# Payroll & Reimbursement Policy (India)

## 1. Introduction

[Company Name] is committed to ensuring timely and accurate salary payments, as well as fair reimbursement of employee business expenses. This policy outlines the payroll process, salary components, reimbursement guidelines, and statutory compliance requirements in India.

## 2. Purpose

- To define payroll processing timelines and salary components  
- To ensure compliance with Indian labor and tax laws  
- To provide clear rules for employee reimbursements and claims  
- To avoid payroll discrepancies and disputes

## 3. Scope

This policy applies to all employees of [Company Name], including permanent, probationary, contractual, and part-time staff in India.

## 4. Payroll Policy

4.1 Payroll Cycle:  
- Salaries will be processed monthly and credited to employees’ bank accounts by the last working day of the month (or as per state law).  
  
4.2 Salary Components:  
- Fixed Pay: Basic, HRA, allowances  
- Variable Pay (if applicable): Incentives, bonuses  
- Statutory Deductions: Provident Fund (PF), Employee State Insurance (ESI), Professional Tax, TDS, and other applicable deductions  
  
4.3 Payslips:  
- Electronic payslips will be shared via [HRMS/email portal] every month.  
  
4.4 Salary Revisions:  
- Salary revisions will be based on performance reviews and market benchmarking, communicated annually or as per business needs.

## 5. Reimbursement Policy

5.1 Eligible Expenses:  
Employees may claim reimbursement for approved business expenses such as:  
- Travel (airfare, train, taxi, mileage)  
- Accommodation (hotel, guest house)  
- Meals during business travel  
- Mobile/internet (if applicable to role)  
- Other work-related expenses approved in advance  
  
5.2 Claim Process:  
- Employees must submit claims through [HRMS/expense portal] with original bills within 30 days of incurring the expense.  
- Claims without proper documentation may be rejected.  
- Approvals required from reporting manager and HR/Finance.  
  
5.3 Reimbursement Timelines:  
- Approved reimbursements will be paid in the next payroll cycle or within 30 days.

## 6. Compliance

- All payroll and reimbursements will comply with Indian laws including:  
 - Payment of Wages Act, 1936  
 - Income Tax Act, 1961  
 - Provident Fund and ESI Acts  
 - Shops & Establishment Act (state-specific)

## 7. Non-Compliance

- False or fraudulent claims will result in disciplinary action, including recovery of funds and possible termination.

## 8. Policy Review

This policy will be reviewed annually to ensure compliance with statutory updates and business requirements.

## Acknowledgement Form

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, acknowledge that I have read, understood, and agree to abide by the Payroll & Reimbursement Policy of [Company Name].  
  
Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   
Employee ID: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   
Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_