

Record Employer's PF Contribution (Payroll)

Employer's Provident Fund (PF) contribution is a mandatory savings scheme for employees, as stipulated by the Employees' Provident Fund Organization (EPFO) of India. Both employers and employees contribute a specific percentage of the employee's salary towards the Provident Fund. The employer's contribution is an additional benefit provided to the employee, which is deposited in the employee's PF account.

Components of PF Contribution:

1. **Employee Contribution:** Typically, 12% of the employee's basic salary and dearness allowance.
2. **Employer Contribution:**
 - o **Employees' Provident Fund (EPF):** 3.67% of the employee's basic salary and dearness allowance.
 - o **Employees' Pension Scheme (EPS):** 8.33% of the employee's basic salary and dearness allowance (subject to a maximum of Rs. 1,250 per month).

Here's how you can do it:

Step 1: Enable Payroll in Tally ERP 9

1. Go to Gateway of Tally > F11: Features > F1: Accounting Features.
2. Set Maintain Payroll to Yes.
3. Set Maintain more than one payroll or cost category with Yes (if applicable).
4. Accept the screen.

Step 2: Create Payroll Masters

2.1 Create Employee Groups

1. Go to Gateway of Tally > Payroll Info. > Employee Groups > Create.
2. Enter the Name of the Employee Group (e.g., Sales Department).
3. Select the appropriate category.
4. Accept the screen.

2.2 Create Employees

1. Go to Gateway of Tally > Payroll Info. > Employees > Create.
2. Enter the Name of the Employee (e.g., John Doe).
3. Select the Employee Group (e.g., Sales Department).
4. Enter other details as required.

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5. Accept the screen.

2.3 Create Pay Heads

1. Go to Gateway of Tally > Payroll Info. > Pay Heads > Create.
2. Enter the Name (e.g., Basic Salary, Employer PF Contribution).
3. Set the Pay Head Type (e.g., Earnings for Employees, Deductions from Employees).
4. Set the Income Type (e.g., Salary, Provident Fund).
5. Set the Calculation Type (e.g., On Attendance, On Production, As Computed Value).
6. Enter other details as required.
7. Accept the screen.

Step 3: Configure Employer's PF Contribution

1. Go to Gateway of Tally > Payroll Info. > Pay Heads > Create.
2. Enter the Name (e.g., Employer PF Contribution).
3. Set the Pay Head Type to Employees' Statutory Contributions.
4. Set the Income Type to Provident Fund.
5. Set the Under field to Current Liabilities.
6. Set the Calculation Type to As Computed Value.
7. Enter the Calculation Period as Months.
8. Enter the Calculation Basis as on Current Earnings.
9. **Set the Computation Info as 8.33% (or as applicable).
10. Set the Rounding Method as Normal Rounding.
11. Accept the screen.

Step 4: Create Salary Details

1. Go to Gateway of Tally > Payroll Info. > Salary Details > Create.
2. Select the Employee.
3. Select the Pay Heads and enter the respective amounts (e.g., Basic Salary, Employer PF Contribution).
4. Accept the screen.

Step 5: Process Payroll

1. Go to Gateway of Tally > Payroll Vouchers.
2. Press F2 to change the date to the end of the month.
3. Select the Payroll Auto Fill option from the button bar.
4. Select the period for which you want to process payroll.
5. Select the Employee Group.
6. Accept the screen.

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Payroll Auto Fill

Process for : PF Contribution
 From (blank for beginning) : 1-4-2013
 To (blank for end) : 30-4-2013
 Employee Category : Primary Cost Category
 Employee/Group : All Items
 Payroll Ledger : PF Payable

Step 6: Record Payment of Employer's PF Contribution

1. Go to Gateway of Tally > Accounting Vouchers > F5: Payment.
2. Select the Bank or Cash ledger.
3. In the particulars, select the Employer PF Contribution ledger.
4. Enter the amount.
5. Accept the screen.

Payroll Voucher Creation National Traders Pvt. Ltd. Ctrl + M

Payroll No. 38 31-Mar-2011 Thursday

Payroll autofill (PF contribution)

Account : PF Payable
Cur Bal: 0.00 Cr

Particulars	Amount
Primary Cost Category	
Ajay	
Employer EPS @ 8.33%	Dr Cur Bal: 6,492.00 Dr
Employer EPF @ 3.67%	Dr Cur Bal: 2,868.00 Dr
Mahesh	
Employer EPS @ 8.33%	Dr Cur Bal: 6,492.00 Dr
Employer EPF @ 3.67%	Dr Cur Bal: 2,868.00 Dr
Rahul	
Employer EPS @ 8.33%	Dr Cur Bal: 4,740.00 Dr
Employer EPF @ 3.67%	Dr Cur Bal: 2,083.00 Dr
Suresh	
Employer EPS @ 8.33%	Dr Cur Bal: 3,613.00 Dr
Employer EPF @ 3.67%	Dr Cur Bal: 1,591.00 Dr
Vijay Kumar	
Employer EPS @ 8.33%	Dr Cur Bal: 5,951.00 Dr
Employer EPF @ 3.67%	Dr Cur Bal: 2,629.00 Dr

Narration:
Pay Period : 1-Mar-2011 to 31-Mar-2011

Accept ?
Yes or No