

The Payroll Chronicles

A digital round-up
of everything payroll
in 2020



The revolution that is remote work

and how Zoho embraced change



Call it a paradigm shift in work-life or the new way of work, remote work is here to stay, and the events of the last year have only accelerated the demand for flexibility in where and how people work. When the pandemic struck, everyday communication, attendance check-in, proof collection, and many other previously simple practices had to be changed. For businesses to thrive under the pandemic, they had to adapt quickly, and Zoho stood by those who weathered the storm.

How Zoho showed the way to embrace change:

At Zoho, our approach is always customer-first, with continuous innovation and an R&D focus. As more and more organisations began to adapt to remote work, they also saw the need for a comprehensive solution that effortlessly fulfilled their multi-dimensional business needs. While Zoho was built for remote work ages ago, the current landscape is completely different. Our deeply rooted tech culture allowed us to keep adapting, adding little enhancements to the product

that generated huge results for customers. Little additions like remote-check ins, real-time status monitoring, and connected messaging helped employees & employers continue their work without a hitch.

Playing for a larger cause

The Small Business Emergency Subscription Assistance Program waived subscription fees and provided extended support for millions of small businesses.

Sustained productivity

The world was introduced to the most comprehensive suite of interconnected web and

mobile apps for communicating, collaborating, and staying productive. All this for free, to support the small business customers who have always stood by us.

Uninterrupted payroll

The hard work put in by employers and employees alike during each month culminates in one process: payroll. Free and affordable technology meant thousands of small businesses successfully ran payroll to support their employees and maintain their compliance even during tumultuous times.

Spearheading change: Since 2020, 81% of the employees in different organisations have been working remotely, and we at Zoho are well poised to support them through and through.

"It took us just a week to transition to a remote setup. And a huge credit for this goes to Zoho and its offerings. We are delighted that India has a world-class company like Zoho and we are keenly waiting to see what more does it have to offer."

Amit Kapur, Managing Promoter, Vedatya Institute



The other side of remote work

While there is plenty of opportunity for business growth, working hours have also drastically increased for the employees. HRs across the globe are turning to a classic team building exercise to keep their employees fresh, and avoid burn out.

The Remote Work Bingo

Actually saw a co-worker in person	"Can you hear me?"	Joked about how long your "commute" is	Said "lol" and meant it	Had a meeting interrupted by a pet or a family member
Wore Pajama bottoms to a video meeting	Spotted a pet in the background of a video meeting	Did work for home instead of work from home	Drank a glass of water	Took a quick stroll to stretch your legs
Sent a gift to a co-worker	Took a coffee break... or many	Did eye strain relief exercises	Blamed the internet	"Sorry, I was on mute, when you were running around."
"Can everyone see my screen"	Set up "working hours" #worklifebalance	Used an emoji in an email	Worked from a coffee shop	Took a workation
Subscribed to every OTT platform under the roof	Created a workday playlist	Did chair yoga	Took a typing speed test for fun	Met someone other than a family member

Source: Museumhack.com

Some more jargons should you recreate it in your workplace

Setting up a remote office at home	Attending a wedding virtually and working alongside	Apologising for your neighbour's dog barks
Dozing off during a meeting	Virtual pizza parties/coffee breaks with colleagues	Realizing at 10pm that you never went outside today
Eating while on a meeting	Kids stealing the show during a presentation	Fear of kids pouring water on your laptop
Talking for an hour without realising you're on mute	Awkward silence in a con-call	Gaming with colleagues
Talking without realising your internet gave up a while ago	Read-up on how to work better from home	Cried over PUBG ban

Feature Rewind: You asked, we delivered!



Two years ago, we set out with the goal of making payroll easier for every one of our customers. Given that payroll is a vast field, there is no one-size-fits-all solution. We see numerous use cases, each more complex than the last, and so there is always room to improve. This past year, we were presented with various challenges & enhancement requests from our customers, and our development team put in their heart and soul to make Zoho Payroll the best solution for the customers' needs. Here's a look at some of the feature highlights of our second year.

EMPLOYEE PAY

Selective Payments: This is one of our major updates of the year. If you are following different pay cycles in a month, you can use this option to pay a select number of people at a time, and pay the rest later.

Vehicle Perquisite Calculation: This option is useful for organisations that want to calculate vehicle perquisite for company-provided cars based on engine capacity and the driver expenses. The perquisite would automatically be included in the employee wage calculation.

STATUTORY UPDATES

EPF Calculation: We've added an option to calculate EPF

using all applicable components if PF wage is less than ₹15,000 after loss of pay, so that your employee continues to enjoy the benefit of EPF later on with a substantial contribution.

Pro-rata of pre-tax

deductions: Pre-tax deductions will be calculated factoring in the loss of pay in a particular month.

New Tax Regulations:

Following the tax structure changes announced in the Union Budget 2020, we've made provisions for employees to choose either the New Regime or the Old Regime for calculating their taxes.

CUSTOM FIELDS

Custom fields: Another major update of the year. We introduced custom fields for the Employee module to enable the collection of additional information about employees such as Aadhaar number, marital status, etc. These fields can be synced with the fields in Zoho People. They can also be displayed in the payslips wherever necessary.

PAYSLIPS

Payslips: We added another template: the Full and Final Settlement payslip to send to employees who've been let go.

In this, termination notes, a Declaration by the Receiver, & custom fields can be added.

SALARY REVISION

Bulk Salary Revision Approval: Zoho Payroll allows you to process multiple salary revisions at once, simply by checking the boxes next to the employee name and clicking Approve, Reject, or Process Later.

LOANS

Pause Loan Instalment: This feature allows you to provide a respite to an employee's loan repayments. You can resume them at any desired time.

Loan Repayment Override: This newly introduced option helps skip or override loan repayments for employees during payroll processing.

Loan Opening Balance: Zoho Payroll introduced loan opening balance and perquisite rate balance options to record prior payroll loans. With this, you can continue loan repayments without a hitch after moving to a new payroll software.

EMPLOYEE-CENTRIC UPDATES

Banner Notifications: With the new Banner Notification feature, you can convey important messages to your employees through the Employee Self-Service portal.

Benefits Summary: The Benefits Summary tab under Salary Details in the ESS portal helps keep track of the statutory component contributions made by your employees.

Alerts & reminders for IT declaration & POI: Employees

may forget to submit their investment declarations or proofs on time in the daily rush. You can help them by sending alerts or reminder when the time to submit proofs has come.

REPORTS

Salary Revision: This report provides the details of all salary revisions implemented for your employees, including the breakdown of the earnings and deductions with the difference in values after each revision. Along with this, you can also view the history of salary revisions made for employees over the course of their employment in your organisation. This can be a good way to measure performance-compensation ratio of your employees.

Employee Termination: We introduced the Employee Termination report, where you can find the list of all the employees who have resigned or been let go in the past year.

Variable Pay Earnings: The newly added Variable Pay Earnings report helps you analyse payroll expenses incurred for bonus pay, gratuity, and other non-regular payroll earnings in a fiscal year.

Arrears PF report: Any PF that is credited as arrears to employees after a salary revision will be captured in the new Arrears PF report.

A recap of payroll compliance in 2020

2020 was a year of frequent changes to payroll compliance, to help India tackle a new and challenging situation. Several relief measures on statutory and regulatory compliance were initiated across various sectors. These initiatives were particularly focused in the areas of Income Tax, EPF, ESI, GST, Customs & Central Excise, Corporate Affairs, Insolvency & Bankruptcy Code (IBC), Fisheries, and banking services and commerce. From extended tax deadlines to revised statutory norms, here's a brief rundown of some of the important changes in the payroll domain that helped millions of people across the country.

Statutory provisions:

Employee Provident Fund (EPF)

- The Government contributed to the employer and employee portions of EPF for selected organisations from March 2020 till May 2020.
- The EPF contribution scheme was extended for three more months until August 2020.

- EPF contribution percentages were slashed from the standard 12% to 10%.
- Employees were given easier access to their EPF corpus. The pandemic advance scheme allowed employees to withdraw up to 75% of their savings.

Employee State Insurance Scheme (ESIC)

- Deadlines were relaxed for

submission of insurance contribution.

Income tax reliefs

- Deadlines were extended at no extra charge for submission of income tax returns.
- Interest rates were reduced and interest was eliminated on late payments of TDS and other taxes.

52 lakh

Covid-19 withdrawal requests were settled

13.3k crore

disbursed for employees by EPFO

Over 6 crore⁺

employees were allowed to withdraw their EPF savings

Source: The Economic Times, labour.gov.in

Evolution of the payroll landscape in 2020

Payroll processing is now more complex than ever. Factoring in taxes, deductions and ever-changing regulations requires a substantial amount of time and energy. A recent study shows that HR personnel spend about 80% of their work hours gathering data to calculate salaries and taxes when processing payrolls manually. With the recent development of mobile technology & cloud computing, payroll technology can easily be catered to corporations as well as small businesses. It also no longer requires an esoteric team to work on it, as it is largely scalable, time-saving, and customer-centered. These factors contributed to the rise in payroll software adoption over the years.

In the past year, however, there has been a meteoric rise in payroll digitization. During the pandemic, payroll professionals working from home to manually process payrolls faced two problems:

- Collating required payroll information from employees virtually
- Taking into account all the relief measures on various statutory and regulatory compliance matters announced by the Government

Payroll software solved these problems easily, as:

- Salary calculations are performed quickly and automatically

- Tax information can be easily collected via ESS portals
- Statutory changes are immediately implemented

Hence, digitization of the payroll process became an essential part of paying employees on time and operating a business during the pandemic.

The Government of India also heavily championed the adoption of technology in business—as an example, it digitized the EPFO and income tax filing. The process of registration in EPFO is now completely online, and as of August 31, 2020, **9.4 crore** people had registered to file income tax online—the highest number in any year to date.

The recent introduction of the paperless Union Budget 2021 is also a testament to the changing times. It is fair to say that soon, manual processing of payroll and other financial business functions will be a thing of the past.

“What we love about using the product is that everytime new tax reforms are announced, the changes happen immediately whereas our auditors take some time to apply them.”

- Priyanka G,
Director | HR,
Beez Innovation Labs Pvt. Ltd.

We love that you Love Zoho Payroll

Featured Customer Leegality



Leegality, a cloud-based SaaS company in India, is on its way to becoming a household name in the business of automating document signing. As an eSign, e-Stamp and document workflow platform, Leegality allows businesses to sign and collect signatures on their documents completely digitally while also complying with the relevant stamping laws of India. Their solution offers bulk signing, automated signing and identification features as well as a fully compliant digital stamping solution which is found in no other document e-sign platform. Since Leegality is a SaaS company, they share in Zoho's ideals and use several applications in the Zoho One suite to automate most of their tasks. This has saved them a substantial amount of time and helped their business run smoothly.

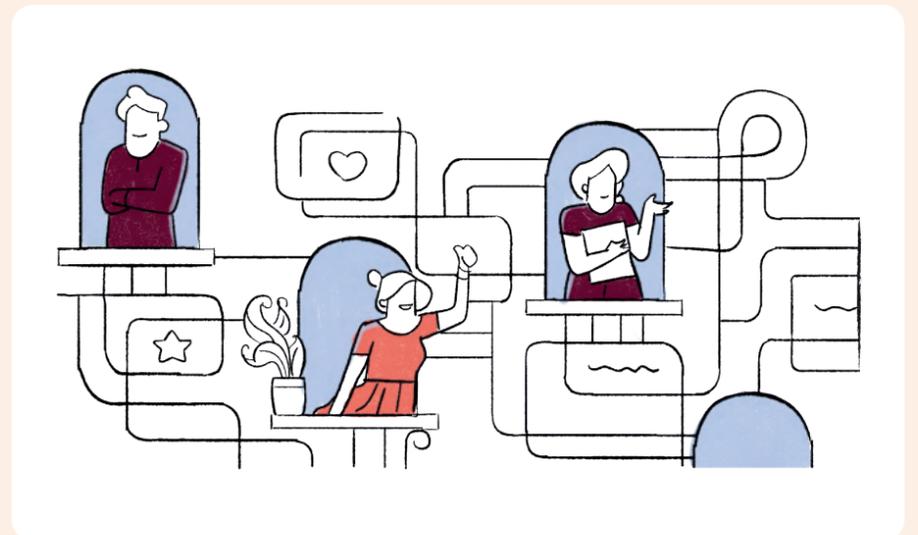
We found Zoho to be a natural fit as we ourselves are a SaaS company. The advantages of a cloud-based solution are numerous: instant use with minimal implementation, constant updates & features and immense flexibility.

involved in this process, they turned to Zoho Payroll. They were impressed with the payment methods, the comprehensive dashboards, and the self-service portals for their employees. The seamless integration between Zoho Payroll, Zoho People (HR) and Zoho Books (accounting) was an added advantage. Zoho's data security and privacy policy, which is on par with global best practices, served as the deciding factor in their move to Zoho Payroll. Leegality took just 5 days for the onboarding process and since then has saved 10 hours per week on average in processing payroll. The ICICI direct deposit payment method has made salary crediting a smooth, one-click payment process. The company's employees also benefit, with complete visibility and understanding of their earnings, taxes, and deductions in their payslips.

We would rate the customer support team a 5 out of 5 because the issue resolution has been prompt and effective.

While processing their payroll manually, Leegality faced challenging & time-consuming tasks such as collecting investment proofs, computing taxes for different salary structures, and making individual payments. In an effort to simplify the workload

Going forward, Leegality plans to continue developing their product & increasing distribution. They believe Zoho products would play a critical role in automating every aspect of their business to ensure smooth operations and a great interface for their employees.



We appreciate your laurels for our support team

“ I have been a Zoho Payroll user since it was launched. The moment I got the feel of the product's UI, I had no second thoughts. It is a simple solution that can take care of itself and did not require our conscious effort. The attentive support team helped us get onboarded in just a week and then there was no turning back. It's been over a year now and we are happy to have chosen Zoho Payroll for our HR operations.”

Sivaram Parameswaran,
Co-founder & Chief Creator,
purpleslate

“ Zoho Payroll is extremely reliable and offers quality services. We appreciate the responsiveness and professionalism from their support team. With their help, we've been running our payroll operations successfully for all our employees in three different organisations since January 2020. We will be looking forward to an excellent business relationship.”

Betty Teney
HR Coordinator,
Eximp International

“ I have been a loyal customer of Zoho Payroll since its launch and it's grown into a fantastic product. The process is so smooth that I can work with my eyes closed. TDS, EPF calculation...it's all in here. To top it all, the customer support is just excellent. It's a complete package.

Gowtham Raj,
Director & CEO,
Tart Labs

“ Using Zoho Payroll has eliminated our requirement for a full-time accountant. The application is extremely intuitive. The help desk needs special mention for its professional and non-intrusive approach. I will happily give it a five-star rating and highly recommend it.

Venkat Ramana Vallabhajoyula,
Founder and CEO,
True Blue Asset Services Pvt. Ltd

Democratizing payroll tech: Free payroll software for emerging businesses

2020 was an unprecedented year, when the world was made acutely aware of the crucial role that technology plays in everyday business operations. Businesses had to look for tools that would help them conduct operations without a hitch while operating from homes and partially-staffed offices. At a time when processing payrolls and paying employees promptly was vital, some small businesses had a hard time accessing the kind of powerful software that has been making payroll processing manageable for large corporations for decades.

Considering this, we at Zoho Payroll wanted to bridge that divide and democratize payroll for emerging businesses, to help them take on payroll challenges using technology. We also believe that when growing companies adopt technology from the start, they can continue to effectively manage payroll as they expand. And that's how we came up with the free version of Zoho Payroll—an absolutely free, comprehensive payroll software solution for businesses with 10 or less employees.

The free plan offers a set of features that enable businesses to fulfill all their payroll processing needs, such as:

- Automatic payroll calculation which includes salary, pre- and post-tax deductions, and taxes.
- Direct deposit of employees' salaries through ICICI Bank
- Accurate income tax calculation
- An employee self-service portal with which employees can view payslips and submit investment details, relevant

proofs, and reimbursement claims

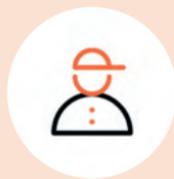
- Efficient loan management and tracking of loans until closure

Sign up for the free payroll software today and explore the features!

www.zoho.com/in/payroll/signup/

In case you have any questions regarding the Free Edition, write to support@zohopayroll.com. We will get back to you as soon as possible to answer your questions.

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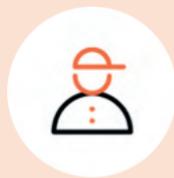
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Bid goodbye to long meetings, tons of paperwork, and exhaustive calculations.

Switch to the quick, accurate, and hassle-free payroll experience that Zoho Payroll offers.

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We're very excited to be sharing our second anniversary with you! We're feeling a bit nostalgic recounting our origin story, and we would love to hear yours as well. Come, share how you began your journey with us. We have happy surprises for all the stories.

To participate in the contest, visit:

www.zoho.com/lp/payroll/payroll-contest-2021/