



# 5 Payroll Mistakes Costing Your Business

Achieve smooth operations by fixing errors early and staying legally compliant without penalties.

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# Mistake 1: EPF & ESIC Non-Compliance

- Incorrect PF or delayed ESIC can lead to EPFO penalties
- EPF for 20+ employees and ESIC for 10+ employees

✔ **Fix:** Register on crossing thresholds, review wages quarterly, and use EPFO/ESIC schemes to reduce penalties.

# Mistake 2: TDS Calculation Errors

Failure to track **employee declarations**, selecting the **wrong tax regime**, or **missing filing deadlines** can trigger severe financial repercussions for your business. These often result in compounding interest charges of up to **1.5% per month** and mandatory late fees of **₹200 per day**.

- ✔ **Fix:** Collect Form 12BB early, automate monthly TDS, and file Form 24Q quarterly.





## Mistake 3: Minimum Wage Violations

- Minimum wages vary by state, industry, and skill level, revised up to twice yearly.
- State-wise rules differ; outdated wages risk penalties.

✓ **Fix:** Track Labour Dept updates, review twice yearly, and schedule salary checks.

# Mistake 4: Bonus & Leave Mismanagement

- 20+ employees must get annual bonus, regardless of Profit
- Shops & Establishments Act mandates payment on resignation/retirement.
- Treating them as optional risks penalties and cash flow strain.

✓ **Fix:** Accrue monthly, track leave quarterly, plan bonus for 20+ employees.





# Mistake 5: No Statutory Registers

Manual spreadsheets often breach **Payment of Wages Act standards**, risking failed inspections due to incomplete **wage, attendance, and overtime records**.

- ✓ **Fix:** Use compliant payroll software to auto-generate statutory registers

# Simplify Payroll with ABStart!

Helps you stay compliant and reduce errors.

- ✓ Pre-check for Compliance flags EPF, ESIC & bonus gaps early
- ✓ Bonus & Leave Visibility shows eligibility and ensures accuracy
- ✓ Statutory Records Ready Wage register, payslips & bank file in one place



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