Payroll Compliance Checklist

What an Indian employer has to do each month, quarter and year once staff are on the payroll.

One-time setup

- [ ] Obtain TAN for TDS on salaries
- [ ] Register for provident fund where coverage applies
- [ ] Register for ESI where coverage applies
- [ ] Register for professional tax in the applicable states
- [ ] Document salary structures and the leave policy

Every month

- [ ] Compute salaries from attendance and approved structures
- [ ] Deduct salary TDS based on employee declarations
- [ ] Deposit TDS by the 7th of the following month
- [ ] Deposit PF and ESI contributions by the 15th
- [ ] Issue payslips to every employee
- [ ] Pay professional tax where the state requires monthly payment

Every quarter

- [ ] File Form 24Q with correct PANs and salary details
- [ ] Reconcile deductions to challans before filing
- [ ] Correct any short deduction or PAN error defaults

Annually

- [ ] Collect and verify investment proofs from employees
- [ ] Complete the year-end TDS true-up in the last quarter
- [ ] Issue Form 16 within the prescribed period
- [ ] File the annual PF and ESI returns where applicable

On exit

- [ ] Compute full and final settlement including leave encashment
- [ ] Recover notice pay and advances where applicable

On exit (continued)

- [ ] Deduct TDS on the settlement amount
- [ ] Issue the relieving letter and updated Form 16 details

Need help with this?

We process payroll and the statutory pieces together. Book a consultation to map what applies to your headcount.