

Statutory Gratuity Calculation Format

For Payroll Compliance

Employee & Organization Details

Employee Name	John Doe	Employee ID	EMP1234
Designation	Senior Analyst	Department	Finance
Date of Joining	01-Jan-2017	Date of Leaving	31-May-2024
No. of Years Completed	7 Years	Organization	ABC Pvt. Ltd.

Gratuity Calculation

Description	Value
Last Drawn Basic Salary + DA (per month)	â,150,000
No. of Years of Service (rounded down to nearest full year)	7 Years
Gratuity Calculation Formula	(Basic + DA) Ã— 15 Ã— Years of Service / 26
Gratuity Payable	â,12,01,923

Calculation Breakdown

Computation	Calculation
Step 1: (Basic + DA) x 15	50,000 Ã— 15 = 7,50,000
Step 2: Divide by 26	7,50,000 / 26 = 28,846.15
Step 3: Multiply by No. of Years	28,846.15 Ã— 7 = 2,01,923

Important Notes

- Gratuity is payable as per the Payment of Gratuity Act, 1972 after completion of 5 or more years of continuous service.
- No. of years of service is rounded down to the nearest completed year only.
- Maximum tax-free gratuity is subject to prevailing government limits.
- Forfeiture conditions apply in case of termination due to misconduct.
- This document is for payroll compliance and audit reference.