

FAQ's

**WABCO INDIA – NEW SALARY
STRUCTURE**

How will my new salary structure look like?

The new salary structure would consist of

| Components | |
|--|------------------------------------|
| Basic Salary | (1) |
| Flexible Compensation | (2) |
| Annual Base Salary (ABS) | ABS = (1) + (2) |
| Annual Performance Incentive (API) / Annual Incentive Plan (AIP) – (Grades 7B & Above) | (3) |
| Provident Fund | (4) |
| Gratuity | (5) |
| Cost to Company (CTC) | CTC = ABS + (3) + (4) + (5) |

What are the major changes made to the new salary structure?

- Introducing “**Flexible compensation**” to minimize the tax outgo for an employee.
- The “**HRA**” component which will be part of “**Flexible compensation**” is revised up to 50% of basic salary for metros and 40% of basic salary for non-metros.

What is “Flexible Compensation”?

- It allows the employee’s to structure their salary structure with an option of deciding the components and monetary limits they would like to opt for. Based on the grades, the eligibility limits would differ.
- Employees can choose to avail these components in “**Flexi Pay Portal**” which they envisage to incur and thereby avail the consequential tax benefits. The components available under **Flexible compensation** are as follows:
 - House Rent Allowance (HRA)
 - Conveyance Allowance
 - Telephone/Mobile/Data reimbursement
 - Fuel & Maintenance reimbursement (Employee owned car)
 - Medical reimbursement

- Leave Travel Allowance (LTA)
- Special Allowance - Determined based on components of benefits selected by employees.

What happens when I opt for a “Flexible Compensation” in Flexi pay portal?

- Once you opt for the above flexible compensation components, the respective monthly amount (except HRA & Conveyance) will be set aside from your monthly gross salary and the reimbursement of these components will be made only when you make a reimbursement claim in flexi pay portal & on submission of original hard copy bills.
- If you, as an eligible employee, opt for a telephone reimbursement of INR 1,500/- per month, the respective amount will be set aside from your monthly salary and will be paid out only when you claim the reimbursement by submitting bills in the Flexi Pay Portal. If till the end of the year, you were able to claim only to the extent of INR 10,000/-, then your remaining eligibility of INR 8,000/- will be paid to you as Exgratia in March salary after deducting tax.

How can I structure my flexible compensation components?

- Login into your **Flexi pay portal** using windows login and password.
- Select the flexible compensation components according to your requirements and allocate your salary.
- Limits should be defined based on the eligibility criteria and defined limits.
- Save & Submit

The new Compensation structure will be effective from **1st November 2016** and cannot be changed until the next salary revision. If an employee’s salary changes during the course of the year he/she will have to redesign his/her flexible components on or before the **17th of the month**, which will be calculated and paid out on a pro-rated basis.

Any employee who joins during the course of the year will have to design his/her flexible components on or before the **17th of the month** and this cannot be changed until he/she gets their next salary revision.

Based on the salary structure opted, all allowances (HRA & Conveyance) would be paid out on monthly basis and for reimbursement components employees would have to provide bills** in order to obtain a tax benefit and have the amount paid out with their monthly salary (payout will be calculated as per accumulated eligibility).

Reimbursements opted and not availed during the year (amounts for which bills are not provided), will be paid out in March salary as Exgratia after tax deductions.

Note: The year would be considered as 1st April to 31st March.

****Excess bill value will not be carried forwarded to the next month**

How do I claim the reimbursement?

The reimbursement components should be claimed through the Flexi pay portal on or before **17th of the month.**

- Employee should submit the request online and download the claim form.
- Review & sign the downloaded claim form, enclose hardcopy supporting original bills towards the claim and submit to Finance.
- The claim forms & bills will be verified by the payroll team and paid along with the monthly payroll.

Refer the Compensation policy updated in WABCO India portal for the documents to be submitted along with the claim.

What if I missed the reimbursement submission deadline?

You will have to wait for the next claim cycle to update and submit your bills.

Note:

1. Flexible compensation can be submitted only at the time of salary revision and cannot be modified after designing your salary structure in Flexi Pay Portal.

2. Eligibility will be prorated to the time spent by employee in the company in a particular year (July - June). Employee will not be able to claim reimbursement in excess of your prorated eligibility as on the day of claim. This year eligibility starts effective **1 Nov 2016**.
3. Kindly note that the submission of forged, fabricated or tampered bills as proof of expense for any of the above components will result in immediate strict disciplinary action / termination.
4. The Company may, at its sole discretion, alter, amend or delete any of these benefits at any time to comply with statutory provisions. Any applicable taxes or additional cost against these benefits will be recovered or withheld from the employee.