

Oracle Fusion Cloud Human Resources

How do I set up elements for India?

FA Latest



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Contents

Get Help i

1	Set up Elements for India	1
	Introduction to Payroll Elements	1
	Payroll Elements Overview	1
	Create Payroll Elements	2
	Voluntary Deductions	87
	Element Entries	90

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1 Set up Elements for India

Introduction to Payroll Elements

Use this playbook to understand the tasks required to set up elements for Payroll.

The Payroll application provides many predefined elements. You can generate additional elements, define types of compensation, and payroll elements through templates.

Element templates create elements, input values, balances, balance feed, and formulas required for payroll processing. There are various rules associated with these templates which are used to create data based on specific criteria. These templates source the values for the rules and processes the predefined structure to create appropriate data required.

Each element belongs to a primary classification, which identifies the template you use to create it, such as Earnings, Allowances, and Perquisites.

Payroll Elements Overview

Primary Element Classifications

Elements are grouped into primary classifications, such as Earnings and Voluntary Deductions.

In a Human Resources department, you can use the primary classifications to identify groups of elements for information and analysis purposes. In a payroll department, the classifications control processing, including the sequence in which elements are processed and the balances they feed. The payroll application provides primary classifications and some balances, mainly to reflect tax legislation. They are designed to meet the legislative requirements, so you can't change or delete them. You can of course create additional balances to be fed by any of the primary classifications.

Available Primary Classifications

The available primary classifications include:

- Balance Initialization
- Information
- Direct Payments
- Employer Charges
- Standard Earnings
- Allowances
- Involuntary Deductions
- Prestatutory Deductions
- Social Insurance Deductions
- Tax Deductions

- Employer Taxes
- Involuntary Deductions
- Voluntary Deductions
- Employer Charges

Secondary Element Classifications

You can define secondary classifications to feed your own defined balances. Secondary classifications are subsets of the primary classifications.

In some legislations, secondary classifications have been predefined. As with primary classifications, you can't remove or change any predefined secondary classifications, and you can't disable any of the predefined balance feeds created for them.

Secondary Classifications

The predefined secondary classifications that are available for the primary classifications include:

- Earnings - Bonus
- Perquisites
- Perquisites - Employer Payments

Create Payroll Elements

Create Earnings Element

This example shows how to use the element template and create a regular earnings element.

Note: Set the **Product Offering** to **Payroll** before creating the Earnings template.

Use the Elements task in the Payroll section of My Client Groups to create the element and set the element eligibility.

To create an earnings element:

Note: **My Client Groups > Show More > Payroll > Elements**

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

Field	Value
Legislative Data Group	Select an appropriate LDG

Field	Value
Primary Classification	Earnings
Secondary Classification	-
Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

Field	Value
Name	Enter a name, example: Standard Earnings1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations

Field	Value
Does the element recur each payroll period, or does it require explicit entry?	Recurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions, as shown in this table:

Field	Value
What is the calculation rule?	Flat amount
Is this element subject to proration?	Yes
Proration Group	Select a proration group
Proration Rate	Select a proration rate
Proration Units	Workday
Is this element subject to retroactive changes?	No

6. In the **Earnings Rules**, select the **Earnings Type** as **Basic Salary** for creating the basic salary element.
7. In the **Earnings Rules**, select the **Earnings Type** as **Others** to create other types of earnings element that are taxable.

8. Answer the India specific earnings questions to create the required balance elements.

Question	Value
Does this element determine the Employee State Insurance eligibility?	Select Yes or No as required
Does this element contribute to Employee State Insurance computation base salary?	Select Yes or No
Does this element contribute to Provident Fund computation base salary?	Select Yes or No
Does this element contribute to Company Accommodation valuation salary?	Select Yes or No

9. Select **Next** twice. Verify that the information shown on the Create Element: Review page is correct.

10. Select **Submit**.

On the Element Summary page, update the newly created element details.

1. In the Element Overview section, select **Element Eligibility**.
2. Select **Actions** and then **Create Element Eligibility**.
3. In the **Element Eligibility Name** field, enter a name for the eligibility record.
4. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.
5. Select **Submit**. All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically.

Results:

By default, whenever an Earnings element of earnings type: Basic Salary is created, the below balances are automatically fed:

- Termination allowances
 - Gratuity Computation Salary
 - Leave Encashment Computation Salary

The Retrenchment Compensation Computation Salary balance requires as input the Pay value of the Results element of the earnings element.

The PT Computational Salary for <State/Panchayats/Corporation> balance requires as input the Pay value of the Results element of the earnings element.

The PT Computational Standard Salary for <State/Panchayats/Corporation> balance requires as input the Standard value of the Results element of the earnings element. For more information, see *Balances in Professional Tax Calculations*.

Create Bonus Taxation Element

Create a bonus element to compute and deduct the income tax on bonus using one of the 3 taxation methods.

Let's look at these taxation methods you need to use, when you create the bonus element.

1. **Fixed Percentage Taxation:** Bonus is taxed using a fixed percentage in the period it's paid. If any extra tax needs to be deducted, it's adjusted during the remaining pay periods in the financial year.
2. **Distributed or Regular Taxation:** Bonus amount is added to the gross total income and the tax is calculated in the same way as other earnings. The extra tax payable because of the bonus payment, is distributed equally for the remaining pay periods, including the current pay period.
3. **Lump Sum or Spot taxation:** Bonus is added to the total taxable income to derive the total income tax for the financial year. The additional tax because of the bonus payment is deducted in the same period in which the bonus is paid.

Use the Elements task in the Payroll section of My Client Groups to create the Bonus element. Choose the secondary element classification Bonus with the required taxation type, based on your requirements.

To create the bonus element:

Note: My Client Groups > Show More > Payroll > Elements

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

Field	Value
Legislative Data Group	Select an appropriate LDG
Primary Classification	Earnings
Secondary Classification	Bonus
Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields for the bonus element, and select **Next**.

Field	Value
Name	Enter a name, example: Bonus Earnings1

Field	Value
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations
Does the element recur each payroll period, or does it require explicit entry?	Recurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

5. On the Additional Details page, respond to the questions, as shown in this table:

Field	Value
What is the calculation rule?	Flat amount
Is this element subject to proration?	Yes

Field	Value
Proration Group	Select a proration group
Proration Rate	Select a proration rate
Proration Units	Workday
Is this element subject to retroactive changes?	No

6. In the **Earnings Rules**, select the applicable **Bonus Taxation Type**.

- Fixed Percentage
- Lump sum or Spot
- Distributed or Regular

7. Answer the India specific questions to create the required balance elements.

Question	Value
Does this element contribute to Employee State Insurance computation base salary?	Select Yes or No
Does this element contribute to Leave Encashment exemption computation salary ?	Select Yes or No

8. Select **Next** twice. Verify that the information shown on the Create Element: Review page is correct.

9. Select **Submit**.

Results:

The formula `<element name>_BONUS_CALCULATION` is linked to the status processing rule for the Bonus element.

Whenever a bonus element is created, it feeds the balances:

- Net Pay
- Gross Pay (base name: IN_GROSS_PAY)
- Earnings (base name: IN_EARNINGS)

The balance feeds for ESI Computation Salary and ESI Eligible Salary are also created.

Allowances Elements

Allowances include the employee benefits provided by an employer, which is part of the Earnings component.

There are various allowances provided by the employer to the employee. Some of these allowances are exempt from income tax either fully or partially in section 10. You can setup these allowances using element templates. The tax exemption is automatically calculated on these

The allowances which are exempted in Section 10 for the income tax computation are supported. This is captured in the Allowance element for India localization, which has predefined calculation rules. The calculation rules for the below allowances are generated when you create the element using the related template.

Here are the allowance types in Section 10 14(i) that are supported:

- *Academic Allowance*
- *Conveyance Allowance*
- *Daily Allowance*
- *Helper Allowance*
- *Travel Allowance*
- *Uniform Allowance*

Here are the allowance types in Section 10 14(ii) that are supported:

- *Children Education Allowance*
- *Compensatory Field Area Allowance*
- Compensatory Modified Field Area Allowance
- High Altitude Allowance
- Hostel Expenditure Allowance
- House Rent Allowance
- Other Allowance
- Special Compensatory Allowance
- Transport Allowance for Physically Disabled
- Tribal Area Allowance
- Underground Allowance

Leave Travel Assistance is the allowance types in Section 10 5 that's supported:

You can create the element and associate the appropriate allowance type. Use the **Elements** task to create the allowances element, using the primary classification **Allowances** and the allowance type **Allowances**. In the Earnings Rules, select No for all the questions. On the Element Summary page, update the newly created element details. Create the eligibility record for the element.

Note: All allowances are subject to income tax unless you select the secondary classification as a nontaxable allowance.

Some of these elements might be part of regular salary or some could be one-time payments. Some might be partially exempted from tax and some might be fully exempted from tax depending on statutory threshold and subject to actual expenses submitted by the employee.

Create Academic Allowance element

This example shows how to use the element template and create an academic allowance element for India.

Use the Elements task in the Payroll section of My Client Groups to create the academic allowance element and then set the eligibility record.

Note: Set the **Product Offering** to **India** before creating the allowance element.

To create an academic allowance element:

Note: **My Client Groups > Payroll > Elements**

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

1.

Field	Value
Legislative Data Group	Select an appropriate LDG
Primary Classification	Allowance
Secondary Classification	-
Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

2.

Field	Value
Name	Enter a name, example: Academic Allowance1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee

Field	Value
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

5. Click **Next**. On the Additional Details page, respond to the questions, as shown in this table:

3.

Field	Value
What is the calculation rule?	Flat amount

Field	Value
What is the default periodicity of this element?	Select an option from the list
Periodicity Conversion Rule	Select a conversion rule
How do you want the work units to be reported?	Select an option from the list
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. In the **Earnings Rules**, respond to the questions, as shown in this table:

Question	Value
Project annual value	Select Yes or No
Allowance Type	Select Academic Allowance from the list
Does this element determine the Employee State Insurance eligibility?	Select Yes or No as required
Does this element contribute to Employee State Insurance computation base salary?	Select Yes or No
Does this element contribute to Provident Fund computation base salary?	Select Yes or No
Does this element contribute to Company Accommodation valuation salary?	Select Yes or No

7. Click **Next** and verify the information in the Create Element: Review page.

8. Submit the element details.

On the Element Summary page, update the newly created element details.

9. In the Element Overview section, select **Element Eligibility**.

10. Select **Actions** and then **Create Element Eligibility**.

11. In the **Element Eligibility Name** field, enter a name for the eligibility record.

12. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.

13. Submit the details.

Results:

A base element, retroactive element, and results element are created for this allowance. The related formula for the allowance earnings and allowance calculation are created. A projected balance, taxable and non taxable balances, supplemental earnings balance are created for this allowance element. The results element feeds the balances needed for the allowance amount calculation.

Create Conveyance Allowance element

This example shows how to use the element template and create a conveyance allowance element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and then create the eligibility record.

Note: Set the **Product Offering** to **India** before creating the allowance element.

To create a conveyance allowance element:

Note: **My Client Groups > Payroll > Elements**

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

1.	Field	Value
	Legislative Data Group	Select an appropriate LDG
	Primary Classification	Allowance
	Secondary Classification	-
	Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

2.	Field	Value
	Name	Enter a name, example: Conveyance Allowance1
	Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
	Effective Date	Enter an early date so that the payroll element is available for use immediately

Field	Value
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions, as shown in this table:

3.

Field	Value
What is the calculation rule?	Flat amount

Field	Value
What is the default periodicity of this element?	Select an option from the list. Example: Calendar Month
Periodicity Conversion Rule	Select a conversion rule
How do you want the work units to be reported?	Select an option from the list
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. In the **Earnings Rules**, respond to the questions, as shown in this table:

Question	Value
Project annual value	Select Yes or No
Allowance Type	Select Conveyance Allowance from the list
Does this element determine the Employee State Insurance eligibility?	Select Yes or No as required
Does this element contribute to Employee State Insurance computation base salary?	Select Yes or No
Does this element contribute to Provident Fund computation base salary?	Select Yes or No
Does this element contribute to Company Accommodation valuation salary?	Select Yes or No

7. Select **Next** twice. Verify that the information shown on the Create Element: Review page is correct.

8. Select **Submit**.

On the Element Summary page, update the newly created element details.

9. In the Element Overview section, select **Element Eligibility**.

10. Select **Actions** and then **Create Element Eligibility**.

11. In the **Element Eligibility Name** field, enter a name for the eligibility record.

12. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.

13. Select **Submit**.

Results:

A base element, retroactive element and results element are created for conveyance allowance. The related formula for conveyance allowance earnings and allowance calculation are created. A projected balance, taxable and non taxable balances, supplemental earnings balance are created. The results element feeds the different balances needed for the conveyance allowance amount calculation.

Create Children Education Allowance

Here's an example to create a children education allowance element using the element template for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the allowance template.

To create a children education allowance element:

Note: **My Client Groups > Payroll > Elements**

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

1. Field	Value
Legislative Data Group	Select an appropriate LDG
Primary Classification	Allowance
Secondary Classification	-
Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

2. Field	Value
Name	Enter a name, example: Children Education Allowance1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately

Field	Value
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> ○ Process and pay with other earnings ○ Process separately, but pay with other earnings ○ Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions, as shown in this table:

3.

Field	Value
What is the calculation rule?	Flat amount
What is the default periodicity of this element?	Select an option from the list
Periodicity Conversion Rule	Select a conversion rule
How do you want the work units to be reported?	Select an option from the list
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. In the **Earnings Rules**, select the **Earnings Type** as **Basic Salary** for creating a standard earnings element.

4.

Question	Value
Project annual value	Select Yes or No
Allowance Type	Select Children Education Allowance from the list
Does this element determine the Employee State Insurance eligibility?	Select Yes or No as required
Does this element contribute to Employee State Insurance computation base salary?	Select Yes or No
Does this element contribute to Provident Fund computation base salary?	Select Yes or No
Does this element contribute to Company Accommodation valuation salary?	Select Yes or No

7. Select **Next** and verify the information in the Create Element: Review page.

8. Submit the element information.

On the Element Summary page, update the newly created element details.

9. In the Element Overview section, select **Element Eligibility**.

10. Select **Actions** and then **Create Element Eligibility**.

11. In the **Element Eligibility Name** field, enter a name for the eligibility record.

12. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.
13. Submit the details. All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically.

Results:

A base element, retroactive element, and results element are created for this allowance. The related formula for the allowance earnings and allowance calculation are created. A projected balance, taxable and non taxable balances, supplemental earnings balance are created for this allowance element. The results element feeds the balances needed for the allowance amount calculation.

Create Compensatory Field Area Allowance element

This example shows how to use the element template and create a compensatory field area allowance element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the allowance element.

To create a compensatory field area allowance element:

Note: **My Client Groups > Payroll > Elements**

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

1.	Field	Value
	Legislative Data Group	Select an appropriate LDG
	Primary Classification	Allowance
	Secondary Classification	-
	Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

2.	Field	Value
	Name	Enter a name, example: Compensatory Field Area Allowance1
	Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
	Effective Date	Enter an early date so that the payroll element is available for use immediately

Field	Value
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> ○ Process and pay with other earnings ○ Process separately, but pay with other earnings ○ Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions, as shown in this table:

3.

Field	Value
What is the calculation rule?	Flat amount
What is the default periodicity of this element?	Select an option from the list
Periodicity Conversion Rule	Select a conversion rule
How do you want the work units to be reported?	Select an option from the list
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. In the **Earnings Rules**, respond to the questions, as shown in this table:

4.

Question	Value
Project annual value	Select Yes or No
Allowance Type	Select Compensatory Field Area Allowance from the list
Does this element determine the Employee State Insurance eligibility?	Select Yes or No as required
Does this element contribute to Employee State Insurance computation base salary?	Select Yes or No
Does this element contribute to Provident Fund computation base salary?	Select Yes or No
Does this element contribute to Company Accommodation valuation salary?	Select Yes or No

7. Select **Next** and verify the information in the Create Element: Review page.

8. Submit the element information.

On the Element Summary page, update the newly created element details.

9. In the Element Overview section, select **Element Eligibility**.

10. Select **Actions** and then **Create Element Eligibility**.

11. In the **Element Eligibility Name** field, enter a name for the eligibility record.
12. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.
13. Submit the details. All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically.

Results:

A base element, retroactive element, and results element are created for this allowance. The related formula for the allowance earnings and allowance calculation are created. A projected balance, taxable and non taxable balances, supplemental earnings balance are created for this allowance element. The results element feeds the balances needed for the allowance amount calculation.

Create Compensatory Modified Field Area Allowance

This example shows how to use the element template and create a Compensatory Modified Field Area allowance element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the allowance element.

To create a compensatory modified field area allowance element:

Note: **My Client Groups > Payroll > Elements**

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

1.	Field	Value
	Legislative Data Group	Select an appropriate LDG
	Primary Classification	Allowance
	Secondary Classification	-
	Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

2.	Field	Value
	Name	Enter a name, example: Compensatory Modified Field Area Allowance1
	Reporting Name	Enter the name that you want to display on reports for this deduction payroll element

Field	Value
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions, as shown in this table:

3.

Field	Value
What is the calculation rule?	Flat amount
What is the default periodicity of this element?	Select an option from the list
Periodicity Conversion Rule	Select a conversion rule
How do you want the work units to be reported?	Select an option
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. In the **Earnings Rules**, respond to the questions, as shown in this table:

4.

Question	Value
Project annual value	Select Yes or No
Allowance Type	Select Compensatory Modified Field Area Allowance from the list
Does this element determine the Employee State Insurance eligibility?	Select Yes or No as required
Does this element contribute to Employee State Insurance computation base salary?	Select Yes or No
Does this element contribute to Provident Fund computation base salary?	Select Yes or No
Does this element contribute to Company Accommodation valuation salary?	Select Yes or No

7. Select **Next** and verify the information in the Create Element: Review page.

8. Submit the element information.

On the Element Summary page, update the newly created element details.

9. In the Element Overview section, select **Element Eligibility**.

10. Select **Actions** and then **Create Element Eligibility**.

11. In the **Element Eligibility Name** field, enter a name for the eligibility record.
12. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.
13. Submit the details.

Results:

A base element, retroactive element, and results element are created for this allowance. The related formula for the allowance earnings and allowance calculation are created. A projected balance, taxable and non taxable balances, supplemental earnings balance are created for this allowance element. The results element feeds the balances needed for the allowance amount calculation.

Create Daily Allowance

This example shows how to use the element template and create a daily allowance element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the allowance element.

To create a daily allowance element:

Note: **My Client Groups > Payroll > Elements**

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

Field	Value
Legislative Data Group	Select an appropriate LDG
Primary Classification	Allowance
Secondary Classification	-
Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

Field	Value
Name	Enter a name, example: Daily Allowance1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element

Field	Value
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> ○ Process and pay with other earnings ○ Process separately, but pay with other earnings ○ Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions, as shown in this table:

3.

Field	Value
What is the calculation rule?	Flat amount
What is the default periodicity of this element?	Select an option from the list
Periodicity Conversion Rule	Select a conversion rule
How do you want the work units to be reported?	Select an option from the list
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. In the **Earnings Rules**, respond to the questions, as shown in this table:

4.

Question	Value
Project annual value	Select Yes or No
Allowance Type	Select Daily Allowance from the list
Does this element determine the Employee State Insurance eligibility?	Select Yes or No as required
Does this element contribute to Employee State Insurance computation base salary?	Select Yes or No
Does this element contribute to Provident Fund computation base salary?	Select Yes or No
Does this element contribute to Company Accommodation valuation salary?	Select Yes or No

7. Select **Next** and verify the information in the Create Element: Review page.

8. Submit the element information.

On the Element Summary page, update the newly created element details.

9. In the Element Overview section, select **Element Eligibility**.

10. Select **Actions** and then **Create Element Eligibility**.

11. In the **Element Eligibility Name** field, enter a name for the eligibility record.

12. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.

13. Submit the details.

Results:

A base element, retroactive element and results element are created for daily allowance. The related formula for daily allowance earnings and allowance calculation are created. A projected balance, taxable and non taxable balances, supplemental earnings balance are created for the daily allowance element. The results element feeds the different balances needed for daily allowance amount calculation.

Create Helper Allowance

This example shows how to use the element template and create a helper allowance element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the allowance element.

To create a helper allowance element:

Note: **My Client Groups > Payroll > Elements**

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

1. Field	Value
Legislative Data Group	Select an appropriate LDG
Primary Classification	Allowance
Secondary Classification	-
Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

2. Field	Value
Name	Enter a name, example: Helper Allowance1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately

Field	Value
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations.
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> ○ Process and pay with other earnings ○ Process separately, but pay with other earnings ○ Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions, as shown in this table:

3.

Field	Value
What is the calculation rule?	Flat amount
What is the default periodicity of this element?	Select an option from the list
Periodicity Conversion Rule	Select a conversion rule
How do you want the work units to be reported?	Select an option
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. In the **Earnings Rules**, respond to the questions, as shown in this table:

4.

Question	Value
Project annual value	Select Yes or No
Allowance Type	Select Helper Allowance from the list
Does this element determine the Employee State Insurance eligibility?	Select Yes or No as required
Does this element contribute to Employee State Insurance computation base salary?	Select Yes or No
Does this element contribute to Provident Fund computation base salary?	Select Yes or No
Does this element contribute to Company Accommodation valuation salary?	Select Yes or No

7. Select **Next** and verify the information in the Create Element: Review page.

8. Submit the element information.

On the Element Summary page, update the newly created element details.

9. In the Element Overview section, select **Element Eligibility**.

10. Select **Actions** and then **Create Element Eligibility**.

11. In the **Element Eligibility Name** field, enter a name for the eligibility record.
12. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.
13. Submit the details.

Results:

A base element, retroactive element, and results element are created for this allowance. The related formula for the allowance earnings and allowance calculation are created. A projected balance, taxable and non taxable balances, supplemental earnings balance are created for this allowance element. The results element feeds the balances needed for the allowance amount calculation.

Create High Altitude Allowance

This example shows how to use the element template and create a high altitude allowance element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the allowance element.

To create a high altitude allowance element:

Note: **My Client Groups > Payroll > Elements**

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

Field	Value
Legislative Data Group	Select the required LDG
Primary Classification	Allowance
Secondary Classification	-
Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

Field	Value
Name	Enter a name, example: High Altitude Allowance1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element

Field	Value
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> ○ Process and pay with other earnings ○ Process separately, but pay with other earnings ○ Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions, as shown in this table:

3.

Field	Value
What is the calculation rule?	Flat amount.
What is the default periodicity of this element?	Select an option from the list
Periodicity Conversion Rule	Select a conversion rule
How do you want the work units to be reported?	Select an option
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. In the **Earnings Rules**, respond to the questions, as shown in this table:

4.

Question	Value
Project annual value	Select Yes or No
Allowance Type	Select High Altitude Allowance from the list
Does this element determine the Employee State Insurance eligibility?	Select Yes or No as required
Does this element contribute to Employee State Insurance computation base salary?	Select Yes or No
Does this element contribute to Provident Fund computation base salary?	Select Yes or No
Does this element contribute to Company Accommodation valuation salary?	Select Yes or No

7. Select **Next** and verify the information in the Create Element: Review page.

8. Submit the element information.

On the Element Summary page, update the newly created element details.

9. In the Element Overview section, select **Element Eligibility**.

10. Select **Actions** and then **Create Element Eligibility**.

11. In the **Element Eligibility Name** field, enter a name for the eligibility record.
12. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.
13. Submit the details. All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically.

Results:

A base element, retroactive element, and results element are created for this allowance. The related formula for the allowance earnings and allowance calculation are created. A projected balance, taxable and non taxable balances, supplemental earnings balance are created for this allowance element. The results element feeds the balances needed for the allowance amount calculation.

Create Hostel Expenditure Allowance

This example shows how to use the element template and create a hostel expenditure allowance element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the allowance element.

To create a hostel expenditure allowance element:

Note: **My Client Groups > Payroll > Elements**

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

1.	Field	Value
	Legislative Data Group	Select an appropriate LDG
	Primary Classification	Allowance
	Secondary Classification	-
	Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

2.	Field	Value
	Name	Enter a name, example: Hostel Expenditure Allowance1
	Reporting Name	Enter the name that you want to display on reports for this deduction payroll element

Field	Value
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> ○ Process and pay with other earnings ○ Process separately, but pay with other earnings ○ Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions, as shown in this table:

3.

Field	Value
What is the calculation rule?	Flat amount
What is the default periodicity of this element?	Select an option from list
Periodicity Conversion Rule	Select a conversion rule
How do you want the work units to be reported?	Select an option
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. In the **Earnings Rules**, respond to the questions, as shown in this table:

4.

Question	Value
Project annual value	Select Yes or No
Allowance Type	Select Hostel Expenditure Allowance from the list
Does this element determine the Employee State Insurance eligibility?	Select No
Does this element contribute to Employee State Insurance computation base salary?	Select No
Does this element contribute to Provident Fund computation base salary?	Select No
Does this element contribute to Company Accommodation valuation salary?	Select No

7. Select **Next** and verify the information in the Create Element: Review page.

8. Submit the element information.

On the Element Summary page, update the newly created element details.

9. In the Element Overview section, select **Element Eligibility**.

10. Select **Actions** and then **Create Element Eligibility**.

11. In the **Element Eligibility Name** field, enter a name for the eligibility record.
12. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.
13. Submit the details. All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically.

Results:

A base element, retroactive element, and results element are created for this allowance. The related formula for the allowance earnings and allowance calculation are created. A projected balance, taxable and non taxable balances, supplemental earnings balance are created for this allowance element. The results element feeds the balances needed for the allowance amount calculation.

Create Leave Travel Allowance Element

Leave Travel Assistance (LTA) is an allowance provided to the employees by the employer for their travel expenditure within the country. This allowance is provided as part of the employee's earnings, which is in Section 10.

Use the **Elements** task to create the LTA element, using the **Primary Classification - Allowances** and the **Allowance Type as Leave Travel Assistance**. In the Earnings Rules, select No for all the questions and create the eligibility record for the LTA element.

Note: Set the **Product Offering** to **India** before creating the allowance element.

To create the the LTA allowance element:

Note: **My Client Groups > Payroll > Elements**

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

1.	Field	Value
	Legislative Data Group	Select an appropriate LDG
	Primary Classification	Allowance
	Secondary Classification	Not applicable
	Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

2.	Field	Value
	Name	Enter a name, example: Leave Travel Allowance1

Field	Value
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> ○ Process and pay with other earnings ○ Process separately, but pay with other earnings ○ Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions, as shown in this table:

3. Field	Value
What is the calculation rule?	Flat amount
What is the default periodicity of this element?	Calendar Month
Periodicity Conversion Rule	Select Standard Rate Daily from the list
How do you want the work units to be reported?	Select an option from the list
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. In the **Earnings Rules**, respond to the questions, as shown in this table:

4. Question	Value
Project annual value	Select Yes or No
Allowance Type	Select Leave Travel Assistance from the list
Does this element determine the Employee State Insurance eligibility?	Select No
Does this element contribute to Employee State Insurance computation base salary?	Select No
Does this element contribute to Provident Fund computation base salary?	Select No
Is this element paid every month?	Select Yes only if you've enabled the LTA Monthly Payout option in the Income Tax tax reporting unit. Otherwise, select No.
Does this element contribute to Company Accommodation valuation salary?	Select No

7. Select **Next** and verify the information in the Create Element: Review page.

8. Submit the element information.

On the Element Summary page, update the newly created element details.

9. In the Element Overview section, select **Element Eligibility**.

10. Select **Actions** and then **Create Element Eligibility**.

11. In the **Element Eligibility Name** field, enter a name for the eligibility record.

12. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.

13. Submit the details. All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically.

Results:

The custom balances created for the LTA element are added to the balance groups:

1. **IN SOE Earnings** balance group with balance category Supplemental Earnings
2. **India Payroll Archive Allowances** balance group with balance category: Supplemental Earnings

Following details need to be captured for processing the claims of LTA:

1. LTA period
2. From date
3. To date
4. Details of bills
5. Name
6. Relationship
7. From
8. To
9. Mode of transport

These balances added to the above balance groups can be removed as these are custom balances created. If LTA component need not be displayed in the payslip, you can remove it manually from the balance group **India Payroll Archive Allowances** balance group.

You can't remove the below information balances from the balance group **India Payroll Archive Earnings** balance group:

- LTA Nontaxable Amount
- LTA Taxable Amount.

A base element, retroactive element, and results element are created for this allowance. The related formula for the allowance earnings and allowance calculation are created. A projected balance, taxable and non taxable balances, supplemental earnings balance are created for this allowance element. The results element feeds the balances needed for the allowance amount calculation.

Create Other Allowance Element

This example shows how to use the element template and create other allowance element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the allowance element.

To create an other allowance element:

Note: My Client Groups > Payroll > Elements

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

1.

Field	Value
Legislative Data Group	Select an appropriate LDG
Primary Classification	Allowance
Secondary Classification	–
Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

2.

Field	Value
Name	Enter a name, example: Other Allowance1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.

Field	Value
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions, as shown in this table:

3.

Field	Value
What is the calculation rule?	Flat amount
What is the default periodicity of this element?	Select an option from the list
Periodicity Conversion Rule	Select a conversion rule
How do you want the work units to be reported?	Select an option
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. In the **Earnings Rules**, respond to the questions, as shown in this table:

4. Question	Value
Project annual value	No
Allowance Type	Select Other Allowance from the list
Does this element determine the Employee State Insurance eligibility?	Select Yes or No as required
Does this element contribute to Employee State Insurance computation base salary?	Select Yes or No
Does this element contribute to Provident Fund computation base salary?	Select Yes or No
Does this element contribute to Company Accommodation valuation salary?	Select Yes or No

7. Select **Next** and verify the information in the Create Element: Review page.

8. Submit the element information.

On the Element Summary page, update the newly created element details.

9. In the Element Overview section, select **Element Eligibility**.

10. Select **Actions** and then **Create Element Eligibility**.

11. In the **Element Eligibility Name** field, enter a name for the eligibility record.

12. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.

13. Submit the details.

Results:

A base element, retroactive element, and results element are created for this allowance. The related formula for the allowance earnings and allowance calculation are created. A projected balance, taxable and non taxable balances, supplemental earnings balance are created for this allowance element. The results element feeds the balances needed for the allowance amount calculation.

Create Special Compensatory Allowance Element

This example shows how to use the element template and create a special compensatory allowance element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the allowance element.

To create a special compensatory allowance element:

Note: My Client Groups > Payroll > Elements

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

1. Field	Value
Legislative Data Group	Select the required LDG
Primary Classification	Allowance
Secondary Classification	–
Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

2. Field	Value
Name	Enter a name, example: Special Compensatory Allowance ¹
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediatel.
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.

Field	Value
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions, as shown in this table:

3.

Field	Value
What is the calculation rule?	Flat amount
What is the default periodicity of this element?	Select an option from the list
Periodicity Conversion Rule	Select a conversion rule
How do you want the work units to be reported?	Select an option
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. In the **Earnings Rules**, respond to the questions, as shown in this table:

4. Question	Value
Project annual value	Select Yes or No
Allowance Type	Select Special Compensatory Allowance from the list
Does this element determine the Employee State Insurance eligibility?	Select Yes or No
Does this element contribute to Employee State Insurance computation base salary?	Select Yes or No
Does this element contribute to Provident Fund computation base salary?	Select Yes or No
Does this element contribute to Company Accommodation valuation salary?	Select Yes or No

7. Select **Next** and verify the information in the Create Element: Review page.

8. Submit the element information.

On the Element Summary page, update the newly created element details.

9. In the Element Overview section, select **Element Eligibility**.

10. Select **Actions** and then **Create Element Eligibility**.

11. In the **Element Eligibility Name** field, enter a name for the eligibility record.

12. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.

13. Submit the details. All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically.

Results:

A base element, retroactive element, and results element are created for this allowance. The related formula for the allowance earnings and allowance calculation are created. A projected balance, taxable and non taxable balances, supplemental earnings balance are created for this allowance element. The results element feeds the balances needed for the allowance amount calculation.

Create Travel Allowance Element

This example shows how to use the element template and create a travel allowance element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the allowance element.

To create a travel allowance element:

Note: My Client Groups > Payroll > Elements

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

1. Field	Value
Legislative Data Group	Select the required LDG
Primary Classification	Allowance
Secondary Classification	–
Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

2. Field	Value
Name	Enter a name, example: Travel Allowance1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.

Field	Value
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions, as shown in this table:

3.

Field	Value
What is the calculation rule?	Flat amount
What is the default periodicity of this element?	Select an option from the list
Periodicity Conversion Rule	Select a conversion rule
How do you want the work units to be reported?	Select an option
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. In the **Earnings Rules**, respond to the questions, as shown in this table:

4. Question	Value
Project annual value	Select Yes or No
Allowance Type	Select Travel Allowance from the list
Does this element determine the Employee State Insurance eligibility?	Select No
Does this element contribute to Employee State Insurance computation base salary?	Select No
Does this element contribute to Provident Fund computation base salary?	Select No
Does this element contribute to Company Accommodation valuation salary?	Select No

7. Select **Next** and verify the information in the Create Element: Review page.
8. Submit the element information. All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically.
On the Element Summary page, update the newly created element details.
9. In the Element Overview section, select **Element Eligibility**.
10. Select **Actions** and then **Create Element Eligibility**.
11. In the **Element Eligibility Name** field, enter a name for the eligibility record.
12. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.
13. Submit the details.

Results:

A base element, retroactive element, and results element are created for this allowance. The related formula for the allowance earnings and allowance calculation are created. A projected balance, taxable and non taxable balances, supplemental earnings balance are created for this allowance element. The results element feeds the balances needed for the allowance amount calculation.

Create Tribal Area Allowance element

This example shows how to use the element template and create a tribal area allowance element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the allowance element.

To create a tribal area allowance element:

Note: My Client Groups > Payroll > Elements

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

1. Field	Value
Legislative Data Group	Select the required LDG
Primary Classification	Allowance
Secondary Classification	–
Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

2. Field	Value
Name	Enter a name, example: Tribal area Allowance1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves

Field	Value
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculation
Does the element recur each payroll period, or does it require explicit entry?	Recurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions, as shown in this table:

3.

Field	Value
What is the calculation rule?	Flat amount
What is the default periodicity of this element?	Select an option from the list
Periodicity Conversion Rule	Select a conversion rule
How do you want the work units to be reported?	Select an option from the list
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. In the **Earnings Rules**, respond to the questions, as shown in this table:

4. Question	Value
Project annual value	Select Yes or No
Allowance Type	Select Tribal Area Allowance from the list
Does this element determine the Employee State Insurance eligibility?	Select Yes or No
Does this element contribute to Employee State Insurance computation base salary?	Select Yes or No
Does this element contribute to Provident Fund computation base salary?	Select Yes or No
Does this element contribute to Company Accommodation valuation salary?	Select Yes or No

7. Select **Next** and verify the information in the Create Element: Review page.

8. Submit the element information.

On the Element Summary page, update the newly created element details.

9. In the Element Overview section, select **Element Eligibility**.

10. Select **Actions** and then **Create Element Eligibility**.

11. In the **Element Eligibility Name** field, enter a name for the eligibility record.

12. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.

13. Submit the details. All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically.

Results:

A base element, retroactive element, and results element are created for this allowance. The related formula for the allowance earnings and allowance calculation are created. A projected balance, taxable and non taxable balances, supplemental earnings balance are created for this allowance element. The results element feeds the balances needed for the allowance amount calculation.

Create Transport Allowance for Physically Disabled Allowance Element

This example shows how to use the element template and create a transport allowance for physically disabled element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the allowance element.

To create a transport allowance for physically disabled allowance element:

Note: My Client Groups > Payroll > Elements

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

Field	Value
Legislative Data Group	Select an appropriate LDGs
Primary Classification	Allowance
Secondary Classification	–
Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

Field	Value
Name	Enter a name, example: Transport Allowance for Physically Disabled Allowance ¹
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.

Field	Value
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations.
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions, as shown in this table:

3.

Field	Value
What is the calculation rule?	Flat amount
What is the default periodicity of this element?	Select an option from the list
Periodicity Conversion Rule	Select a conversion rule
How do you want the work units to be reported?	Select an option
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. In the **Earnings Rules**, respond to the questions, as shown in this table:

4. Question	Value
Project annual value	Select Yes or No
Allowance Type	Select Transport Allowance for Physically Disabled Allowance from the list
Does this element determine the Employee State Insurance eligibility?	Select Yes or No
Does this element contribute to Employee State Insurance computation base salary?	Select Yes or No
Does this element contribute to Provident Fund computation base salary?	Select Yes or No
Does this element contribute to Company Accommodation valuation salary?	Select Yes or No

7. Select **Next** and verify the information in the Create Element: Review page.
8. Submit the element information. All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically.
On the Element Summary page, update the newly created element details.
9. In the Element Overview section, select **Element Eligibility**.
10. Select **Actions** and then **Create Element Eligibility**.
11. In the **Element Eligibility Name** field, enter a name for the eligibility record.
12. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.
13. Submit the details.

Results:

A base element, retroactive element, and results element are created for this allowance. The related formula for the allowance earnings and allowance calculation are created. A projected balance, taxable and non taxable balances, supplemental earnings balance are created for this allowance element. The results element feeds the balances needed for the allowance amount calculation.

Create Uniform Allowance element

This example shows how to use the element template and create a uniform allowance element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the allowance element.

To create a uniform allowance element:

Note: My Client Groups > Payroll > Elements

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

1.

Field	Value
Legislative Data Group	Select an appropriate LDG
Primary Classification	Allowance
Secondary Classification	–
Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

2.

Field	Value
Name	Enter a name, example: Uniform Allowance1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.

Field	Value
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations.
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions, as shown in this table:

3.

Field	Value
What is the calculation rule?	Flat amount
What is the default periodicity of this element?	Select an option from the list
Periodicity Conversion Rule	Select a conversion rule
How do you want the work units to be reported?	Select an option
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. In the **Earnings Rules**, respond to the questions, as shown in this table:

4. Question	Value
Project annual value	Select Yes or No
Allowance Type	Select Uniform Allowance from the list
Does this element determine the Employee State Insurance eligibility?	Select Yes or No
Does this element contribute to Employee State Insurance computation base salary?	Select Yes or No
Does this element contribute to Provident Fund computation base salary?	Select Yes or No
Does this element contribute to Company Accommodation valuation salary?	Select Yes or No

7. Select **Next** and verify the information in the Create Element: Review page.

8. Submit the element information.

On the Element Summary page, update the newly created element details.

9. In the Element Overview section, select **Element Eligibility**.

10. Select **Actions** and then **Create Element Eligibility**.

11. In the **Element Eligibility Name** field, enter a name for the eligibility record.

12. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.

13. Submit the details. All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically.

Results:

A base element, retroactive element, and results element are created for this allowance. The related formula for the allowance earnings and allowance calculation are created. A projected balance, taxable and non taxable balances, supplemental earnings balance are created for this allowance element. The results element feeds the balances needed for the allowance amount calculation.

Perquisites Element

Perquisites include the taxable monetary and nonmonetary benefits provided by an employer in addition to the employee's salary.

Monetary perquisites are benefits provided in the form of money or cash. For example, reimbursement of gas or electricity bill. The amount reimbursed is a monetary perquisite and is added directly to the taxable income of the employee.

Nonmonetary perquisites are benefits provided in kind. For example, accommodation provided to employee. For nonmonetary perquisites, the value of perquisites is determined first and then the taxation rules are applied.

According to the Income Tax Act of India, here are the different taxable perquisites employers provide:

Perquisite Type	Values
Company Accommodation	Owned or leased Furnished or unfurnished Own furniture or rental furniture Hotel accommodation
Interest Free or Concessional Loan	Loan type Loan amount Interest rate Note: Create the statutory rates for concessional loan processing as required in your organization. This isn't predefined in India Payroll. Loan duration Outstanding balance
Motor Car Perquisite	Owned or hired by the employer Owned by the employee Expenses by employer or employee Chauffeur
Usage of Movable Assets	Laptop or computer Other assets owned or hired by the employer
Transfer of Movable Assets	Computer, laptop or other electronic item. Motor car Other movable assets
Free Or Concessional Education	Relationship (child or other) Cost to employer Amount recovered from employee

Perquisite Type	Values
Credit cards and club expenditure	Cost to employer Expenditure for official purposes Amount paid by the employee
Employee Stock Options	Date of exercise Fair market value Number of shares Amount paid by the employee
Employer Contributions	Employer contributions to PF, Superannuation and NPS
Other Perquisites	Cost to employer Amount recovered from employee

Other perquisites include gift vouchers, services of domestic servant, gas, electricity and water, transport benefit and traveling , touring and accommodation.

The taxable value computation for each perquisite differs based on the perquisite type. The information required for the taxable value computation also varies based on the perquisite type. The input values which capture the perquisite details differ based on its perquisite type, the formula calculation logic is also different but all perquisites have a common result which is the taxable value of the perquisite. This value is added to the **Value of Perquisites** (Salary under Section 17 – 2) for computing the taxable salary for the employee.

When you create the perquisite as a recurring element, you can project the annual taxable value based on the remaining pay periods in financial year and the taxable value computed till date (YTD).

Create a Perquisite Element

Here's how you can create a perquisite element:

Note: The product offering needs to be set to India before creating the Perquisites element template.

1. From your Home page, navigate to **My Client Groups > Show More**.
2. In Payroll, click **Elements** and click **Create** in the **Elements** page.
3. Select the primary classification **Perquisites**.

The secondary classification is optional.

4. The **Category** is set to **Standard** by default.
5. On the Basic Information page, specify the name. You can use the default values for the remaining fields.

- Click **Next**. On the Additional Details page, select the required options in Perquisite Rules, as shown in this table:

Perquisite Rules

Field	Value
Perquisite Name	Select a perquisite name from one of the options.
Perquisite Category	Select Monetary or Non-Monetary.
Project Taxable Value	Select this option to project the Perquisite value for the remaining pay periods and the Annual value for Taxable Income under Section 17 (2) will be determined.

- In Special Rules, select the required options for proration and retroactive changes and click **Next**.
- Review all your specified choices in the Review page. Click **Submit**
- After the element is created, create the eligibility record rule for the Perquisites element.

Note: Repeat the above steps to create all the required perquisite element templates.

Create Company Accommodation Perquisite Element

This example shows how to use the element template and create a company accommodation perquisite element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the perquisite element.

To create a company accommodation perquisite element:

Note: **My Client Groups > Payroll > Elements**

- On the Elements page, select **Create**.
- Complete these fields, as shown in this table:

- | Field | Value |
|--------------------------|---------------------------|
| Legislative Data Group | Select an appropriate LDG |
| Primary Classification | Perquisites |
| Secondary Classification | Employer Payments |

Field	Value
Category	Standard

3. Select **Continue**.

4. On the Basic Information page, complete the fields, as shown in this table:

2.

Field	Value
Name	Enter a name, example: Company Accommodation Perquisite1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes

Field	Value
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions in **Perquisite Rules** as shown in this table:

3.

Question	Value
Perquisite Name	Select Company Accommodation from the list
Perquisite Category	Select as Monetary or Nonmonetary
Project Taxable value	Select Yes or No
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. Select **Next** and verify the information in the Create Element: Review page.

7. Submit the element details.

On the Element Summary page, update the newly created element details.

8. In the Element Overview section, select **Element Eligibility**.

9. Select **Actions** and then **Create Element Eligibility**.

10. In the **Element Eligibility Name** field, enter a name for the eligibility record.

11. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.

12. Submit the details.

Results:

All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically. A base element, retroactive element, and results element are created for this perquisite. The related formula for the perquisite earnings and perquisite calculation are created. A projected balance, taxable and non taxable balances, supplemental earnings balance are created for this element. The results element feeds the balances needed for the perquisite amount calculation.

Create Motor Car Perquisite Element

This example shows how to use the element template and create a motor car perquisite element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the perquisite element.

To create a motor car perquisite element:

Note: **My Client Groups > Payroll > Elements**

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

1. Field	Value
Legislative Data Group	Select an appropriate LDG
Primary Classification	Perquisites
Secondary Classification	Employer Payments
Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

2. Field	Value
Name	Enter a name, example: Motor Car Perquisite1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date

Field	Value
	An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions in **Perquisite Rules**, as shown in this table:

3.

Question	Value
Perquisite Name	Select Motor Car from the list
Perquisite Category	Select as Monetary or Nonmonetary
Project Taxable Value	Select No
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. Select **Next** and verify the information in the Create Element: Review page.

7. Submit the element details.
On the Element Summary page, update the newly created element details.
8. In the Element Overview section, select **Element Eligibility**.
9. Select **Actions** and then **Create Element Eligibility**.
10. In the **Element Eligibility Name** field, enter a name for the eligibility record.
11. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.
12. Submit the details.

Results:

All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically. A base element, retroactive element, and results element are created for this perquisite. The related formula for the perquisite earnings and perquisite calculation are created. A projected balance, taxable and non taxable balances, supplemental earnings balance are created for this element. The results element feeds the balances needed for the perquisite amount calculation.

Create Concessional Loan Perquisite element

This example shows how to use the element template and create a concessional loan perquisite element for India.

Let's look at the tasks required to create a concessional loan perquisite element:

1. Create the perquisite element
2. Create the eligibility record for the element
3. Configure outstanding balance on the loan

When you create the perquisite element for Concessional Loan, a balance is created with the below naming convention <base element name> for the concessional loan balance. This balance needs the input from the custom loan deduction element to get the balance of the concessional loan availed by the employee.

4. Set up the **Statutory Tax Rate**

The statutory tax is subject to change periodically. As a payroll administrator, you need to configure these rates. Hence the value definitions are predefined without any ranges.

5. The **From value** and **To value** in the calculation values is the Loan Principal Amount.

Note: Upload the statutory interest rates for your organization, to compute the concessional rates. You can upload the rates for all the loan types using HCM Data Loader (HDL).

To create a concessional loan perquisite element:

Note: **My Client Groups > Payroll > Elements**

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

Field	Value
Legislative Data Group	Select an appropriate LDG
Primary Classification	Perquisites

Field	Value
Secondary Classification	Employer Payments
Category	Standard

3. Select **Continue**.

4. On the Basic Information page, complete the fields, as shown in this table:

2.

Field	Value
Name	Enter a name, example: Concessional Loan Perquisite1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring

Field	Value
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions in **Perquisite Rules**, as shown in this table:

3.

Question	Value
Perquisite Name	Select Concessional Loan from the list.
Perquisite Category	Select as Monetary or Nonmonetary
Project Taxable Value	Select Yes or No
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. Select **Next** and verify the information in the Create Element: Review page.

7. Submit the element details.

On the Element Summary page, update the newly created element details.

8. In the Element Overview section, select **Element Eligibility**.

9. Select **Actions** and then **Create Element Eligibility**.

10. In the **Element Eligibility Name** field, enter a name for the eligibility record.

11. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.

12. Submit the details.

Results:

All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically. A base element, retroactive element, and results element are created for this perquisite. The related formula for the perquisite earnings and perquisite calculation are created. A projected balance, taxable and non taxable balances, supplemental earnings balance are created for this element. The results element feeds the balances needed for the perquisite amount calculation.

Create Usage of Movable Assets Perquisites element

This example shows how to use the element template and create usage of movable assets perquisite element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the perquisite element.

To create usage of movable assets perquisite element:

Note: **My Client Groups > Payroll > Elements**

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

Field	Value
Legislative Data Group	Select an appropriate LDG
Primary Classification	Perquisites
Secondary Classification	Employer Payments
Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

Field	Value
Name	Enter a name, example: Usage of Movable Assets Perquisite1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date

Field	Value
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

5. Select **Next**. On the Additional Details page, in **Perquisite Rules**, respond to the questions, as shown in this table:

3.

Field	Value
Perquisite Name	Select Usage of Movable Assets from the list
Perquisite Category	Select as Monetary or Nonmonetary
Project Taxable Value	Select Yes or No
Is this element subject to proration?	Select Yes or No

Field	Value
Is this element subject to retroactive changes?	Select Yes or No

6. Select **Next** and verify the information in the Create Element: Review page.
7. Submit the element details.
On the Element Summary page, update the newly created element details.
8. In the Element Overview section, select **Element Eligibility**.
9. Select **Actions** and then **Create Element Eligibility**.
10. In the **Element Eligibility Name** field, enter a name for the eligibility record.
11. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.
12. Submit the details. All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically.

Create Transfer of Movable Assets Perquisites element

This example shows how to use the element template and create transfer of movable assets perquisite element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the perquisite element.

To create a transfer of movable assets perquisite element:

Note: **My Client Groups > Payroll > Elements**

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

1.

Field	Value
Legislative Data Group	Select an appropriate LDG
Primary Classification	Perquisites
Secondary Classification	Employer Payments
Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

2. Field	Value
Name	Enter a name, example: Transfer of Movable Assets Perquisite1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	<p>Last Standard Earning Date</p> <p>An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.</p>
At which employment level should this element be attached?	<p>Assignment</p> <p>Note: Assignments are associated with jurisdictions, which determine the required tax calculations.</p>
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	<p>Select one of the options:</p> <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings

Field	Value
	o Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions in **Perquisite Rules**, as shown in this table:

3.

Question	Value
Perquisite Name	Select Transfer of Movable Assets from the list
Perquisite Category	Select as Monetary or Nonmonetary
Project Taxable Value	No
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. Select **Next** and verify the information in the Create Element: Review page.

7. Submit the element details.

On the Element Summary page, update the newly created element details.

8. In the Element Overview section, select **Element Eligibility**.

9. Select **Actions** and then **Create Element Eligibility**.

10. In the **Element Eligibility Name** field, enter a name for the eligibility record.

11. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.

12. Submit the details. All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically.

Create Concessional Education Perquisite Element

This example shows how to use the element template and create a concessional education perquisite element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the perquisite element.

To create a concessional education perquisite element:

Note: **My Client Groups > Payroll > Elements**

1. On the Elements page, select **Create**.

2. Complete these fields, as shown in this table:

1.

Field	Value
Legislative Data Group	Select an appropriate LDG

Field	Value
Primary Classification	Perquisites
Secondary Classification	Employer Payments
Category	Standard

3. Select **Continue**.

4. On the Basic Information page, complete the fields, as shown in this table:

2.

Field	Value
Name	Enter a name, example: Concessional Education Perquisite1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations.
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring

Field	Value
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions in **Perquisite Rules**, as shown in this table:

3.

Question	Value
Perquisite Name	Select Concessional Education from the list
Perquisite Category	Select as Monetary or Nonmonetary
Project Taxable Value	Select No
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. Select **Next** and verify the information in the Create Element: Review page.

7. Submit the element details.

On the Element Summary page, update the newly created element details.

8. In the Element Overview section, select **Element Eligibility**.

9. Select **Actions** and then **Create Element Eligibility**.

10. In the **Element Eligibility Name** field, enter a name for the eligibility record.

11. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.

12. Submit the details.

Results:

All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically. A base element, retroactive element, and results element are created for this perquisite. The related formula for the perquisite earnings and perquisite calculation are created. A projected balance, taxable and non

taxable balances, supplemental earnings balance are created for this element. The results element feeds the balances needed for the perquisite amount calculation.

Create Credit Card Perquisite Element

This example shows how to use the element template and create a credit card perquisite element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the perquisite element.

To create a credit card perquisite element:

Note: **My Client Groups > Payroll > Elements**

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

1. Field	Value
Legislative Data Group	Select an appropriate LDG
Primary Classification	Perquisites
Secondary Classification	Employer Payments
Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

2. Field	Value
Name	Enter a name, example: Credit Card Perquisite1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No

Field	Value
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions in **Perquisite Rules**, as shown in this table:

3.

Question	Value
Perquisite Name	Select Credit Card from the list
Perquisite Category	Select as Monetary or Nonmonetary .
Project Taxable Value	Select No
Is this element subject to proration?	Select Yes or No

Question	Value
Is this element subject to retroactive changes?	Select Yes or No

6. Select **Next** and verify the information in the Create Element: Review page.
7. Submit the element details.
On the Element Summary page, update the newly created element details.
8. In the Element Overview section, select **Element Eligibility**.
9. Select **Actions** and then **Create Element Eligibility**.
10. In the **Element Eligibility Name** field, enter a name for the eligibility record.
11. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.
12. Submit the details. All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically.

Create Employee Stock Options Prerequisite Element

This example shows how to use the element template and create an employee stock options prerequisite element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the prerequisite element.

To create an employee stock options prerequisite element:

Note: **My Client Groups > Payroll > Elements**

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

Field	Value
Legislative Data Group	Select an appropriate LDG
Primary Classification	Perquisites
Secondary Classification	-
Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

2. Field	Value
Name	Enter a name, example: Employee Stock Options Perquisite1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	<p>Last Standard Earning Date</p> <p>An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.</p>
At which employment level should this element be attached?	<p>Assignment</p> <p>Note: Assignments are associated with jurisdictions, which determine the required tax calculations</p>
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	<p>Select one of the options:</p> <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings

Field	Value
	o Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions in **Perquisite Rules**, as shown in this table:

Question	Value
Perquisite Name	Select Employee Stock Options from the list
Perquisite Category	Select as Monetary or Nonmonetary
Is this element subject to retroactive changes?	Select No
Lumpsum Tax Deduction	Select Yes or No
Project Taxable Value	Select Yes or No

6. Select **Next** and verify the information in the Create Element: Review page.

7. Submit the element details.

On the Element Summary page, update the newly created element details.

8. In the Element Overview section, select **Element Eligibility**.

9. Select **Actions** and then **Create Element Eligibility**.

10. In the **Element Eligibility Name** field, enter a name for the eligibility record.

11. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.

12. Submit the details. All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically.

Create Employer Contributions Perquisite Element

This example shows how to use the element template and create an employer contributions perquisite element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the perquisite element.

To create an employer contributions perquisite element:

Note: **My Client Groups > Payroll > Elements**

1. On the Elements page, select **Create**.

2. Complete these fields, as shown in this table:

1.

Field	Value
Legislative Data Group	Select an appropriate LDG.
Primary Classification	Perquisites
Secondary Classification	Employer Payments
Category	Standard

3. Select **Continue**.

4. On the Basic Information page, complete the fields, as shown in this table:

2.

Field	Value
Name	Enter a name, example: Employer Contribution Perquisite1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations.

Field	Value
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

5. Select **Next**. On the Additional Details page, respond to the questions in **Perquisite Rules**, as shown in this table:

3.

Question	Value
Perquisite Name	Select Employer Contribution from the list
Perquisite Category	Select as Monetary or Nonmonetary
Project Taxable Value	Select No
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. Select **Next** and verify the information in the Create Element: Review page.

7. Submit the element details.

On the Element Summary page, update the newly created element details.

8. In the Element Overview section, select **Element Eligibility**.

9. Select **Actions** and then **Create Element Eligibility**.

10. In the **Element Eligibility Name** field, enter a name for the eligibility record.

11. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.

12. Submit the details. All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically.

Create Other Perquisites Element

This example shows how to use the element template and create Other Perquisite element for India.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the perquisite element.

To create Other Perquisites element:

Note: **My Client Groups > Payroll > Elements**

1. On the Elements page, select **Create**.
2. Complete these fields, as shown in this table:

1.

Field	Value
Legislative Data Group	Select an appropriate LDG
Primary Classification	Perquisites
Secondary Classification	Employer Payments
Category	Standard

3. Select **Continue**.
4. On the Basic Information page, complete the fields, as shown in this table:

2.

Field	Value
Name	Enter a name, example: Other Perquisite1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No

Field	Value
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which determine the required tax calculations.
Does the element recur each payroll period, or does it require explicit entry?	Select Recurring or Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

5. Select **Next**. In the **Perquisite Rules**, respond to the questions, as shown in this table:

3.

Question	Value
Perquisite Name	Select Other Perquisites from the list
Perquisite Category	Select as Monetary or Nonmonetary
Project Taxable Value	Yes

Question	Value
Is this element subject to proration?	Select Yes or No
Is this element subject to retroactive changes?	Select Yes or No

6. Select **Next** and verify the information in the Create Element: Review page.
7. Submit the element details.
On the Element Summary page, update the newly created element details.
8. In the Element Overview section, select **Element Eligibility**.
9. Select **Actions** and then **Create Element Eligibility**.
10. In the **Element Eligibility Name** field, enter a name for the eligibility record.
11. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.
12. Submit the details. All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically.

Create Time card Element

Here's how you can use the element template to create a time card element to compute the employee overtime hours.

Use the Elements task in the Payroll section of My Client Groups to create the element and the eligibility record.

Note: Set the **Product Offering** to **India** before creating the time card element.

To create the time card element:

Note: **My Client Groups > Payroll > Elements**

1. On the Elements page, click **Create**.
2. Complete these fields, as shown in this table:

1.

Field	Value
Legislative Data Group	Select an appropriate LDG
Primary Classification	Earnings
Secondary Classification	-
Category	Time Card

3. Click **Continue**.

4. On the Basic Information page, complete the fields, as shown in this table:

2.

Field	Value
Name	Enter a name, example: Time Card element1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

5. Click **Next**. On the Additional Details page, respond to the questions, as shown in this table:

3.

Field	Value
What are the calculation units for reporting?	Hours
Work Units Conversion Rule	Select an option from the list
Does this element have a default rate definition?	Select a conversion rule

6. In the **Earnings Rules**, respond to the questions, as shown in this table:

4. Question	Value
Does this element determine the Employee State Insurance eligibility?	Select No
Does this element contribute to Provident Fund computation base salary?	Select No
Does this element contribute to Company Accommodation valuation salary?	Select No

7. Select **Next** and verify the information in the Create Element: Review page.
8. Submit the element details.
On the Element Summary page, update the newly created element details.
9. In the Element Overview section, select **Element Eligibility**.
10. Select **Actions** and then **Create Element Eligibility**.
11. In the **Element Eligibility Name** field, enter a name for the eligibility record.
12. In the Eligibility Criteria section, select any criteria to restrict who can pay this deduction. Otherwise, select **All payrolls eligible**.
13. Submit the details. All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically.

Voluntary Deductions

Voluntary deductions are deductions that an employee chooses to pay through their salary instead of making the payments directly.

The deductible amount is either a fixed amount or a percent of the total earnings during a payroll run. India Payroll supports the following voluntary deductions:

- Medical insurance premium deduction in Section 80D
- Donation contributions deduction in Section 80G
- Loan deductions
- Other deductions

The scenarios when you could create voluntary deduction elements are:

- When employees avail loan or salary advance from employers and opt for recovery of the amount through installments in their monthly payroll.
- When employees enroll for parental insurance or extra coverage (top-up) of existing medical insurance. They opt for recovery of the annual premium amount in their monthly payroll by splitting into 6-12 installments.

- When employees opt for some amount to be deducted from their monthly salary and want the amount to be contributed toward donation for charitable societies and relief funds. This can be claimed as exemption in section 80G.

To create the voluntary deductions element:

Note: My Client Groups > Payroll > Elements

1. Use the **Elements** task to create the voluntary deduction element, using the primary classification **Voluntary Deductions**.
2. On the Basic Information page, complete the fields, as shown in this table:

Field	Value
Name	Enter a name, example: Voluntary Deductions1
Reporting Name	Enter the name that you want to display on reports for this deduction element
Effective Date	Enter an early date so that the payroll element is available for use immediately
Input Currency	Indian Rupee
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Last Standard Earning Date An element's latest entry date decides how element entries process after a person leaves from organization or transfers to another payroll. This is before a pay period end date. If you select this date, then you need to enable proration, so the calculation will be correct if a person leaves.
What should happen when there are insufficient funds to cover the deductions? If you enable arrears, a reference is required for each deduction entry.	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Don't take a partial deduction or create arrears <input type="radio"/> Don't take partial deduction, place all in arrears <input type="radio"/> Take a partial deduction, but don't create arrears <input type="radio"/> Take a partial deduction, place remaining in arrears Based on your choice, the particular calculation logic is used.
At which employment level should this element be attached?	Assignment Note: Assignments are associated with jurisdictions, which decide the required tax calculations.

Field	Value
Does the element recur each payroll period, or does it require explicit entry?	Recurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No
Process and pay element separately with other earnings element?	Select one of the options: <ul style="list-style-type: none"> <input type="radio"/> Process and pay with other earnings <input type="radio"/> Process separately, but pay with other earnings <input type="radio"/> Process separately and pay separately

3. Select **Next**.

4. On the Additional Details page, complete the information as shown in the table:

Field	Value
Deduction Type	Select an option from the list of values: <ul style="list-style-type: none"> <input type="radio"/> Deductions for 80D <input type="radio"/> Deductions for 80G <input type="radio"/> Deduction for Concessional Loan <input type="radio"/> Other Deductions
Coverage	Select one of the coverage options from the list of values: <ul style="list-style-type: none"> <input type="radio"/> Parents <input type="radio"/> Self and family <p>Note: The coverage option appears only if you've selected the deduction type as Deductions for 80D. You need to create separate elements for parents coverage and self and family coverage. The element for self and family coverage will feed the balances for tax exemption deductions in section 80D computation. Similarly, the element for parents coverage feeds those balance created, based on the parents coverage type.</p>
What is the calculation rule?	<ul style="list-style-type: none"> <input type="radio"/> Fixed amount deduction: A fixed amount is deducted every month. <input type="radio"/> Percentage deduction: A percentage of an eligible earnings is deducted. For Percentage deduction, a balance with the name <Base Element Name> Eligible Compensation is automatically created. The deduction amount is calculated based on the run value of the eligible compensation balance and percentage entered in the element entry.
Is this element subject to retroactive changes?	Select Yes or No

Field	Value
Do you want to stop processing when the total owed is reached? If you enable total owed, a reference is required for each deduction entry.	<p>Select Yes if there are any payments made to employees like house loan, education loan that need to be recovered.</p> <p>If you select Yes, there are 3 more input values fields to enter in the next page Total Owed, Total Owed Indicator and Deduction Reference appear.</p> <p>Otherwise, select No if there are no payments to be recovered.</p>

Note: By default the processing priority for the elements created for voluntary deduction is 4000, to include the deduction amount in the prerequisite calculation. During implementation, you can change the processing priority value based on your business needs.

- On the **Element Summary** page, verify the element details.
- Submit the details. All the associated balances, feeds, input values, formulas, and related elements required for payroll processing gets created automatically.
- Create the eligibility record for the element.

Element Entries

Enable Automatic, Multiple, or Additional Element Entries

You can select one of these options for an element to define how you can update its element entries:

- Automatic Entry
- Allow multiple entries in the same pay period.

Automatic Entry

When you create an element, you can select Yes for the question: 'Should every person eligible for the element automatically receive it?' This setting selects the Automatic entry option by default for all eligibility records you create for that element. However, you can override the selection for any specific eligibility record before you save it.

When you select this option, saving the eligibility record begins a payroll flow to create element entries for all eligible workers. To monitor this flow, you do these tasks:

- View the progress of the process in the Automatic Entry Status field. If the status shows that an error occurred, you can save the eligibility record again to resubmit the flow.
- Monitor the progress of the Generate Automatic Element Entries flow on the Processes and Reports tab.

Any updates to the employment records of eligible workers, including hires and terminations, automatically update, create, or end the element entries, as appropriate.

Tip: You can't select Allow multiple entries in same period if you've already selected the Automatic entry option.

Allow Multiple Entries in Same Period

This option let's you to assign a person with more than one entry of the element in the same pay period. Let's consider the scenario when you enter overtime hours on a weekly basis for a person that's paid monthly. In this case, you might need to enter five entries on an overtime element in each period.

If you're creating a net-to-gross element, you must select Allow multiple entries in same period.

Note: An element with the Automatic entry option selected can't allow multiple entries in the same period.

Default Values for Element Entries

Specify default values for element entries using the Elements task. Your element setup controls when the default value affects element entries.

You can choose to apply the default value in these scenarios:

- When you create an element entry
- At runtime
- When you use a formula to define default values on one or more entry values

You can perform these actions:

- Set a default value for an input value, or select a defaulting formula for the element.
- Override the default value or formula for a specific group of employees that an element eligibility record identifies.
- Override the default value for specific employees on their element entries.

Define Default Values at Element Entry Creation

When you create or edit input values, you can specify a default value. If you don't select the **Apply default at runtime** option, subsequent updates to the default value has no effect on existing element entries. You can override or change the default value at any time.

Define Default Values at Runtime

To use this method, enter the default value and select the **Apply default at runtime** option for the input value. If the element entry value is blank, the payroll process uses the current default value from the element or element eligibility record. If you enter a value, the manual entry overrides the default value and updates to the default value don't affect that entry. To restore the default value, clear the entry.

Use a Formula to Provide Default Values

You can create a formula of type element input validation to provide default values for one or more entry values. Select this formula in the Defaulting Formula field for an element or element eligibility record.

Here's the order of precedence:

1. A formula at the element eligibility level overrides a formula at the element level.

- If you enter a default value for the input value and select a defaulting formula, the formula overrides the default value.

Formula Result Rules

An element's status processing rule identifies the formula that the payroll run uses to process the element for workers with a specified assignment status.

For each status processing rule, formula result rules decide what happens to each result that the formula returns.

Status Processing Rules

An element can have one status processing rule for all assignment statuses, or a different rule for each status. For example, you could have two rules for a Wages element: Standard Wages and Paid Training Leave.

Formula Result Rules

Formulas return formula results, such as the amount to be paid, or a message. Results can update the current element entry or another element entry with a lower processing priority.

This table explains the available result rules:

Results Rule	Description
Direct Result	The element's run result, or a direct result updating one of the element's input values.
Indirect Result	An entry to a nonrecurring element that has a lower processing priority. The target element must be at the same employment level as the source element.
Message	A message issued by the formula under certain conditions. For example, a formula can check a loan repayment balance and, if the balance is zero, issue the message Loan is repaid. There are three severity levels for a message rule: <ul style="list-style-type: none"> Error- Causes the run to roll back all processing for the employment record. Warning- Doesn't affect payroll processing but warns you of a possible problem. Information- Doesn't affect payroll processing.
Order Indirect	Updates the subpriority of the element you select in the Target Element Name field
Stop	Uses the Date Earned of the payroll run to stop the processing of a recurring entry. A stop rule can be based on reaching a specified accumulator, such as a balance owed of zero. The date upon which the total owed is reached appears on the Element Entries page as Settlement Date. The entries aren't actually end dated but stopped from future processing. This rule supports retroactive processes which impact the total owed balance. You should define the target element with Allow Multiple Entries selected. This option enables you to allocate a new entry once the value of an existing entry has reached zero. For example, once an employee has repaid a loan you can add a new loan entry for the employee. If you add a new stop entry for the same element type, use balance contexts to differentiate between the owed balances.

Results Rule	Description
	<p>Note: Let's assume you don't select Allow Multiple Entries and you add a second loan after the first loan has been stopped by a payroll run. In this case, end date the first loan before creating the second loan.</p>
Target Indirect	An entry to a nonrecurring element that has a lower processing priority. Here, the target element is defined at a different employment level than the element being processed. For example, you could use a Target Indirect rule to update the input value of an assignment-level element from the processing of a payroll relationship element.

