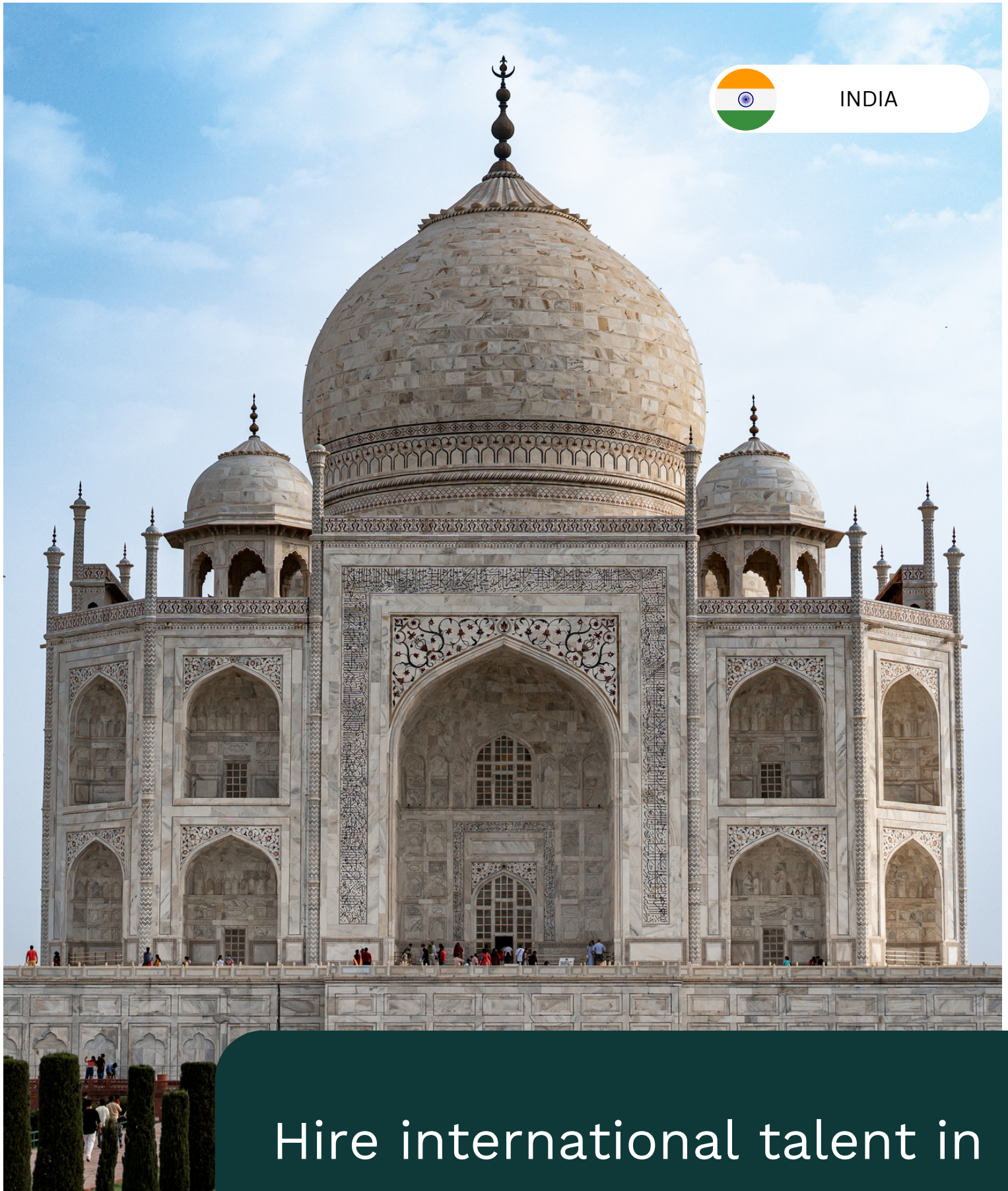




INDIA



# Hire international talent in **India**



EMERALDTECHNOLOGY



# Employment details in India

To start growing your team in India, you must establish a local entity, including an account with a local bank, a local office and an address registered as a subsidiary. This allows you to manage payroll, tax, benefits and compliance for your employees, but can take several months.

Emerald Technology can hire and payroll your workers, quickly and compliantly with their ready to go entity. So no more worrying about compliantly managing your international payroll. We handle everything in over 150 countries.

Make growing your team simple with Emerald as a global partner.



## Currency

Indian Rupee (INR)



## Employer Costs

Estimated 12% of employee's salary



## Onboarding

24 hours with Emerald Technology



## Payroll Cycle

Monthly



# Employer Costs

Cost	Rate
Base salary capped at 1800 INR P/M	12%

## Benefits

### Mandatory

Indian employers are required to offer the following benefits to all full-time employees:

- State Insurance - employer contributes 3.25% if employee is earning 21,000 INR or less per month.
- Gratuity - must have completed five years continuous service.
- Paid Time Off - 18 days

### Additional

Some employers like to offer additional benefits to improve employee retention and satisfaction.

- Private Healthcare



# Employment

## Contract

Currently, there is no legal requirement for a formal written contract of employment in India, although employers generally enter into written employment agreements. Some state-specific laws require employers to record certain terms of employment such as, wages, designation and working hours.

Recent amendments to the Employee's Compensation Act 1923 and the Maternity Benefit Act 1961 require employers to inform employees of the benefits available to them in writing.

## Probation Period

A probation period in India is six months and can be extended by a period of three months at a time. The maximum probation period must not exceed two years.

**Emerald Technology can create a compliant contract in India in 24 hours.**



# Insurance

## Healthcare

Since April 2020, it has been mandatory for all employers to provide a Mediclaim policy to employees in India.

## Social Security

Social security in India is governed by the Employee's Provident Funds and Miscellaneous Provision Act.

# Leave Policy

## Maternity Leave

Pregnant employees are eligible for a total of 26 calendar weeks of maternity leave. A mother may start her leave up to eight weeks before the expected delivery. Employers cover the cost of maternity leave, unless the employee is a factory level employee, in which case the costs are covered by social funds from the Government. Additionally, pregnant employees may be eligible for a medical bonus of INR 3,500.

## Paternity Leave

There are no legal stipulations for paternity leave except for government sector employees, who are entitled to 15 days' leave.

## Sickness Leave

In India, employers must provide six days of sick leave per year. Some employers provide an unpaid leave for long term medical issues, but this is not mandatory.

# Onboarding

## Details

As the legal employer, Emerald Technology requires the following employee documents to ensure complete compliance:

- Passport
- Identification and proof of address
- Education Certificate (highest qualification)
- Job description
- CV (full address)

**Emerald Technology can onboard employees in India within 24 hours.**



# Resignation and Dismissal

## Details

In India, the employment relationship can be ended by either the employer or the employee, with written notice being the preferred method of notification, although verbal notice is also acceptable. The duration of notice required varies based on the terms of the employment contract.

Termination of an employee may occur due to misconduct, poor performance, or breach of contract, but the employer must follow the proper procedures to avoid any legal issues. In India, employers must comply with various laws and regulations related to employee termination, including the Industrial Disputes Act, the Contract Labour Act, and the Industrial Employment Act.

The employer must also pay all statutory dues to the employee, such as gratuity and provident fund, before ending their employment.

Employers must provide advance notice to both the employees and the relevant government authorities before any termination plans are carried out. If an employee is terminated without proper notice or compensation, they have the right to file a claim with the labour court.

## Severance

The entitlement to severance pay in India depends on the terms of the employment contract, the reason for termination, and the applicability of the Industrial Disputes Act.

Employees who have completed at least one year of continuous service with their employer may be entitled to receive severance pay if they are terminated due to redundancy or retrenchment. The amount of severance pay is calculated as 15 days' average pay for every completed year of continuous service.

It's worth noting that employees who are terminated due to misconduct or other valid reasons may not be entitled to any severance pay or benefits.

Ready to expand your workforce to India?

Book a free consultation with our experts today, [click here](#).



# Statutory Time Off

## Annual Leave

The exact entitlement may vary from state to state, but the general rule is that an employee is entitled to at least one day of leave for every 20 days of work performed during a calendar year.

## Public Holidays

India has 3 public holidays.

- Republic Day
- Independence Day
- Mahatama Gandhi's Birthday

# Work, Pay and Taxes

## Minimum Wage

While India has no national minimum wage, minimum wages may be set by state or sector of industry. Wages vary from INR 160 per day in Bihar to INR 423 per day in Delhi.

## Working Time and Overtime

The work week in India is 40 hours, with a standard workday of 8 hours. Employees are entitled to 10.5 hours between workdays. Work hours should not exceed more than 50 hours per week, or 9 hours per day.

There is no legal requirement to pay overtime apart from to factory workers, who are entitled to receive 2x salary payments for any hours worked over 8 hours per day or 48 hours per week.

## Salary Payments

The payroll cycle in India is generally monthly, with wages paid on or after the 28th of each month.

## Bonus

Employers are not required to provide employees a bonus. Any bonus provided is at the employer's discretion and will be subject to tax.



## Income Tax

In India, income tax is a major source of revenue for the central government. The contribution of income tax to the total tax revenue of the government varies from year to year depending on the overall economic situation of the country and the tax policies implemented by the government.

Salary	Tax Percentage
Up to 250,000	0%
250,001 - 500,000	5%
500,001 - 750,000	10%
750,001 - 1,000,000	15%
1,000,001 - 1,250,000	20%
1,250,001 - 1,500,000	25%
1,500,001+	30%

## Discover how Emerald Technology can grow your international workforce risk-free.

Emerald is a global expansion partner, supporting B2B tech companies hire, onboard and payroll remotely across 150 countries. Handling local payroll, taxes, benefits and compliance in every region you want to expand your workforce.

Book a free consultation with our experts today, [click here](#).

