KIRA KIRA
MANAGEMENT & ACADEMY SDN BHD

PAYROLL
CHEAT SHEET & PRACTICAL GUIDE

Learn Today, Lead Tomorrow.

1 WHAT IS PAYROLL?

Payroll is the process of calculating and paying employees' compensation accurately and on time, while ensuring compliance with statutory requirements.

KEY POINTS

- Ensures employees are paid correctly and on time.
- Includes salaries, allowances, deductions and statutory contributions.
- Supports employee satisfaction and retention.
- Ensures compliance with legal and regulatory requirements.
- Accurate payroll leads to proper financial reporting.

2 PAYROLL PROCESS FLOW

1. Collect Time & Attendance Data ↓
2. Verify & Approve Attendance ↓
3. Calculate Gross Pay (Salary, Allowances, Overtime, etc.) ↓
4. Calculate Deductions (EPF, SOCSO, EIS, PCB, Others) ↓
5. Review & Approve Payroll ↓
6. Process Payment to Employees ↓
7. Statutory Submissions & Payments (EPF, SOCSO, EIS, PCB) ↓
8. Record Payroll in Accounting System & File Reports

PAYROLL COMPLETED

3 IMPORTANT DOCUMENTS

- Employment Contract
- Employee Personal Details / Forms
- Attendance / Time Sheet / Leave Records
- Payroll Input Sheet
- Payroll Summary Report
- Payslips
- EPF Contribution Report (KWSP)
- SOCSO Contribution Report
- EIS Contribution Report
- PCB (Tax) Calculation & CP39
- Bank Payment File / Proof of Payment
- Payroll Policy & Procedures

MALAYSIAN COMPLIANCE & GOOD PRACTICES

- Comply with Employment Act 1955 and related laws.
- Ensure timely payment of salaries.
- Submit EPF, SOCSO, EIS & PCB on time.
- Keep employee data confidential and secure.
- Maintain proper payroll records for audit & tax.

4 COMPONENTS OF PAYROLL

A. Earnings (Examples)

- Basic Salary / Wages
- Allowances (e.g. transport, meal, phone)
- Overtime Pay
- Commission / Incentive
- Bonus
- Other Payments

B. Deductions (Examples)

- EPF Employee Contribution
- SOCSO Employee Contribution
- EIS Employee Contribution
- PCB (Income Tax)
- Advances / Loans
- Other Deductions (e.g. Insurance, Zakat)

5 PAYROLL CALCULATION (EXAMPLE)

Monthly Payroll for Employee A	RM
EARNINGS	
Basic Salary	3,000.00
Transport Allowance	300.00
Overtime Pay	200.00
Total Gross Pay (A)	**3,500.00**
DEDUCTIONS	
EPF Employee (11%)	(385.00)
SOCSO Employee (0.5%)	(17.50)
EIS Employee (0.2%)	(7.00)
PCB (Tax)	(150.00)
Other Deductions	(100.00)
Total Deductions (B)	**(659.50)**
NET PAY (A - B)	**2,840.50**

Note:
Figures are for illustration only.
Actual rates are based on current laws and company policy.

6 STATUTORY CONTRIBUTIONS (EMPLOYER)

Contribution	Who Pays	Rate	Remarks
EPF (KWSP)	Employer	12%	On Basic Salary (Subject to monthly wage ceiling)
SOCSO	Employer	1.75% – 2.0%*	Rate depends on category of industry
EIS (PERKESO)	Employer	0.2%	On employee's monthly wages

Employer is also responsible for submitting and paying the above contributions by the due date.

*Subject to changes by authorities.

PAYMENT FREQUENCY

Monthly (Common)	For most employees
Quarterly	For certain industries / allowances
Bi-annually	For bonuses / variable pay
Annually	For specific payments / adjustments

Note: Payment frequency must comply with company policy and legal requirements.

7 PAYROLL JOURNAL ENTRY (EXAMPLE)

A. Record Payroll Expense & Liabilities

Account	Debit (RM)	Credit (RM)
Salaries & Wages Expense	3,500	-
EPF Payable	385	
SOCSO Payable	17.50	
EIS Payable	7	
PCB Payable	150	
Bank / Cash	-	2,840.50
	4,059.50	**4,059.50**

B. When Employer Contributions Paid

Account	Debit (RM)	Credit (RM)
EPF Expense (Employer)	420	-
SOCSO Expense (Employer)	70	
EIS Expense (Employer)	7	
Bank	-	497
	497	**497**

8 BEST PRACTICES

- Maintain accurate employee records
- Review attendance regularly
- Verify calculations before payment
- Keep data confidential and secure
- Pay employees on time
- Submit statutory contributions on time
- Reconcile payroll reports with accounting records
- Keep supporting documents well organized

REMEMBER!
Accurate payroll = Happy employees + Compliance + Better financial reporting.

9 RESPONSIBILITIES

HR / Payroll Officer

- Collect and maintain employee data
- Process payroll accurately and on time
- Ensure statutory submissions and payments

Finance / Accountant

- Review and approve payroll
- Record payroll transactions
- Reconcile payroll accounts

Management / Approver

- Approve payroll and changes
- Ensure compliance with company policy and legal requirements

10 PAYROLL CHECKLIST (MONTHLY)

- Attendance and leave records verified
- Payroll inputs updated and reviewed
- Gross pay and deductions calculated accurately
- Payslips generated and distributed
- Payroll approved by authorized person
- Salaries paid to employees
- Statutory contributions calculated
- Submissions and payments made on time
- Payroll reports filed and backed up

11 INTERVIEW QUESTION

Q **Why is payroll important?**

A Payroll is important because it ensures employees are paid accurately and on time, maintains employee satisfaction, ensures compliance with legal requirements, and supports accurate financial reporting.