

Employers are likely to change salary structure

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NEW DELHI: Do you get part of your salary or reimbursements in cash? Then your employer may have to re-think the remuneration rollout.

In one stroke, Prime Minister Narendra Modi turned the tide on black money as cash remunerations which feeds informality in the job market is set to end.

Rituparna Chakraborty, co-founder at staffing firm, Teamlease Services, said: "The move would cause inconvenience to some employers immediately.

"However, soon, we shall see recalibration of transactions which will become forcibly legit and would be in compliance with the law of the land."

Top sectors where salaries or part of salaries are paid in cash are real-estate and infrastructure.

However, headhunters expect that a massive shift will be witnessed as the undeclared economy will slowly move into the organised sector.

Also, with lesser cash transactions, more employees will

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now fall under the ambit of other necessary benefits such as provident fund.

Moorthy K Uppaluri, managing director, Randstad India, a headhunting firm, said: "This reform will benefit everyone as more employees can avail benefits provided in the formal job sector such as provident fund, medical claim, gratuity and additional benefits."

Industry echoed similar benefits. Ronesh Puri, managing director at Executive Access, an executive search firm, said, "The initiative will now force the companies to re-consider the salary structure.

Most professional organisation in any case doesn't pay any component in cash and hence should not affect them at all."