Subject:	Payroll Process	**Document No.:**	YGD SA 013
Effective:	01/08/2023	**Revision:**	4
Revised By:	Jeeva Kumaari	**Approved By:**	Ravi Ragunathan

1. OBJECTIVE

The objective of this policy is to provide guidelines to all HR Personnel to ensure that the process of payroll or employee reconciliation is properly documented.

2. SCOPE

This policy is applicable to all employees.

3. REFERENCE

Nil

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4. DEFINITION

Nil

5. RESPONSIBILITY

The Company's department of Human Resources is responsible for ensuring the policy stated herein is appropriately followed.

6. PROCEDURE

6.1 Main payroll cycle as below: -

6.1.1 Monthly Payroll

6.1.1.1 Processing payroll for local and Expatriate under management team.
6.1.1.2 Basic + Allowance
6.1.1.3 Cut-off date for processing salary is every 21st of the month.
6.1.1.4 Processing salary starts from every 22nd until 27th of the month.
6.1.1.5 Advance payment will be paid from 22nd to 31st of the month and will be deducted on the following month if there are any unpaid leave or absent.
6.1.1.6 Payout date on/before 28th of the month.

6.1.2 End-Month Payroll

6.1.2.1 Processing payroll for local and foreigner under operations team.
6.1.2.2 Basic (1st – 31st) + Overtime (1st – 31st) + Allowance
6.1.2.3 Cut-off date for processing salary is every 26th of the month.
6.1.2.4 Processing salary starts from every 27th until 2nd of the following month.
6.1.2.5 Advance payment will be paid from 27th to 31st of the month and will be deducted on the following month if there are any unpaid leave or absent.
6.1.2.6 Payroll summary submit to Finance on 2nd of the following month.
6.1.2.7 Payout date on/before 5th of the following month.

	Example- Payroll August 2023			
Payroll Cycle	**Working Day**	**OT Period**	**Payment date**	**Payout Date**
Payroll				
Monthly Payroll	1st – 31st Aug'2023	-	28/08/2023	before/on 28th Every month
End-Month Payroll	1st – 31st Aug'2023	1st – 31st Aug'2023	05/09/2023	before/on 5th every month

6.2 Summary

Monthly Payroll	End-Month Payroll
Process 1) Key in new joined data 2) Daily - key in leave record into payroll system 3) Daily – check attendance	**Process** 1) Key in new joined data 2) Daily - key in leave record into payroll system 3) Daily - check attendance 4) Check Overtime Hours
Earnings: 1) Basic -Full month 2) Allowance	**Earnings:** 1) Basic a) Local – Full month b) FW: Full month 2) Overtime – Full month 3) Allowances as per the company policy: - a) Leader Allow b) Asst. Supervisor Allow c) Supervisor Allow d) Committee Allow e) Floor Leader (Hostel)
Deduction (Statutory & Others): 1) EE EPF (Local only) 2) EE SOCSO (Local only) 3) EE EIS (Local only) 4) PCB (Local only) 5) If any NPL/Absent	**Deduction (Statutory & Others):** 1) EE EPF (Local only) 2) EE SOCSO (Local only) 3) EE EIS Local only) 4) PCB (Local only) 5) Accommodation –RM25.00 6) SKHPPA in accordance with Government Law *7)* If any NPL/Absent – (referring to 6.1.2.5)
Others (contributed by employer): - 1) ER EPF (Local only) 2) ER SOCSO (Local & Expatriate) 3) ER EIS (Local Only)	**Others (contributed by employer): -** 1) ER EPF (Local only) 2) ER SOCSO (Local & EFC) 3) ER EIS (Local Only)

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6.3 Basic Calculation Sample (Local worker & EFC)

- Worker A
  - Basic Salary - RM 1,500.00
  - Position - Stripper
    - Remarks
      - Absent – 10th May 2023

  - **Processing Salary**
    - Basic =RM 1,500.00
    - (-) Absent =RM 48.38 (RM1,500/31days)
    - **Gross =RM 1,451.62**

6.4 Sample of Overtime Calculation for Local worker& EFC

- Worker A
  - Basic Salary =RM 1,500.00
  - OT 1.5 Rate =RM 11.53 (RM1,500/26days/7.5hours*1.5)
  - OT 2.0 Rate =RM 15.38 (RM1,500/26days/7.5hours*2.0)
  - OT 3.0 Rate =RM 23.07 (RM1,500/26days/7.5hours*3.0)

    - Total OT hours performed by Worker A: -
      - OT 1.5 = 65 hours (26 days * 2.5 hours per day)
      - PH = 1day (7.5 hours (2.0) + 2.5 hours (3.0)

- OT calculation: -
  - OT 1.5 -RM 11.53 * 65 hours =RM 749.45
  - OT 2.0 -RM 15.38 * 7.5 hours =RM 115.35
  - OT 3.0 -RM 23.07 * 2.5 hours =RM 57.67
  - **TOTAL** **=RM 922.47**

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6.5 Deduction for lateness

6.5.1 In case of lateness to work, the salary of the employee will be adjusted only for the exact period of lateness (as validated against the Payroll Attendance System) and this deduction will be made from the employee's normal wages (Scenario 1.0)

Deduction for Lateness

Clock In :	7am / 7pm	**Clock Out:**	4pm / 4am
	8am		5.30pm
	8am		5pm

Normal working hours

Scenario 1.0 - Normal Day

*** With grace period of 15mins**

*** Example 1.0 as below:-**
Time In : 7.13am
Time Out : 4.05pm
No deduction for Lateness

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*** Example 2.0 as below:-**
Time In : 7.13am
Time Out : 3.05pm
No deduction for Lateness
Deduction of **one hour** for early Out

*** Example 3.0 as below:-**
Time In : 7.47am
Time Out : 4.05pm
Deduction of 30 mins to be deducted from normal wage

*** Example 4.0 as below:-**
Time In : 7.13am
Time Out : 7.05pm (Overtime)
No deduction for Lateness

*** Example 5.0 as below:-**
Time In : 7.47am
Time Out : 7.05pm (Overtime)
Deduction of 30 mins to be deducted from normal wage

*** Example 6.0 as below:-**
Time In : 7.47am
Time Out : 6.05pm (Overtime)
Deduction of 30 mins to be deducted from normal wage

** Frequently late to work will be highlighted to HOD to reflect into their perfomance appraisal.

6.6 Pay Discrepancies

6.6.1 Employees who have any queries about their monthly payments or deductions should bring this to the attention of HR Payroll by the 15th of the month.

6.6.2 Disputed wages once rectified will be reinstated as back wages in the following month payroll.

7. Payment of Salary

- All salary payments will be credited to individual employee's bank accounts in accordance with local laws.
- All bank cards are held by employees and the employer shall not have possession of any employee's bank cards.

8. RECORDS

Nil

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Reason For Change

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Old Revision	*Current Revision*	*Effective Date*	*Page Affected*	*Revision Description*	*Revised By*	*Approved By*
Nil	0	01/01/2022	All	New Procedure	Jeeva Kumaari	Ravi
0	1	18/04/2022	All	Paragraph 7 of previous revision is now Paragraph 8 Included paragraph 7 : Payment of Salary	Jeeva Kumaari	Ravi
1	2	01/05/2022	All	Excluded Attendance Allowance Revised Basic & Overtime Calculation Included paragraph 6.5 - Deduction for Lateness Included paragraph 6.6 - Pay Discrepancies	Jeeva Kumaari	Ravi
2	3	01/01/2023	All	Revised Basic & Overtime Calculation Included paragraph 6.5 - Deduction for Lateness	Jeeva Kumaari	Ravi
3	4	01/08/2023	All	Revised - Basic & Overtime Calculation Revised- Deduction for Lateness	Jeeva Kumaari	Ravi