
4C. Payroll Administration

Payroll administration is important when considering reward management in its entirety. It is essential that employees receive accurate payment in a timely manner, legally compliant with the legislation of Hong Kong.

4C.1 Key components of payroll

Payroll consists of all forms of reward, such as

- a. Salary
- b. Wages
- c. Commission
- d. Tips
- e. Bonuses
- f. Gratuities
- g. Back pay
- h. Allowances
- i. Leave and holiday pay
- j. Contributions to qualifying provident fund schemes

4C.2 Steps for processing the payroll

✦ Collection of information, preparation and review of source documents

✦ Clarify and authenticate validity and approval of source documents

✦ If Human Resources Management System (HRMS) is in use, enter payroll data into HRMS. Otherwise, post payroll data onto your templates/record sheets for the purpose

✦ Verify entries against source documents

✦ Check accuracy of calculations

✦ Approval and sign off of payroll