

A Study on Payroll System in K.S.R.T.C. in Tumkur Division-1



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Abstract

In K.S.R.T.C. the finance department is following pay roll system and its has been computerized for the smooth working process the department. All the item of the pay roll are calculation by the finance department including the tax calculation.

The corporation provides allowances like, house rent allowance, shift allowance, over time allowance, deputation allowance, washing allowance, traveling allowance, rain coat allowances. The corporation provides reimbursement also school fee reimbursement, medical reimbursement, traveling reimbursement.

By all this allowances and reimbursement employees are satisfied with the current pay roll system.

You are to design and implement a payroll system that should accept employee hours worked, compute net pay and record all the payroll data for subsequent processing. The system should prepare pay cheques and a payroll ledger, and maintain data on a sequential payroll file. Non-statutory deductions such as union dues and pension plans to be made.

Keywords: Payroll, Salary, Employee, Allowance

Introduction

Wheels of Change Turn Karnataka State Road Transport Corporation into A Winner

Along with the rapid progress of Karnataka in all spheres of activity, KSRTC has the best organization in meeting aspiration of Kannadigas and the people of neighboring states of Karnataka. Tumkur division was established in year 1999 and it's have 4 depots namely Tumkur depot, Turuvekere, Kunigal And sira Depot. Tumkur Division operates daily 285 schedules it includes 10 ordinary rural schedules and 175 luxury or semi deluxe schedule.

In K.S.R.T.C. the finance department is following pay roll system and its has been computerized for the smooth working process of the department. All the item of the pay roll is calculation by the finance department including the tax calculation. The pay roll system is important aspect in finance department of any Organization. The preparation of pay roll contents several components. By the analysis of those components the department will prepare the final pay slip of the employee.

The corporation provides allowances like, house rent allowance, shift allowance, over time allowance, deputation allowance, washing allowance, traveling allowance, rain coat allowance. The corporation provides reimbursement also school fee reimbursement, medical reimbursement, traveling reimbursement. By all this allowances and reimbursement employees are satisfied with the current pay roll system.

Wage and salary administration affect levels of employee commitment to the organization. However fascinating the individual's job assignment is, the employee must be paid. Pay effects the way people work-how much and how well. A large part of the compensation that people receive from work monitory. Although managers are expected to conserve money and distribute it wisely, many employee feel that they should get more of it for what they do. Wages, salaries and many people benefits and service are form of compensation.

Workers render their service for wages and salary, also called, 'compensation'. In other words, workers exchange their work for compensation. The term compensation is an embracing word that comprise cash payments, which in addition to wages and salary includes pension, bonds and shared profits. There are other aspects of compensation which an employee looks for, such as promotion, words of praise, job satisfaction, job content, creativity, and so on. It is, in fact, difficult outline and explain all aspects of compensation at one place.

Salary

The word salary derives from the Latin word 'solarium'. Any remuneration paid by an employer to his employee in consideration of his services is called salary. It includes monetary value of those benefits and facilities provided by the employer which are taxable.

Definition of Salary

Under Section 17 (1) Of the Income tax act 1961 Defines Salary includes:

1. Wages.
2. b.Any annuity or Pension
3. Any Gratuity.
4. Any advance of salary but not loan for purchasing a car, cycle.
5. Scooter or a house etc.
6. Any fees, commission, perquisites, or profits in lieu of or in addition to
7. Any payment received by an employee in respect of any period of not availed of by him.

Pay Roll Department

The payment of payroll or wage sheet is the work of payroll department. In most of cases, it is usual to see separate payroll department function under the control of the cost accounting department, although in some case the cost office itself may accomplish the work.

Payroll is the process by which employers for the work they have done. It involves many aspects including withholding taxes from each pay check and making sure accurate funds are paid to the correct government agency.

Functions of Pay Roll Department

1. To maintain art employee record for every worker who is authorized for employment.
2. To calculate wages ordinary and overtime on the basis of their working.
3. To compute additions to wages.
4. To compute authorized deductions for wages.
5. To arrive at the net wages payable.
6. To prepare departmental payroll.
7. To prepare pay slips.
8. To send necessary records to cash and cost accounting department.

Payroll System

In the user story serves the purpose of the problem statement and the specifications. The user story provided by the client was as follows:

"You are to design and implement a payroll system that should accept employee hours worked, compute net pay and record all the payroll data for subsequent processing. The system should prepare pay cheques and a payroll ledger, and maintain data on a sequential payroll file. Non-statutory deductions such as union dues and pension plans to be made". "The payroll data are employee number, employee name, pay rate, and union member flag. The year-to-date total should contain earnings, federal tax, pension plan, and union dues" To accomplish these tasks, we had to meet with the client to find out exactly what the program is meant to do. Here are the sub stories that we were able to get from the client:

1. The payroll accepts employee hours worked
2. The payroll computes net pay

3. The payroll record all the data for subsequent processing
4. The payroll should prepare pay cheques
5. The payroll should prepare a ledger
6. The payroll should maintain data on a sequential file
7. Non-statutory deductions such as union dues and pension plans to be made
8. Year-to-date total should contain earnings, federal tax, pension plan, and union dues
9. Payroll data are employee number, employee name, pay rate, and union member flag.

Table No-1.1 The Table Shows the Present Salary Structure of the Employees of Tumkur Division

S.L. No	Designation	New Scale (As on 1-1-2016)
1	Helper .B	10000-12000
2	Helper. A	12000-14500
3	Conductor	18000-20500
4	Assistant artisan	20000-24000
5	Driver	18500-21000
6	Senior driver	40000-55000
7	Traffic controller	25000-27800

Allowances

Payment in cash made by the employer to his employees monthly, other than salary is called allowances. There are three types of allowances

1. Taxable allowances.
2. Allowances exempt up to specified limit.
3. Fully exempted allowances.

Policies and Procedure on Da Fixation.

DA is based on the all Indian consumer index. DA is changes once in a 3 month. DA also changes according to the basic salary of an employee. The K.S.R.T.C. is followed government rules on fixation of DA. On 1-1-2016 onwards this corporation gives 15% of DA all designation of employees according to their basic pay.

Table No.2 Table Showing the Da Structure Employees

Sl.No.	Designation	Basic Pay	Amount of DA
1	Helper .B	10000	1500
2	Helper. A	12000	1800
3	Conductor	18000	2700
4	Assistant artisan	20000	3000
5	Driver	18500	2775
6	Senior driver	40000	6000
7	Traffic onroller	25000	3750

Following Allowances are Given in KSRTC

Dearness Allowances, House rent ,Washing allowance. Education, Shoe, mechanical ,Raincoat, Night Halt, Security Guard Depot, Typist special Re-Past, Night out, Sports and Checking inspector Allowance.

Aim of the Study**A Study on Payroll System in K.S.R.T.C Tumkur Division****Statement of the Problem**

The payroll system is differing from one public sector to another public sector. Hence I have selected K.S.R.T.C. to study the salary and incentive system followed by it.

Objective of the Study

1. To know the growth and development of K.S.R.T.C. in general.
2. To identify the various components of payroll system.

Scope of the Study

This study covers theoretical factors on pay roll system K.S.R.T.C. Payroll system is a major factor in a financial department study is restricted to Tumkur depot only.

Methodology of Research

The sampling technique used to draw the required sample is "random Sampling survey."

Sampling area -Tumkur division

Sample size - 50 respondents

Sample units - 15drivers + 15 conductors +10 mechanics in depot + 10 staff

Sources of Data

Data for the study consists of both primary and secondary data.

Primary Data

Primary data consists of original information gathered for a specific purpose. This data is collected with the help of interview schedule method by using questionnaire from target member interpretation can also be done correctly by this method.

Data Collection Tools

The following tools will be used for collecting primary data.

1. Questionnaire
2. interview

Secondary Data

The research started by examining the data like books: journals news papers also from related documents of income tax act.

Geographical Area of the Study

This study will be confined at K.S.R.T.C. Tumkur division-I.

Limitations of the Study

1. The survey results cannot be generated to the whole employees of K.S.R.T.C.
2. The analysis of study was limited to information gathered from the sample size
3. The study is restricted to K.S.R.T.C. Tumkur division only.

Data Analysis

The collected data is not easily understandable, so here I had analyzed the collected data in a systematic manner and interpreted with simple methods, and inferences have been drawn on the basis of analysis.

The Analysis and interpretation of the data involves, the analyzing of the collected data and interpreting it with pictorial representation such as bar Graphs pie Graphs and others

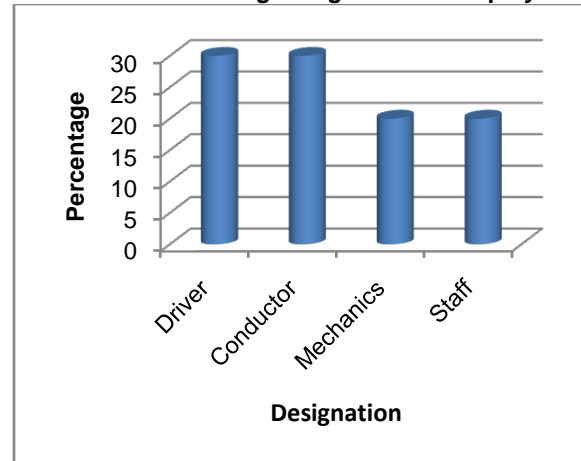
Table1 Designation of Employees

Designation	No. of respondents	Percentage(%)
Driver	15	30
Conductor	15	30
Mechanics	10	20
Staff	10	20
Total	50	100

Analysis

From the above table shows that 15(30%) respondents are the drivers, 15(30%) respondents are the conductors, 10(20%) respondents are the mechanics,10(20%) respondents are the staff.

Chart-1 Chart Showing Designation of Employees



Interpretation

By analyzing the above data researcher has concluded that the drivers and conductors are equal in same way mechanics and staff are equal. When compare to all drivers and conductors are high.

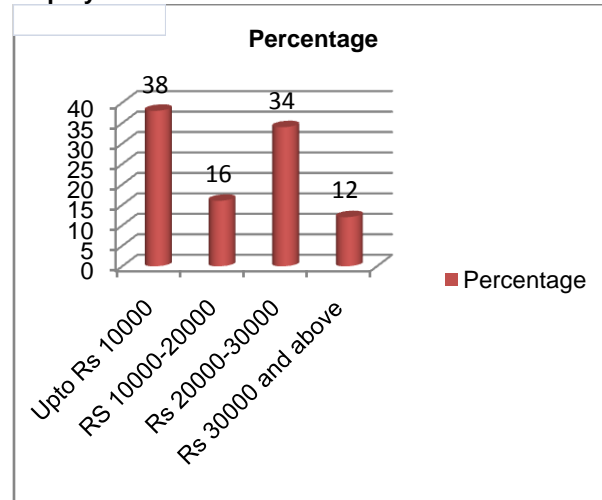
Table No- 2 The Table Showing the Salary Range of the Employees

Salary Range	No. of Respondents	Percentage
Up to Rs.10000	19	38
Rs.10000-20000	8	16
Rs.20000-30000	17	34
Rs. 40000&above	6	12
Total	50	100

Analysis

Out of 50 respondents, 19 respondents are related to up to Rs.10000, 8 respondents are related to Rs.10000-20000, 17 respondents are related to Rs.20000-30000 and 6 respondents are related to Rs40000 & above.

Graph -2 The Graph Showing Salary Range of the Employees



Interpretation

By analyzing the data, researcher has concluded that the respondent which are getting than 10000 Rs is high and respondent which are getting 18000-25000Rs are medium.

Allowance

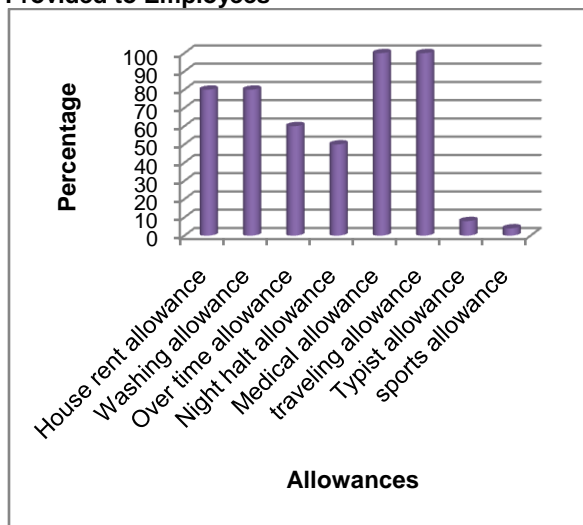
Table No-3 The Table Showing the Types of Allowances Provided to Employees

Allowances	Frequency	Rank
Medical allowance	50	1 st
Traveling allowance	50	1 st
House rent allowance	40	2 ^{ed}
Washing allowance	40	2 ^{ed}
Over time allowance	30	3 ^{ed}
Night halt allowance	25	4 th
Typist allowance	4	5 th
Sports allowance	2	6 th

Analysis

For above analysis it can be said that 40 respondents are related to medical allowance, and travelling allowance, hence both got first rank. 40 respondents are related to house rent allowance, it got second rank. 30 respondents are related to over time allowance, it got third rank. 25 respondents are related to night halt allowance, it got fourth rank. 4 respondents are related to Typist allowance, it got fifth rank and 2 respondents are related to sports allowance, hence it got sixth rank.

Chart-3 Chart Showing Types of Allowances Provided to Employees



Interpretation

By analyzing the above data, researcher concluded that the employees are getting all types of allowances which are basically needed.

Table-4 Satisfaction of Employees Towards Allowances

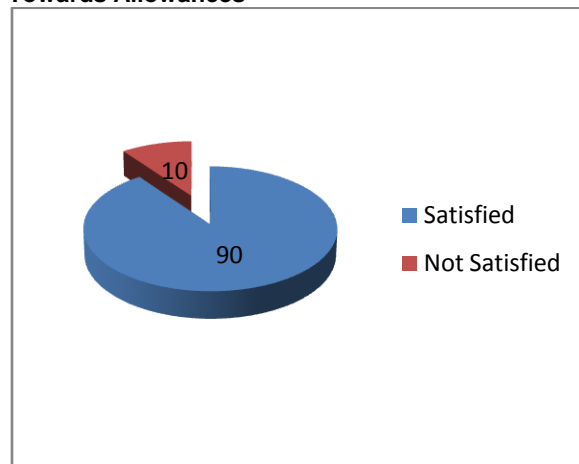
Option	No. of respondents	Percentage(%)
Satisfied	45	90
Not Satisfied	5	10
Total	50	100

Analysis

From the table shows that 45(90%) respondents are satisfied with the allowances they

are received, 5(10%) respondents are not satisfied with the allowances they are received.

Chart -4 Chart Showing Satisfaction of Employees Towards Allowances



Interpretation

By analyzing the above data ,we concluded that the majority of the employers (90%) are satisfied with the allowances.

Reimbursement

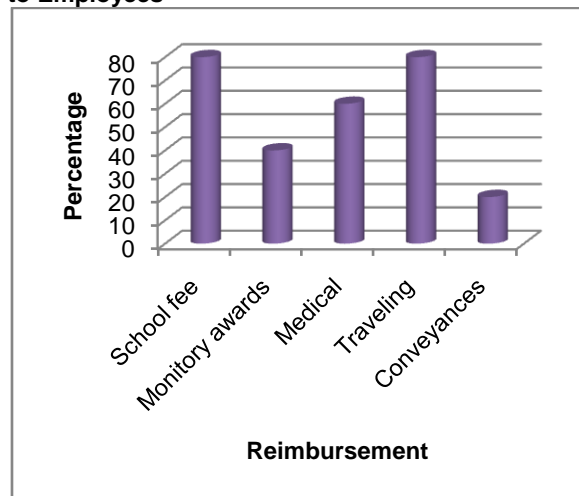
TableNo-6 The Table Showing the Types of Reimbursement to Employees

Reimbursement	Frequency	percentage
School fee	40	80
Traveling	40	40
medical	30	60
Monitory awards	20	80
Conveyances	10	20

Analysis

From the above table, it can be observed that, 40 respondents are responded to reimbursement of school fees and traveling expense, hence it got first rank. 30 respondents have responded to reimbursement of medical fees, it got second rank. 20 respondents have responded to monitory awards, it got third rank and 10 respondents have responded to conveyances fees, hence it got fourth rank.

Chart-5 Chart Showing Types of Reimbursement to Employees



Interpretation

By analyzing the above data, we concluded that the allowance for school & traveling is high compare to others.

Conclusion

In public sector is almost fixed cost. In order reduce cost, the corporation is encouraging its employees to take voluntary retirement and is going for complete automation. To some extent company succeeded in reducing its losses by this method. But under humanitarian ground and keeping in view the rate unemployment in the country it would unfair. It would better if the corporation plans its man power utilization in a better manner and make use of human resource which is abundance's in our country. Pay roll must be made more simplified. Because for the easy to understand by the employees.

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The corporation provides allowances like, house rent allowance, shift allowance, over time allowance, deputation allowance, washing allowance, traveling allowance, rain coat allowance. The corporation provides reimbursement also school fee reimbursement, medical reimbursement, traveling reimbursement. By all this allowances and reimbursement employees are satisfied with the current pay roll system.

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