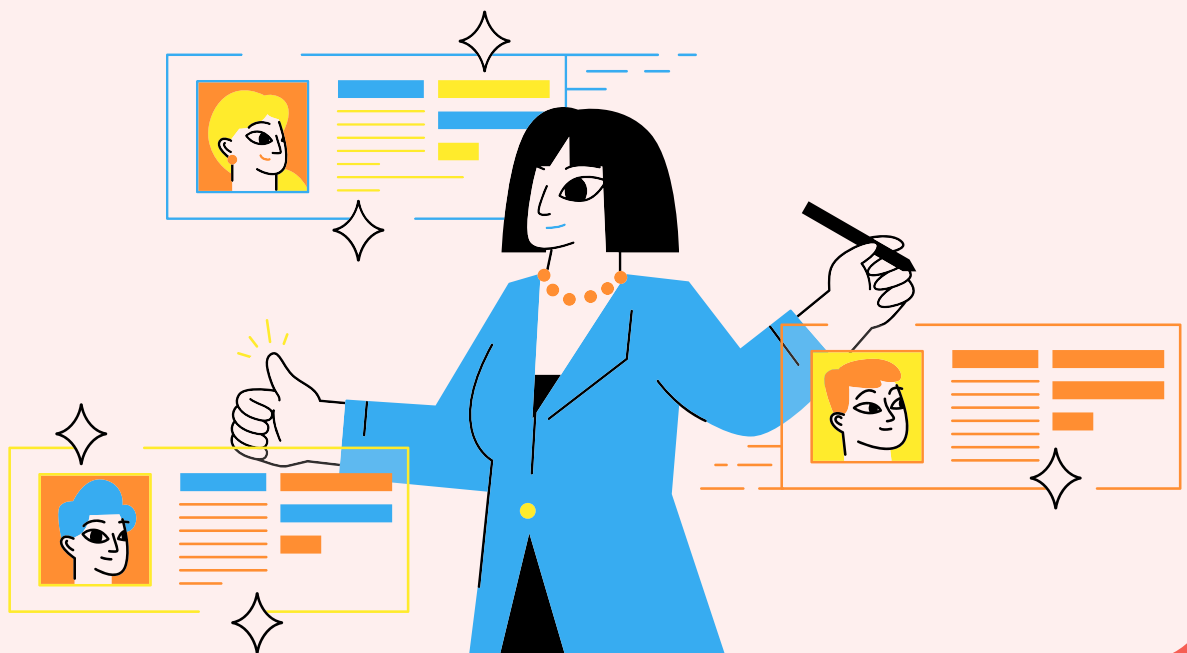
- Calculate and deposit Provident Fund (PF) contributions
- Deduct and pay Employees' State Insurance (ESI)
- Manage Professional Tax (PT) based on state laws
- Deduct and submit Tax Deducted at Source (TDS)
- Contribute to the Labour Welfare Fund (where applicable)



Payroll Processing

Payroll Processing Steps

- Generate and distribute salary slips
- Schedule bank transfers for salary disbursal
- Process full & final settlements for resigned employees
- Maintain payroll reports for audit purposes



Year-End Activities & Additional Tips

- Issue Form 16 to employees
- File quarterly TDS returns
- Ensure compliance with Income Tax regulations
- Use payroll software like **Runtime HRMS** to automate calculations and reduce errors
- Stay updated on tax changes and labor laws
- **Pro Tip:** Regularly audit your payroll system to ensure compliance and avoid penalties

