

# India Year-End Checklist

## Year-End Checklist

### 1. Pre-payroll Compliance

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### 2. During Payroll Compliance

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# 1. Pre-payroll Compliance

- Ensure that the company's Tax Account Deduction Number (TAN), Permanent Account Number (PAN), and other registration numbers are correctly captured like Employee State Insurance (ESI) number, Provident Fund number and at state level Labour Welfare Fund and Professional Tax number.
- Verify employee records such as Name, PAN, Aadhaar Number, Universal Account Number (UAN), Date of Birth, and Bank Account details for accuracy.
- Verify residential address, marital status, and dependent details to be correct captured for tax reliefs and exemptions.
- For new joiners, collect previous employer information as well as tax declarations preferably in the month of joining.

For year-end tax calculations, ensure timely collection and validation of tax proofs.

Ensure employment and residential status is correctly classified:

- Permanent/Contractual/Part-Time
- Employees covered under New/Old Tax Regime
- Employees classified as Resident /Non-resident

## 2. During Payroll Compliance

### For Income Tax:

- Ensure salary components are classified correctly under taxable and non-taxable income for accurate tax calculation.
- Confirm perquisites are computed correctly as per Section 17(2) of Income Tax Act, 1961 ('the Act') especially taxability of stock options benefit.
- Verify the application of correct income tax slabs as well as deductions based on the New or Old Tax Regime selection.
- Reconcile each employee's payroll records with Form 12BB declaration and tax proofs provided to ensure that all exemptions and deductions are accurately reflected in the final tax computation.
- Review and reconcile taxable income from April to March to avoid errors in year-end TDS computation.

- Ensure final withholding Income Tax has been made as per required timelines.

## **For Employee Provident Fund (EPF) & Employee State Insurance (ESI):**

- Ensure the wage limits for contribution to EPF & ESI are as per the latest statutory guidelines.
- Confirm that contributions are based on the correct wage components as defined in the wage definition for the respective regulations.
- Validate the contribution of joiners and leavers is accurately calculated.
- Ensure that both employer and employee contributions to EPF and ESI have been promptly remitted each month throughout the year.

## For Labour Welfare Fund (LWF) & Professional Tax (PT):

- Calculate and deduct the LWF & PT contributions on a monthly, half-yearly, or annual basis, adhering to state-wise regulations.
- Reconcile the deduction and submission of LWF & PT contributions to ensure they are done in accordance with state-wise regulations, whether the schedule is annual, half-yearly, or monthly.

## 2. Post-payroll Compliance

### For Income Tax:

- Ensure that the total salary and tax deductions recorded in the payroll register align with the amounts reported in the Form 24Q.
- Submit last quarter submission of Form 24Q by 31st May of the financial year.
- Provide Form 16 for employees' income tax filing and Form 12BA for receiving perquisites by 15th June of the financial year.

### For EPF & ESI:

- Remit EPF contributions via Electronic Challan cum Return (ECR) by 15th of the following month.

File ESI contributions via the ESIC portal by 15th of the following month.

## **For LWF & PT:**

Remit the LWF and PT in the relevant forms provided as per the due dates defined at state level.