

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)	₹150,000
No. of Years of Service (rounded down to nearest full year)	7 Years
Gratuity Calculation Formula	$(\text{Basic} + \text{DA}) \times 15 \times \text{Years of Service} / 26$
Gratuity Payable	₹12,01,923

Calculation Breakdown

Computation	Calculation
Step 1: $(\text{Basic} + \text{DA}) \times 15$	$50,000 \times 15 = 7,50,000$
Step 2: Divide by 26	$7,50,000 / 26 = 28,846.15$
Step 3: Multiply by No. of Years	$28,846.15 \times 7 = 2,01,923$

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.