

Salary components and structures

Human resources and payroll

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Define earnings and deductions, build a salary structure and assign it to employees.

Advanced · About 40 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

A **Salary Component** is one line on a payslip, for example *Basic Salary*, *House Allowance* or *PAYE*. A **Salary Structure** is a set of components. You **assign** a structure to each employee with their base pay.

Prerequisites

Employees created, and the accounting company set up. Agree the pay package for each role.

Steps

Create salary components

1. Search for **Salary Component** and click **Add Salary Component**.
2. Enter the name, and choose the **Type**: *Earning* or *Deduction*.
3. Choose how it is calculated: - a fixed **Amount** - a **Formula**, such as `base * 0.15` - a **Condition**, if it applies only sometimes
4. For earnings that are taxed, leave **Is Tax Applicable** ticked.
5. Save. Under **Accounts**, set the expense or payable account for the company, so payroll posts correctly.

Build a structure

1. Search for **Salary Structure** and click **Add**.
2. Name it, such as *Standard Monthly*, and choose the **Company**.
3. Set **Payroll Frequency** to *Monthly*.
4. Add the components in the **Earnings** and **Deductions** tables.
5. Save, then **Submit**.

Assign it to an employee

1. Search for **Salary Structure Assignment** and click **Add**.
2. Choose the **Employee**, the **Salary Structure**, the **From Date** and the **Base** (the base pay used in formulas).
3. Save and submit.

Practical example

Standard Monthly has *Basic Salary* (= base), *House Allowance* (15% of base), and deductions *NSSF*, *SHIF*, *Housing Levy* and *PAYE*. A clerk is assigned this structure with a base of KES 60,000.

Important notes

- Change a salary by creating a **new assignment with a later From Date**, not by editing the old one.
- Test with one employee before running payroll for everyone.
- Deduction rates must follow current Kenyan law. See Kenyan statutory deductions.

Common mistakes

- Employees with no assignment, so they get no salary slip.
- Formulas that refer to a component not yet defined above them.

Next steps

Read Kenyan statutory deductions.

Related documentation

- Kenyan statutory deductions
- Running payroll and payslips
- Employees