

Sample Salary Structure

<i>Component</i>	<i>Monthly Values in INR</i>
EARNINGS	
A. Basic Pay [#]	41,667
B. House Rent Allowance	16,667
C. Special Allowance	23,029
D. Monthly Gross Salary (A+B+C)	81,363
DEDUCTIONS	
E. Provident Fund (Employee Contribution)	1,800
F. Professional Tax (Employee Contribution)*	208
G. Labour Welfare Fund (Employee Contribution)	20
EMPLOYER CONTRIBUTIONS	
H. Provident Fund (Employer Contribution)	1,800
I. Labour Welfare Fund (Employer Contribution)	20
J. PF Administration Charges (Admin+EDLI)^	<i>As applicable</i>
K. Payable (E-F-G-H) (Before Income Tax Deduction) [§]	79,335
L. Annual CTC = (D+H+I+J)*12	10,00,000 (Annually)

Basic Pay needs to be **at least 50%** of Gross Pay. In this example, it is more than 50%, which is doable. But never keep it below the 50% of Gross Pay.

* As applicable. The values vary depending on the state.

^ As applicable. 0.51% of EPF Salary. This can be included in the CTC. The values shown are approximate.

§ I would suggest that you never speak about the Net Pay. That may set false expectations for the candidates, since Payable is subject to TDS. It's good HR practice to delete the row K from the salary structure, if you are communicating with a candidate/employee

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