NICE DIGITAL
DIGITAL SCHOOL

Salary Calculation Formula (Payroll)

Ms-Excel

Formula-Exercise -1 (Click here for Solution)

> ➢ **Calculate HRA, TA, DA, ESI and Total Salary of Employee.**

Note – Press **F4** Key For **Absolute cell** (Fixed) Value selection of Cell number if needed.

Allowance & Deduction on Basic Salary					
HRA :	**30%**				
TA :	**25%**				
DA :	**35%**				
ESI :	**1.75%**				
Emp. Name	**Basic Salary**	**HRA**	**TA**	**DA**	**ESI**	**Total salary**
Risabh Singh	23000	=B7*B2	=B7*B3	=B7*B4	=B7*B5	=SUM(B7:E7)-F7
Lalit Sharma	24000	=B8*B2	=B8*B3	=B8*B4	=B8*B5	=SUM(B8:E8)-F8
Narender	26000	=B9*B2	=B9*B3	=B9*B4	=B9*B5	=SUM(B9:E9)-F9
Vinod Jain	28000	=B10*B2	=B10*B3	=B10*B4	=B10*B5	=SUM(B10:E10)-F10
Rakesh Raj	29000	=B11*B2	=B11*B3	=B11*B4	=B11*B5	=SUM(B11:E11)-F11

HRA   :   House Rent Allowance
HRA is a part of the salary provided by an employer to his employee for his rented accommodation. HRA exemption can be claimed only if the employee is residing in a rented house.

TA   :   Travelling Allowance
TA are payable to government employees who are on official tour subject to certain condition.

DA   :   Dearness Allowance
DA is calculated as a percentage of an Indian citizen's basic salary to mitigate the impact of inflation in People.

ESI   :   Employee State Insurance
ESI scheme is a contributory fund that enables Indian employees to take advantage of self-financing and healthcare insurance fund contributed by the employee and the employer.

Formula-Exercise -2(Click here for Solution)

> ➢ **Calculate HRA (using Salary Condition), PF and Total Salary of Employee.**

Emp name	Basic Salary	HRA	PF	Total Salary
Vijay	15000			
Harish	12000			
Kapil	9000			
Lokesh	11000			

PF   :   Provident Fund/Pension Fund

PF Purpose is to provide employees with lump sum payment at the time of exit from their place of employment.

Example of Calculation Method with Condition

- HRA 30% of those Employee salaries less than 15000 and 40% of those employees whose salary is above or equal to 15000.
- PF deducted from salary (8.33%) for basic salary.

☞ **Formula apply on C2 Cell (HRA) and same for other employee by change cell no**

=IF (B2>=15000, B2*40%, B2*30%)

☞ **Formula apply on D2 Cell (PF) and same for other employee by change cell no**

=B2*8.33%

☞ **Formula apply on E2 Cell (Total Salary) and same for other employee by change cell no**

=B2+C2-D2

Formula- Exercise -3(Click here for Solution)

Calculate Total salary and Net Salary using following Condition.

☞ **Overtime** Amount Rs 150 per Hours for Employee.

☞ **Traveling** Per Km. Amount Rs 15 Rs.

☞ **Leave** Deduction as per day salary (Total Working Day 26)

Emp. Name	Designation	Basic Salary	Total Distance	Leave Day	Overtime Hours in month	Amount for Distance	Leave Amount	Overtime Amount	Net Salary
Hemant	Admin	17000		1	9		=C2/26*E2	=150*F2	
Chetan	Typist	9000		1	12		=C3/26*E3	=150*F3	
Virat	Sales Dept	8000	560	2	10	=D4*15	=C4/26*E4	=150*F4	
Sandhya	Typist	8500		0	22		=C5/26*E5	=150*F5	
Mahesh	Sales Dept	8000	640	3	5	=D6*15	=C6/26*E6	=150*F6	

☞ Net Salary formula include

Basic Salary + Amount for Distance + Overtime Amount - Leave Amount

=SUM (C2, G2, I2)-H2

Same formula applies for another Employee

Practice - Exercise -1(Click here for Solution)

☞ **Calculate Total Salary According to following condition criteria.**

HRA   -   35%

DA   -   DA is based on (HRA+12% of Basic Salary)

Bonus   -   Salary above 10000 - Bonus Provide 1500 Rs, Below 10000

                                  or equal Salary bonus provide 1000 Rs

Basic Salary as per Department Provide to Employee

Typist   -   8000

Admin   -   15000

Salesman -   7000 and 12 Rs per Km

Emp. name	Designation	Basic Salary	HRA	DA	Bonus	Km. Distance	Amount Per Km	Net Salary
Vibhore	Typist							
Chetan	Admin							
Vipul	Sales Dept					45		
Lalit	Sales Dept					56		

☞ *Hint for Basic salary Calculation*

=IF (B2="Typist", 8000, IF (B2="Admin", 15000, IF (B2="Salesman", 7000)))

☞ *Hint for DA Calculation*

=C2+ (B2*12%)

Practice - Exercise -2(Click here for Solution)

☞ Write Appropriate formula fill the following column

Emp. Name	Basic Pay	DA	HRA	TA	PF	Bonus	Gross Pay
Nikhil	16000						
Muskaan	8000						
Ritika	12000						
Neha	9500						
Yusuf	21000						

- **DA** is calculated @ 50% on Basic Pay in C column.

- Calculate **HRA** @ 30% on Basic Pay, Subject to minimum Rs 3000 in D Column.

- Calculate **TA** @ 10% on Basic Pay, Subject to Maximum Rs 1500 in E Column.

- **PF** @ 8.33% of those employee salary above 15000 and below 15000 @ 5.33%. calculated.

- **Bonus** Calculate on Basic Pay criteria

   salary below 10,000   -   10%

   Salary between 10,000 to 15,000   -   15%

   Salary between 15,000 to 20,000   -   20%

   Salary above 20,000   -   30%

- **Gross Pay** Calculate on Basic Pay, HRA, DA, TA, Bonus and Deduct PF into salary.

Hint

- For **Bonus** calculation

=if(b2>20000,b2*30%,if(b2>15000,b2*20%,if(b2>10000,b2*15%,b2*10%)))

- For **HRA** calculation

=if(b2*30%<=3000,3000,b2*30%)   **(or)**   =MAX(B2*30%,3000)

- For **TA** calculation

=if(b2*10%>=1500,1500,b2*10%)   **(or)**   =MIN(B2*10%,1500)