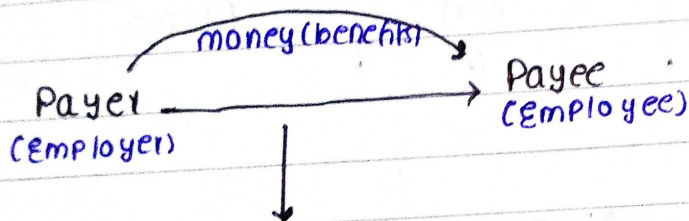


INCOME from Salaries.

charging **section: 15**

Any benefit (monetary or Non monetary) received by the employee from the employer is taxable under the head salaries in the hands of employee, subject to the conditions

There should be a Employer and Employee Relationship b/w payer and payee. (Employee)
(Employer)



Payer (emler) direct & control the work done by the employee (payee)

- ① what work should be done
- ② how the work should be done
- ③ when the work should be done.

Note:

- ① Employment can be Part time / Full time.
2. Employer can be Present / past (or) former / Future
3. Employee can have more than 1 Employer.
4. Employer should pay in employer capacity.

Taxability of income certain circumstances.

① commission received by the agent



PGBP - Taxable under
[except lic agent → IFOS]

2) Partnership firm → Partners

↓
Taxable under PGBP.

3) company Remuneration → Directors

↓
IFOS

Except → If there is a Employment agreement
blw company and director (ex-managing Dir)

↓
Salaries

4) company Sitting fee → Director

↓
IFOS

5) Salaries of MP's / MLA's → IFOS

Method of Accounting

Due
on
Receipt
↓
whichever is ^{earlier} lower

Note-1 Once salary is taxed on due basis, it
should not be taxable again on receipt
basis (vice versa)

COMPUTATION OF salary income

- ① Basic payments → xxxx
 - ② Taxable value of allowance
 - ③ Taxable value of retirement benefit
 - ④ Taxable value of perquisites → xxxx
 - ⑤ Taxable value of Welfare contribution → xxx
- Gross salary. xxx

less deductions u/s 16

- ① standard deduction → xxx
 - ② Professional tax → xxx
 - ③ Entertainment allowance → xxx
- net salary → xxx

① Basic payments (Fully Taxable)

→ Basic salary

→ Bonus

→ Commission (All)

→ Advance salary

→ Fees

→ Arrears of salary

(Advance)

Note: Advance salary vs Advance against salary

↓
Taxable

↓
not taxable

↓
on receipt basis

2) Arrears of salary. → Taxable in the year of receipt

└ in year in which received of
(or)
debited to account

2) Allowances

Monetary benefit received by the employee from the employer to meet certain expenditure incurred by the employee (whether personal or office purpose)

① Fully Taxable Allowances (under both tax regimes)

② Partly Taxable Partly Exempted Allowances.

3. Fully Exempted Allowances.

2) partly Exempted Partly Taxable Allowance

House Rent Allowance (HRA) Special Allowance Social Allowance
u/s 10(13A) u/s 10(14)(ii) u/s 10(14)(ii)

Special allowance u/s 10(14)(i)

① Daily allowance (Both)

② Travelling allowance (Both)

③ conveyance allowance (Both)

④ Helper allowance

⑤ research allowance

⑥ uniform allowance

Exempted in default tax

Exempted Amount

① Amount ~~exempted~~ spent (or)

② Actual allowance received

whichever is lower exempted

⇒ Special allowance u/s 10(14)(ii) [Exempted Amt]

① children education allowance - 100 P.m/child [max 2 children]

② children Hostel Allowance - 300 P.m per child [max 2 children]

③ (Both) Transport allowance / communication (Rs 10 to 100) → 3200 PM
[Blind, deaf, dumb & physically handicapped]

4) Running allowance → 70% of allowance or 10,000 PM or exempted

Exemption is not available 10,000 PM if individual is received daily allowance

5) underground allowance - 800 PM

6) Counter insurgency allowance → 3900 PM

7) Highly active field area allowance - 4200 PM

8) Island allowance → 3250 PM

[Andaman & Nicobar, Lakshadweep]

9) Highly altitude allowance.

① 9000 feet to 15,000 ft → 1060 PM

② Above 15,000 ft → 1600 PM

★ House Rent allowance (HRA)

Least of the following is exempted

① HRA Received for relevant period Jan-Sep

② Rent Paid - 10% of salary for R.P. (Relevant period) Jan-Sep

③ 40% / 50% of salary for relevant period

Note:

Salary → Basic pay + Dearness allowance

[will form part of salary for retirement benefits]

+ Commission on turnover.

④ 50% → Chennai, Kolkata, Mumbai, and Delhi; Remaining any 40%

member of armed force

Exempted

Step 1
↳ 10% which is less than that received for only take for step 2/3

(AP-B)

Computation of exempted HRA

Particulars	Apr may	Jun-Oct	Nov-Oct	Jan	Feb mar.
① Actual HRA	18,000	30,000	18,000	7,000	14,000
2. Rent Paid -	0	30000 - 7500	16000 - 3000	8000 - 1500	16000 - 3300
10% of Salary		22500	13000	6500	⇒ 12,700
3. 50% / 40% of sal	18,000	30,000	15,000	7,500	16,500
Exempted Amt	0	22,500	12,000	6,500	12,700
Working notes					
Salary					
BD + DA (impart)	20000 + 10000	50000 + 25000	20000 + 10000	10000 + 5000	22,000 + 11,000
+ commission only	= 30000	75,000	30,000	15,000	= 33,000

~~Actual~~

- ③ If rent paid is nil, Exempted HRA → Nil for relevant period.
- ④ HRA exemptions is available only under "optional tax regime."
- ⑤ D → Daily allowance
T → Travelling allowance
T → Transport allowance
C → Conveyance allowance.

↓
It allowances are Exempted (subject to provisions) under both tax regimes.

→ other than this 4 allowances, fully Taxable under default tax regime u/s 115 BAC.

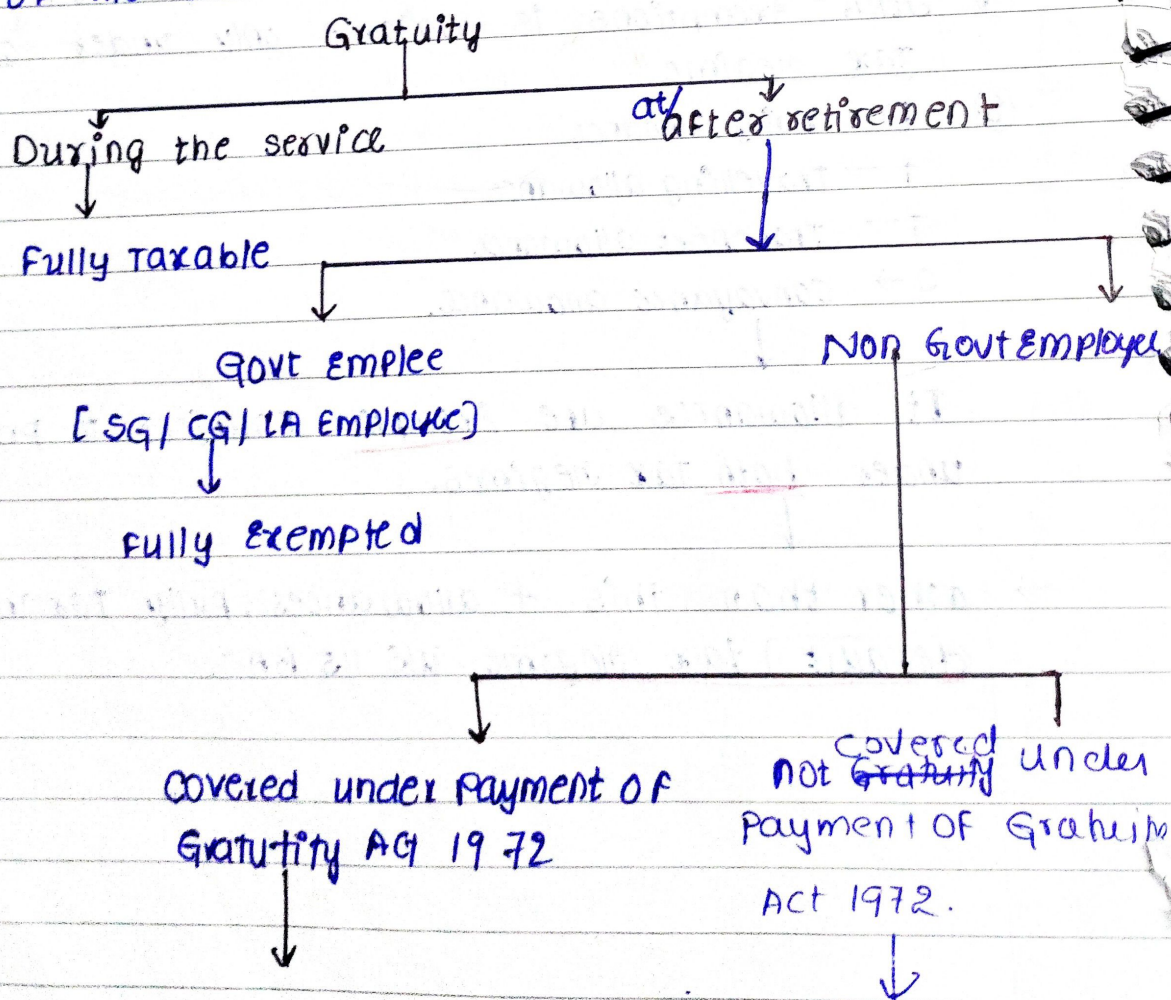
3) Fully Exempted allowances (optional)

- ① Allowances granted to High court Judges
- ② Salary & allowances granted to Employees of UNO.
- ③ Sanitary allowances granted to both Supreme court and High court judges.
4. Allowances granted to Indian citizen, rendering services outside India by the Indian govt.

3. Taxable value of Retirement benefit.

A. Gratuity.

monetary benefit received by the employee from the employer in appreciation of his services.



BASIC REQUIREMENT WITH RESPECT TO THE FORMATION OF A COMPANY [SEC 31]
company must be formed by specified number of persons: 15 for private
and purpose and

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Exempted Gratuity (least of following)

Exempted Gratuity (least of the following)

Exempt

① Actual Gratuity

② SL → 20 Lakhs

③ $\frac{15}{26} \times \text{NO OF years OF completion of service} \times \text{Last drawn Avg salary PM}$

① Actual Gratuity

② SL → 20 L

③ $\frac{1}{2} \times \text{NO OF years OF completion of service} \times \text{Avg Salary PM}$

Note:

① Salary

* POGA Employee → Basic Payment + Dearness allowance (Both)

* NON - POGA Employee → Basic pay + Dearness allowance (in terms) + Commission on turnover.

② NO OF years OF completion OF service

* POGA Employee → in excess of 6 months

↓
Shall be treated as 1 year.

* NON POGA Employee → Only fully completed years shall be treated.

NO OF years OF completion of service	POGA	NON POGA
--------------------------------------	------	----------

① 28 yrs 5 months

28

28

② 26 yrs 7 months

27

26

③ 22 yrs 6 months

22

22

④ 30 yrs 9 months

31

30

⑤ 24 yrs 11 months 1 day

25

24

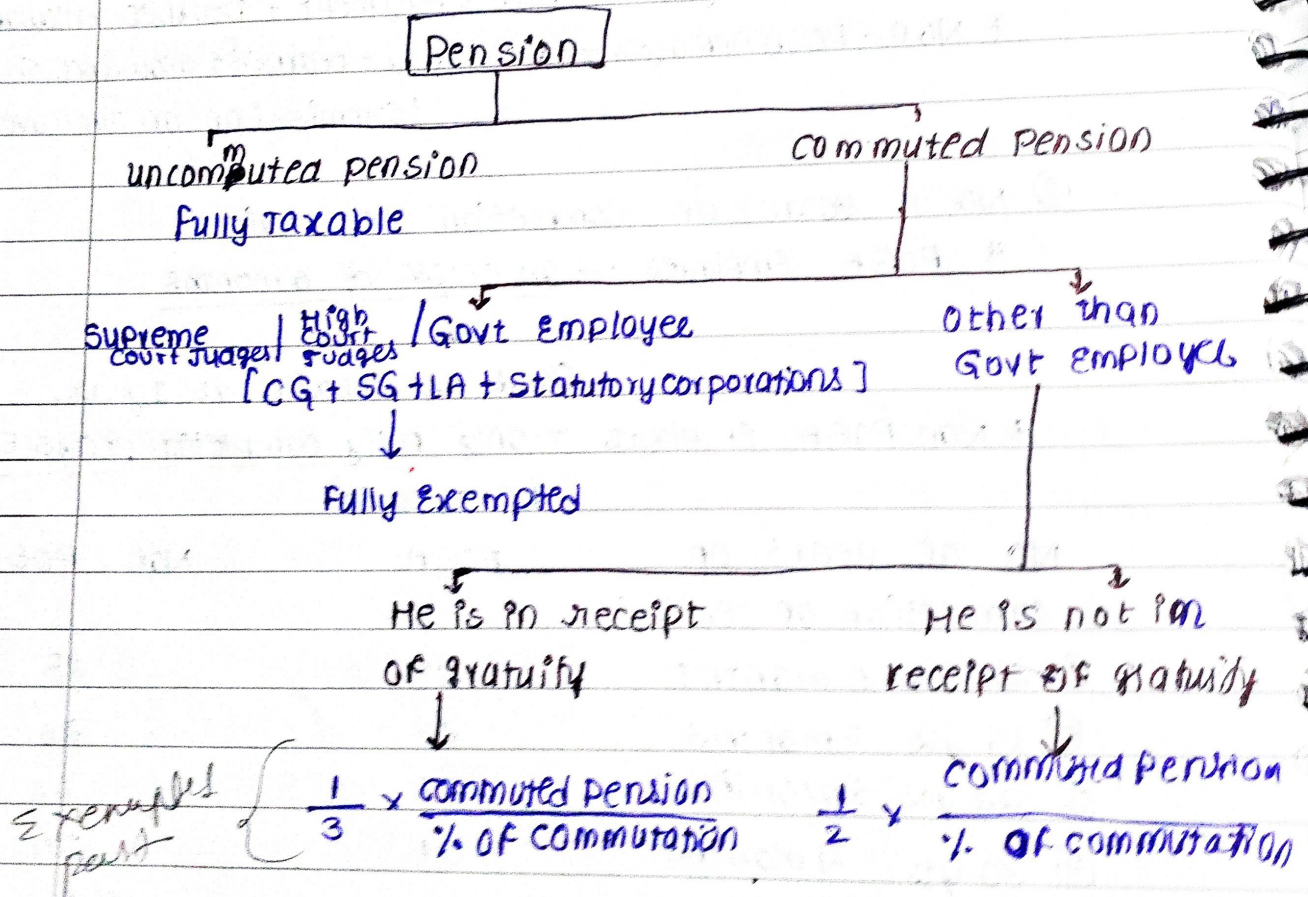
③ Avg salary PM → last 10 months average salary other than the month in which he retires

④ Gratuity Exemption is available under both Tax regime.

Maximum gratuity exemption is 20L during the life time of the individual, even through Employee received gratuity from employers in a P.Y or gratuity in 2 or more P.Ys.

B. Pension

A monetary benefit received by the employee from the employer after retirement in consideration of his past services.



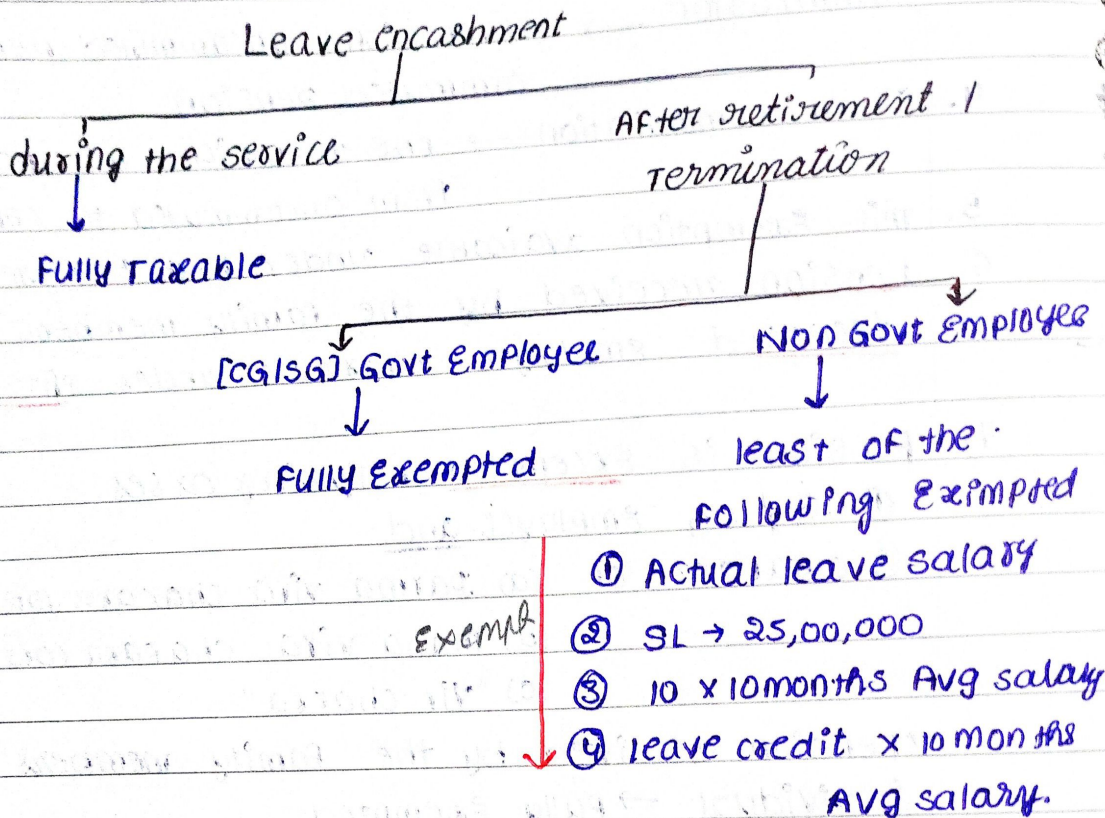
Note

- ① uncommuted pension → pension received periodically (i.e. monthly, quarterly etc)
- 2) commuted Pension → person received in lumpsum.

3. commission → conversion uncommuted pension into commuted pension
4. % of commutation → the % which we have converted from uncommuted to commuted.
5. this exemption available under both tax regimes
6. Pension received by the family members of a deceased employee → Taxable under IToS
7. Pension is Exempted following cases
 - ① CG & SG employee and
 - ② awardee of (a) Parma Vira Chakra (or)
(b) Maha Vira Chakra (or)
(c) "Vir Chakra"→ pension received by the family members of such individual → Fully Exempted.
Family members
 - ① S → Spouse
 - ② C → children
 3. DP → Dependant partner
 4. DB → Dependent brothers
 5. DS → Dependent sisters
8. Disability pension received by army people [members of armed force]
↓
Fully Exempted.

C) Leave Encashment / leave salary

conversion of unavailed / unutilised / unused paid leaves into cash is called leave encashment / leave salary.



Note:

- ★ ① Salary → BP + DA (in terms) + comission on turnover
- ② 10 months Average salary immediately preceding the date of retirement / termination
- ③ leave credit → unused / unavailed / unutilised paid leaves.

leaves granted by employer for each completed year → xxx

maximum leaves as per it Act for each completed year → xxx
[30 days or 1 month for each completed year]

less: used / availed / utilised leaves → xxx

leave credit convert into months → xxx

whichever is lower

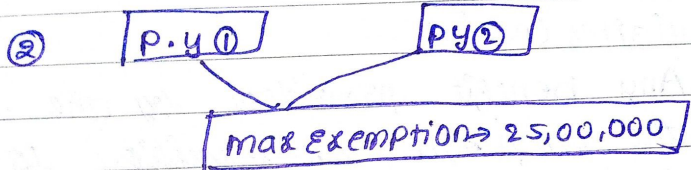
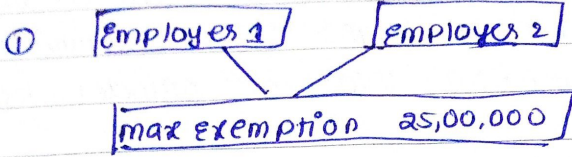
4) leave encashment is available under both tax regimes

BASIC REQUIREMENT WITH RESPECT TO THE FORMATION OF A COMPANY [SEC 3]:³
1) A company must be formed by specified number of persons: [Sec 3(1)]

any lawful purpose and

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S. maximum exemption of leave salary $\rightarrow 25,00,000$



D) ~~Retrenchment~~ compensation
compensation paid by the employer to the employee
on termination of employee
Least of the following exempted

- ① Actual RC
- ② 5,00,000 $\rightarrow$ Statutory limit
- ③ $15/26 \times \text{NO OF years of completion of service} \times \text{Avg salary p.m.}$

Note:

- 1) In excess of 6 months shall be treated as 1 year
- 2) Salary $\Rightarrow$ BP + DA (both)
- 3) Average salary $\Rightarrow$ 3 months average.
- 4) This exemption is available under both tax regimes.

E) voluntary retirement compensation (VRC)

The compensation received by the employee
from the employer on voluntary retirement.
least of following exempted

- 1) Actual VRC
- 2) 5,00,000
- 3) $\uparrow$ ③ $3 \times \text{NO OF years of completion of service} \times \text{last drawn salary}$

INTRODUCTION

- 1) A Company is a Separate Legal Entity from its Members
- 2) It has Perpetual Succession

BASIC REQUIREMENT WITH
may be
A company may be formed
any lawful purpose

RANKA

NOTE

- ① Only fully completed years shall be considered
- ② Salary $\rightarrow$ BP + DA (both in kind) + Commission on turnover
- ③ This exemption available under both tax regimes

4) perquisites (perks)

Any benefit provided by the employer to the employee in addition to the salary in the course of employment is called perquisites.

① perquisites may be in cash or in kind.
 $\rightarrow$ Arranged by employer & paid by employer $\rightarrow$ in kind.

$\rightarrow$ Arranged by employee & paid by employer $\rightarrow$ in kind

$\rightarrow$ Arranged by employee & paid by employee & reimbursed by employer $\rightarrow$ in cash

② perquisites can be for free or for concessional rate.

③ Any benefit provided by the employer to the employee to discharge official duties is not a perquisite.

④ unauthorised benefit used by the employee without the permission of employer is not a perquisite.

⑤ Any benefit received in the course of Profession / business $\rightarrow$ PGBP.

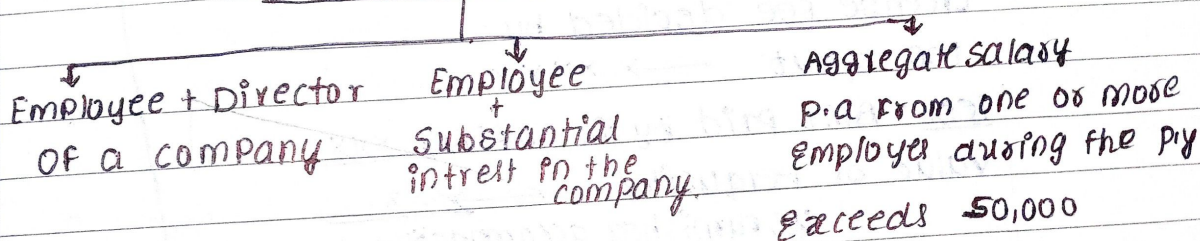
1) A company ^{may be} formed by specified number of persons: [Sec 3(1)]:
For any lawful purpose and



TYPES OF Perquisites

- ① Perquisites taxable in the hands of all employees (specified & Non specified employees)
- ② Perquisites taxable in the hands of specified employees only.
- ③ perquisites exempted in hands of all employees.

Specified Employee



Note:

- ① Substantial interest: If employee holding equity shares carrying voting power 20% or more at any time during the P.Y.
- ② while calculating limit of 50,000 Per annum, Exclude the following items:
 - ① non monetary ~~items~~ benefits (in kind)
 - ② Exempted monetary benefits.
 - ③ Deductions under section 16.

I → Rent free accommodation (RFA)

A. unfurnished accommodation

Govt Employee
[SG/CG]

License fee decided by
the Govt → xxxx

less: Amt Paid by the employee xxx
value of Perquisite / xxxx
unfurnished accommodation

NON GOVT Employee

Owned by Employer

- ① If population upto 15L ^{upto 5% of salary} → ~~xxx~~ salary.
- ② Population > 15 lakhs ≤ 40 lakhs → ^{7.5% of salary} salary
- ③ population > 40L → 10% of salary

less:

Amount Paid by the employee → xxx
Value of Perquisite / unfurnished xxx

Hired / Rented by the Employer

Rent Paid by the employer
(or)

10% of salary

less: Amount Paid by the employee xxx
value of the perquisite xxx

Note:

- 1) Population should be considered as per 2011 Census.
- 2) Salary should be considered in respect of the period during the Rent free Accommodation used by the Employee during the P.Y.
- 3) Salary definition:

B → Basic pay

A → Allowances (Taxable)

B → Bonus

D → Dearness Allowance (in term)

C → commission (any)

m → Any monetary benefit.

but, does not include

D → Dearness Allowance [Not in terms]

E → Employers contribution to PF Alc

A → * Allowance [Exempted]

R → Lumpsum Payment at Retirement/Termination
voluntary retire
Eg: ① Gratuity.

[Retirement Benefits]

② Commuted Pension

③ Leave encashment.

④ VRC [Voluntary Retirement Compensation]

⑤ RC [Retrenchment Compensation]

P → Perquisite value u/s 17(2)

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b) Furnished Accommodation.

Value of unfurnished accommodation $\rightarrow xxx$

Add value of furniture

$\rightarrow 10\%$ P.a of cost

(i) owned by employee
[or/And]

(ii) Rented by Employer

$\rightarrow$ Rent paid by
Employer

Value of furnished accommodation

$\rightarrow xxxx$

c) Hotel Accommodation.

Rent Paid by the Employer
(or)

24% of Salary

whichever is lower
shall be the value
of the prerequisite

less: Amt Paid by employee
value of prerequisite

$\rightarrow xxx$

$\rightarrow xxxx$

Exempted

If satisfied the both the conditions
1) Employer provides hotel accommodation to
employee due to transfer of employee.
from one place to another place.

And

2) That Hotel accommodation provided upto 15 days.

Note

1) Employer provided 2 or more Rent free
Accommodation to employee

First 90 days.

After 90 days

Value of Rent Free
Accommodation

Value of Both RFA
(an aggregate)

which has lower value

for formation of a company?

PECT TO THE FORMATION OF A COMPANY [SEC 3]:
specified number of persons: [Sec 3(1)]

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2. CG/SG employees providing services some other entity or underlying under deputation then that entity or undertaking shall be treated as employer and value of the perquisite shall be calculated as if RFA owned by employer

3. If employer provided same rent free Accomodation to employee for more than one P.Y, the value of the perquisite, for PY 24-25 shall not exceed

Value of the Perquisite $\times \frac{\text{CII of CPY}}{\text{CII of PY in which Employer first provided the RFA to the employee}}$

* 1st PY

2023-2024
(1)

PY in which Employer first provided the RFA to the employee.

II Domestic servant :

↓
 Amount paid/Reimbursed by the Employer
 shall be the value of the Perquisite.

→ Amount charged by the Employer from the Employee
 shall be deducted.

III Gas, water, electricity facility

↓
 Provided from own source

Manufacturing cost P.U - xxxx
 (Less) Amount Paid by Employee - xxx
 Taxable value of the Perquisite xxx

↓
 Provided from outside source

Amount Paid/Reimbursed by Employer x
 Less Amount Paid by Employee - xx
 Taxable value of Perquisite - xx

IV Credit card facility

↓
 Office Purpose

↓
 It is not a Perquisite

↓
 Personal Purpose

Amount Paid/Reimbursed by
 Employer → xxxx
 Less: Amount Paid by Employee - xx
 Value of Perquisite → xxx

Note

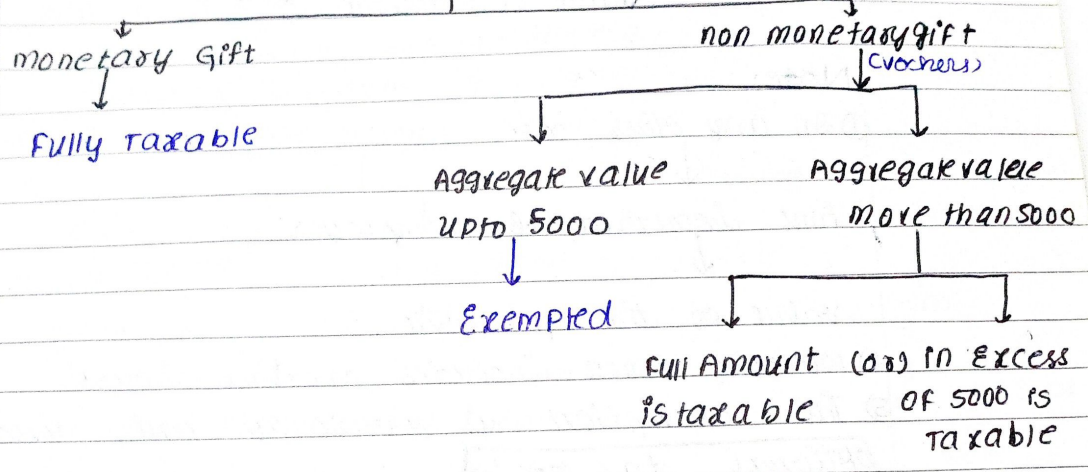
- 1) Employer should furnish a certificate stating that Employee has used credit card exclusively for office purpose.
- 2) Employer should maintain record expenses.

RESPECT TO THE FORMATION OF A COMPANY [SEC 3]:
 specified number of persons. [Sec 3(1)]

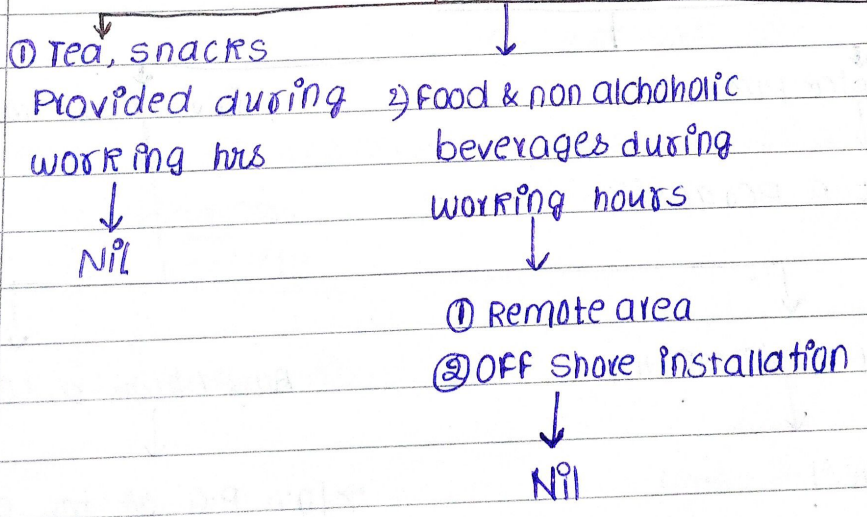
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- 3) Credit card facility → Employee + Family members.
- 4) Credit card bill includes membership fees & Annual fees.

(V) Gift



VI Food & Non-alcoholic Beverages



3) Food & non alcoholic beverage
 Provided during working hrs
 in office Premises or)
 (ii) provided through Paid vouchers
 which are non transferable and
 eatable at canteens.
 ↓↓

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↓
 Amount incurred
 by the employer → xxx
 less exempted (SOT-Personal) → xxx
 (Not-3)
 Value of Perquisite xxx

Note:

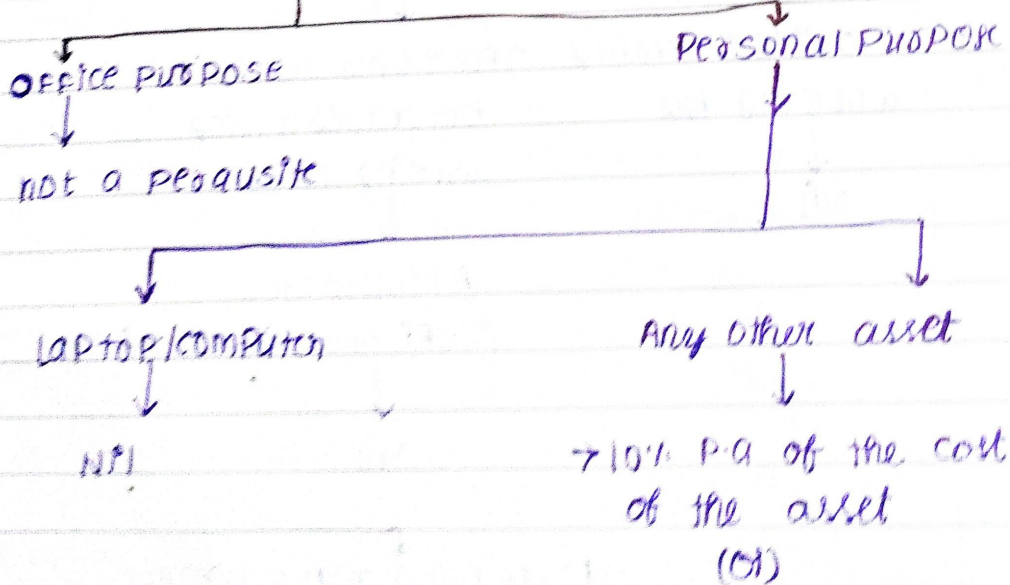
① In any other case

↓
 Amt incurred by employer

↓
 value of the perquisite.

- ② working hours includes overtime hours
- ③ This exemption is available only under optional tax regime

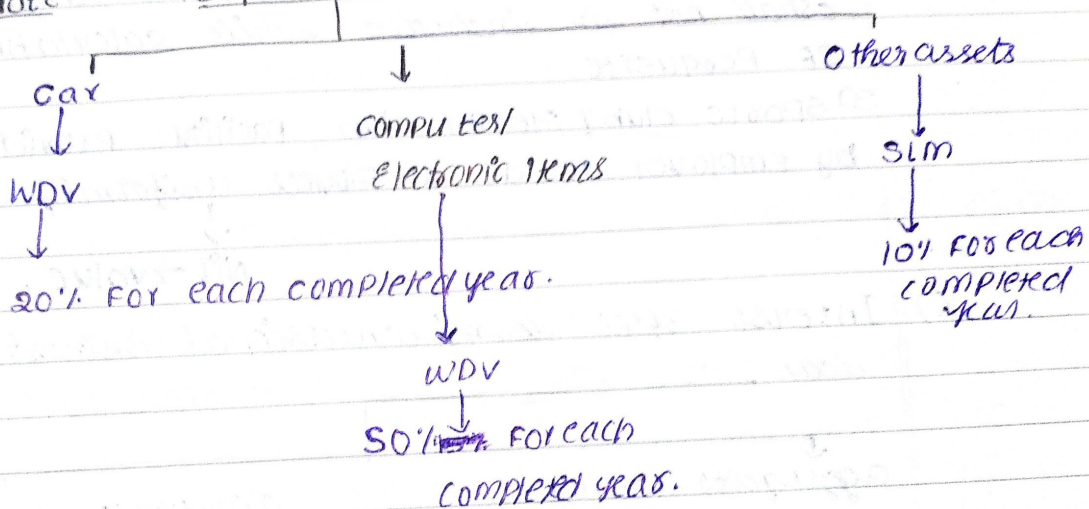
VII USE OF MOVABLE ASSET



VIII) Transfer of movable asset (sale)

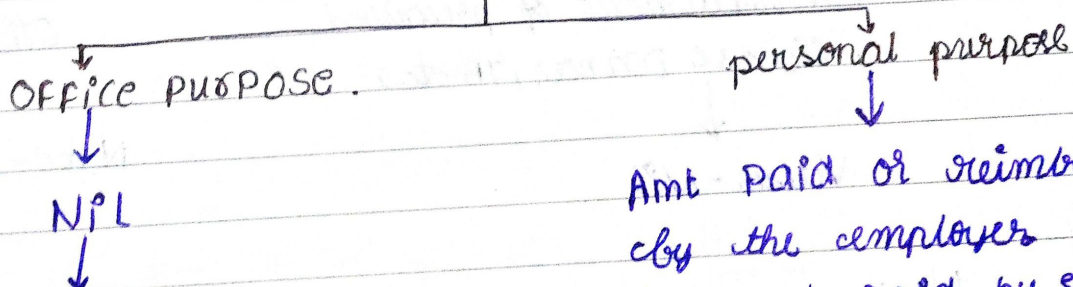
Cost of the asset $\rightarrow$ xxxx
 less: Depreciation $\rightarrow$ (xxxx)
 WDV of the asset $\rightarrow$ xxx
 less sale value $\rightarrow$ (xxx)
 Value of the perquisite $\rightarrow$ xxx

Note Depreciation



→ Electronic appliances does not include Home appliances.

IX Club Facility



① Employer should furnish a certificate stating that employee had ^{incurred} ~~not~~ ~~not~~ wholly and exclusively for office purpose.

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2) Employer should maintain a record of expense.

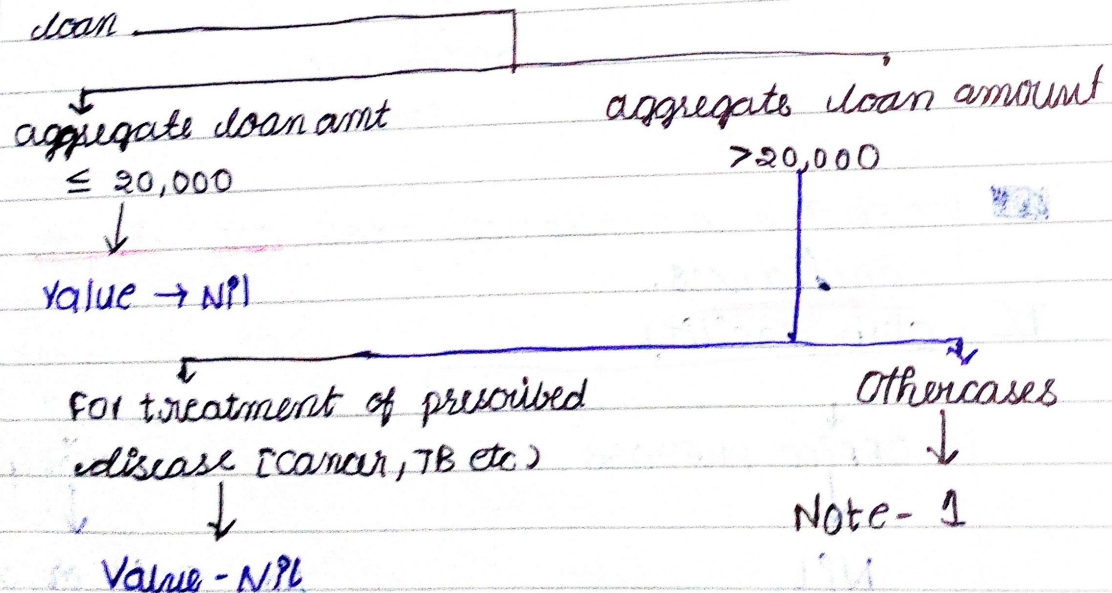
Note:

1) Expenses → * mem-ship fee
* Annual fee
* Any Other expenditure.

2) membership fees ^{only} of corporate membership card shall not be included while calculating value of perquisite.

3) Sports club / Health club facility provided by employer to all employees uniformly.
↓
Nil → value.

X) Interest free loan / concessional interest rate loan



Note

1. Taxable value = Loan Amount × [SBI Int rate (-) Int rate charged by The employer.]

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* loan Amount → maximum dising monthly balance.
* SBI Intrest Rate → Relavent Intrest rate as on 01.04.2024.

2. Reimbursement of expenses of treatment of prescribed diseases → value → Normal procedure (Default)

(XI) USE OF MOTOR CAR

A) FOR OFFICE PURPOSE [exclusively]

↓
Not a perquisite

B) Exclusively for personal purpose

↓
If car is owned by the employee

maintainace expenses met by employee
↓
Not a perquisite

maintainace exp met by employer
↓
value of the perquisite.

Expense incurred by the employee
less Amt paid by employee

owned/hired by employer

maintainace expenses met by employee
↓

10% P.A of the cost of motor car
(or)

Rent paid by the employer
less: Amt paid by employee

maintainace exp met by employer.
↓

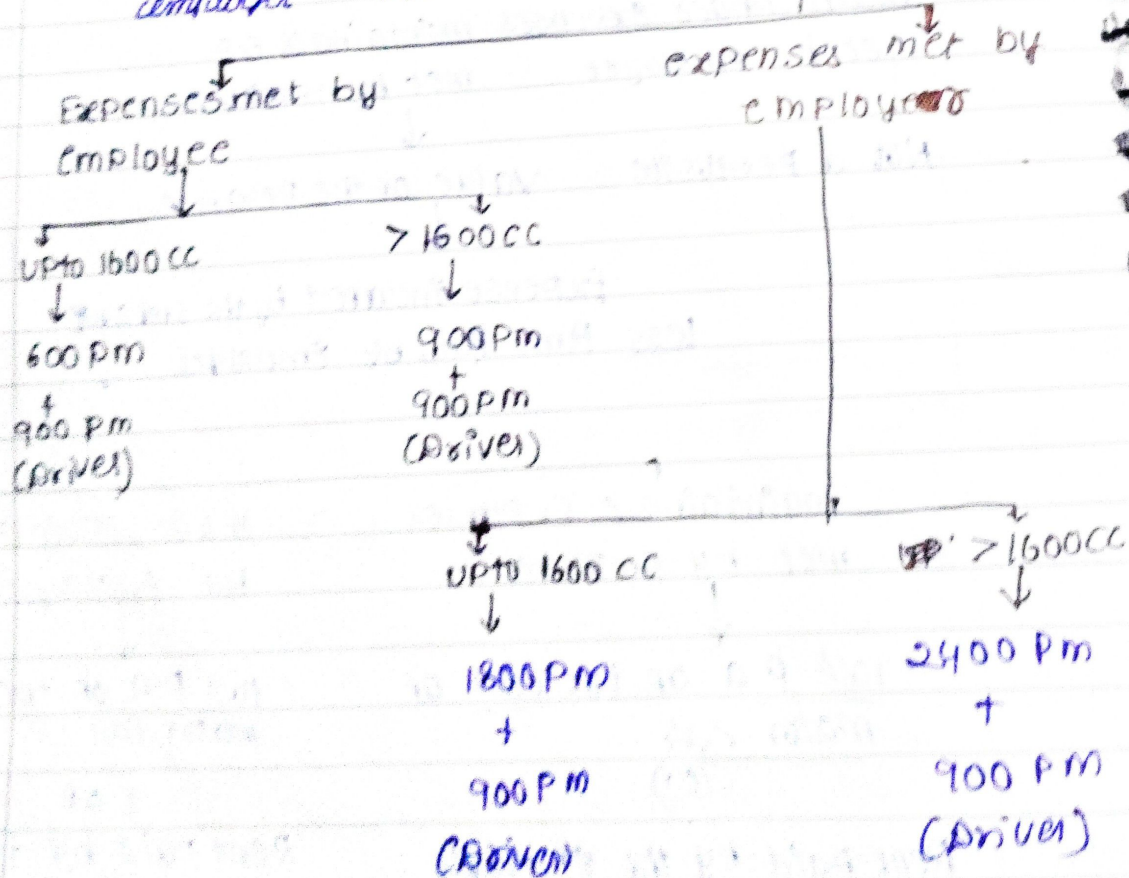
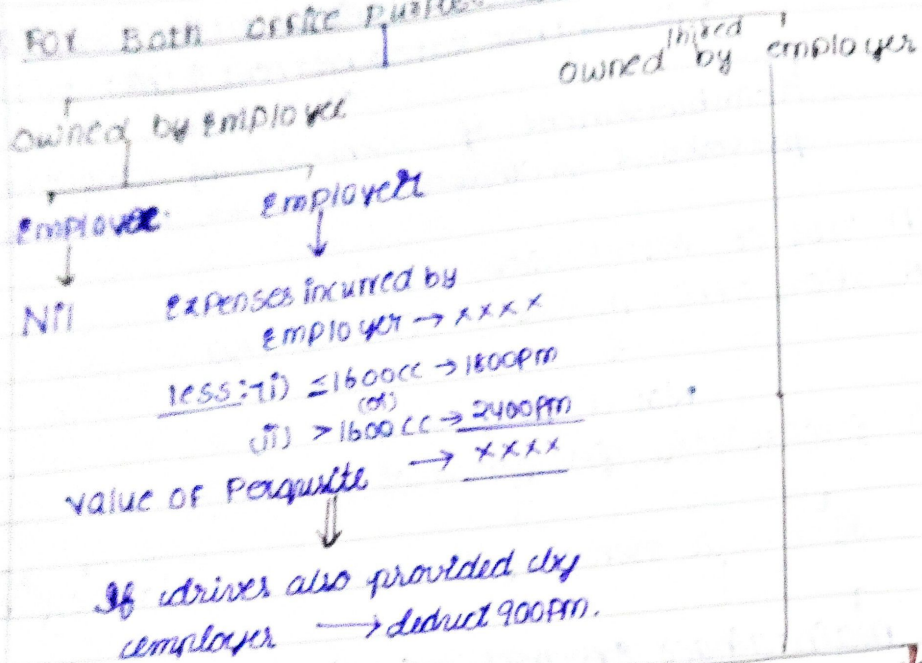
10% P.A of the cost of motor car

LOD

Rent paid by the employer
Add ~~Amt paid by employee~~
Expenses incurred by employee
less: Amt paid by employee

chapter - driver

c) For Both office purposes and personal purpose.



Note:
 ① Employ
 Exp
 for
 ② Em
 yo
 ③ 12
 T
 Any
 OF

Note :

- ① Employer should furnish a certificate that such expenditure was incurred wholly and exclusively for office purpose and
- ② Employer should maintain the record of journey
- ③ 2 or more cars → Both purposes

↓
Any 1 car at the option
of the assessee

↓
Treated as Both
purpose

Rest of the cars

↓
Treated as used for
exclusive personal purpose.

Motor vehicle other than motor car owned by employee
& Expenses met by employer.

↓
Exclusively office purpose

↓
Nil

Both Purpose

↓
Expenses incurred by Employer xxx
less: → 9000 PM
value of Perquisite → xxx

Note

- ① Amt paid by employee shall be deducted

DIVISION 1: THEORY FOR CLASSROOM DISCUSSION (TQ-CRD)

TOPIC 1: PROMOTION & FORMATION OF A COMPANY

MASTER MIND

Q.No.2. State the legal formalities for formation of a company?

BASIC REQUIREMENT WITH RESPECT TO THE FORMATION OF A COMPANY
may be specified number of persons: (Sec. 3)

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Memorandum and

(XII) Medical facility [Employee + family members]

with in India

In any other case

Exempted in following cases

1. Employer own hospital
2. Government hospital
3. Government Approved hospital
3. Hospitals approved by chief commissioner of Income Tax

4. For treatment of COVID-19 disease

5. Health insurance premium paid by employer for employee or family.

Amt paid / reimbursed by ~~xxx~~ Employer
 less : Amt paid by Employee (xxx)

out side India

medical treatment

stay expense

Travelling expenses

only for Patient

[Patient + any family member]

(Patient + any one family member)

Exempted

Exempted

Amt specified by RBI (or)

Amt specified by RBI

Amt paid by employer

Exempted

Taxable

GTI ≤ 2 lakhs
 (Gross total income)

GTI > 2 lakhs

Family members

- 1) S → SPOUSE
- 2) C → children
- 3) DP → dependent father
- 4) DB → dependent brother
- 5) DS → dependent sister.

(XIII) Education Facility

Employee

NPL

Family members of Employee

① Own institution

② other institution because of his employment.

Other cases (in next page)

Children

Other family member.

Fee of such education charged by the similar institution in near locality

Fee of such education charged by the similar institution in near locality
Less Amt Paid by employer → XXX

upto 1000 PM

more than 1000 PM

Exempted

Deduct 1000 PM
remain amt Taxable

Less: Amt Paid by Employee.

in any other cases

Amt paid/reimbursed by employee xxx
less Amt paid by employer xxx

(XV)

(XIV) Transport facility

If employer is engaged in the business of transportation of goods/passenger.

Any other case

Railway / Airlines

Other than Railways / Airlines

N/A

value at which such facility provided to general public by employer.

less: Amt paid by employer.

reimbursed
Amt paid by employer
less Amt paid by employee.

Note :

① Transport facility (inc. car) provided to the employee by the employer

Home → office &
office → home

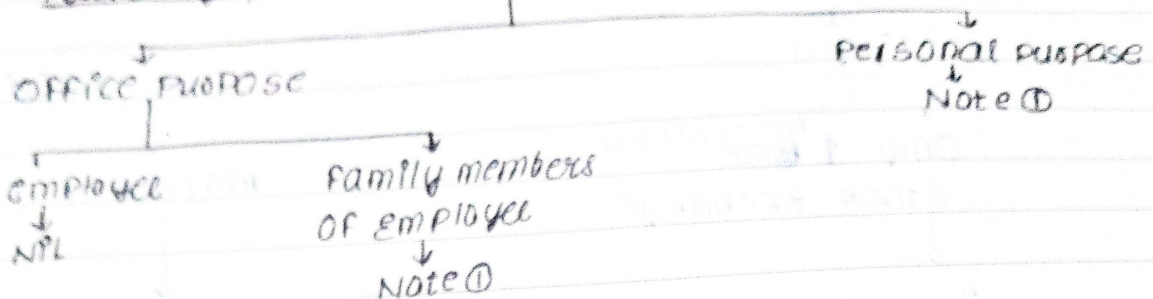
exempted

② Conveyance facility provided to SC Judge & High court Judge.

Exempted

Opted optional tax regime

(XV) Travelling, touring, accommodation etc



Note

① value of the perquisite

own source
↓

value at which other agencies charges for such facility.

Less: Amt paid by employee.

outside source
↓

Amt paid & reimbursed by the employer
less Amt paid by employee.

② Extension of official tour is also considered as personal tour.

(XVI) Sweat Equity shares / specified securities allotted by employer

Fairmarket value of share / specified security, on the date of issue [date of exercising of option] → xxx

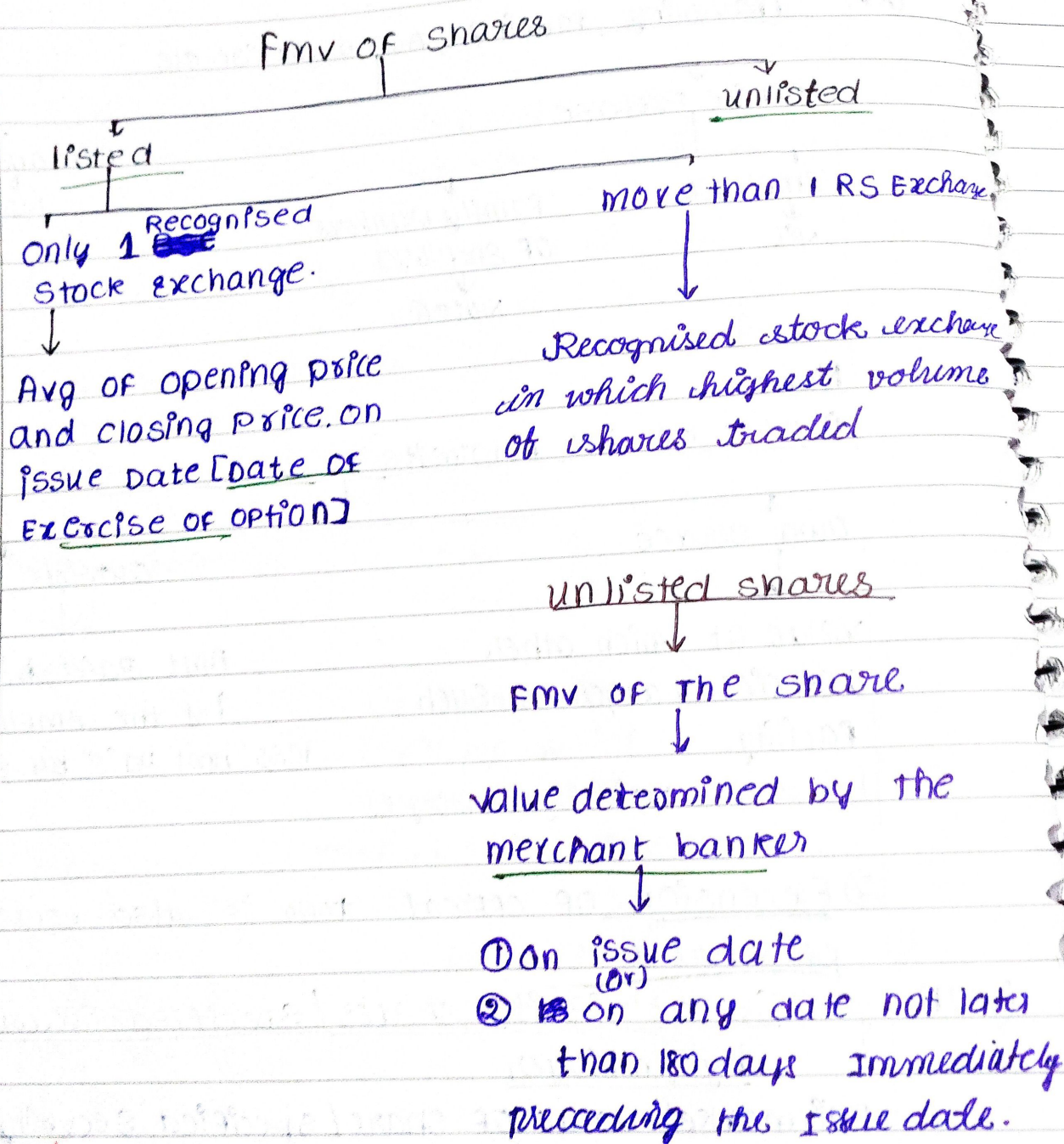
Less Issue price (Amt paid by employer)

value of the perquisite

→ (xxx)

xxx

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XVII

Leave travel concession (LTC)

Reimbursement of travelling expenses by the employer to the employee in respect of both employee and family members of employee.

- ① Travel must be within India.
- ② On leave / After retirement / After termination
- ③ Opt to pay under OPTIONAL TAX REGIME.

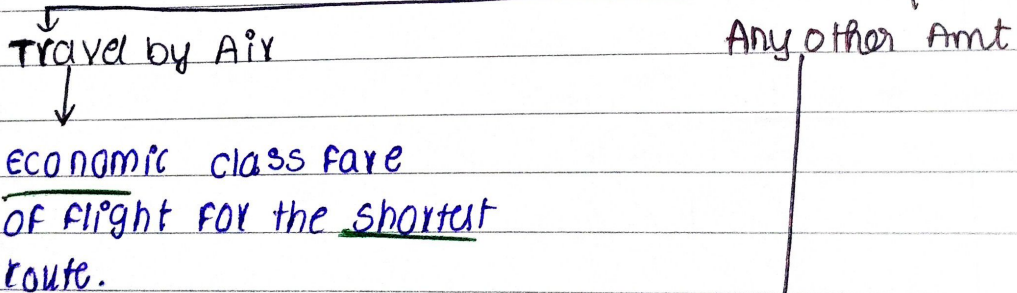
↓
Exemption of LTC is available

4) family members

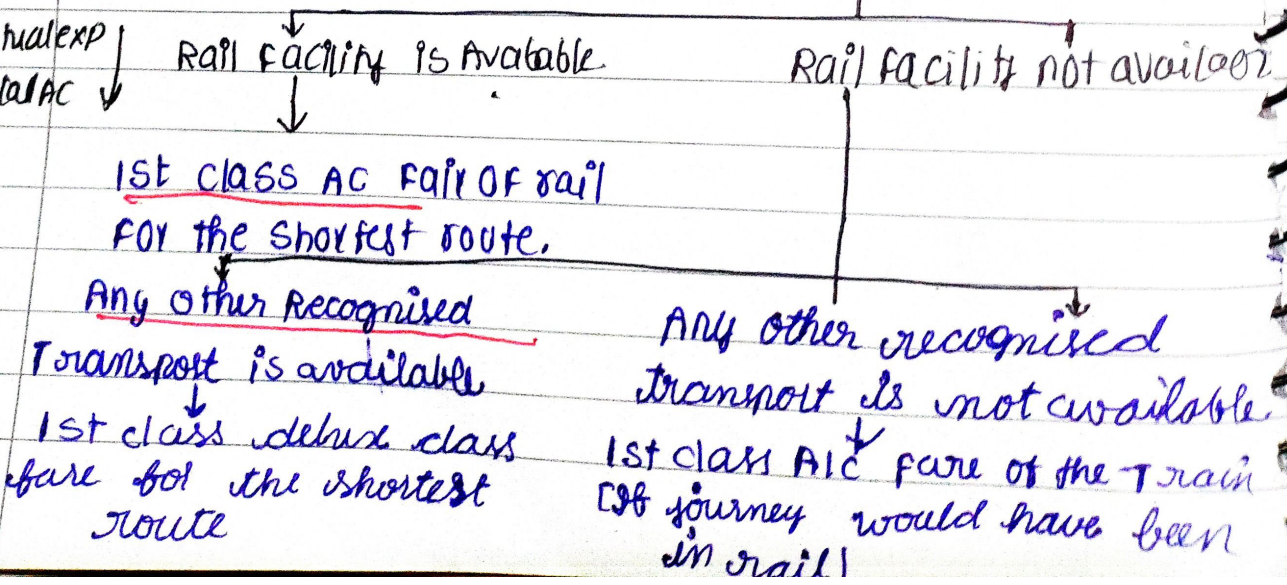
- ① S → SPOUSE
- ② C → children
- ③ OP & IP → Dependent parents & ~~Independent parents~~
- ④ DB → Dependent Brother.
- ⑤ DS → Dependent Sister.

Exempted Amount

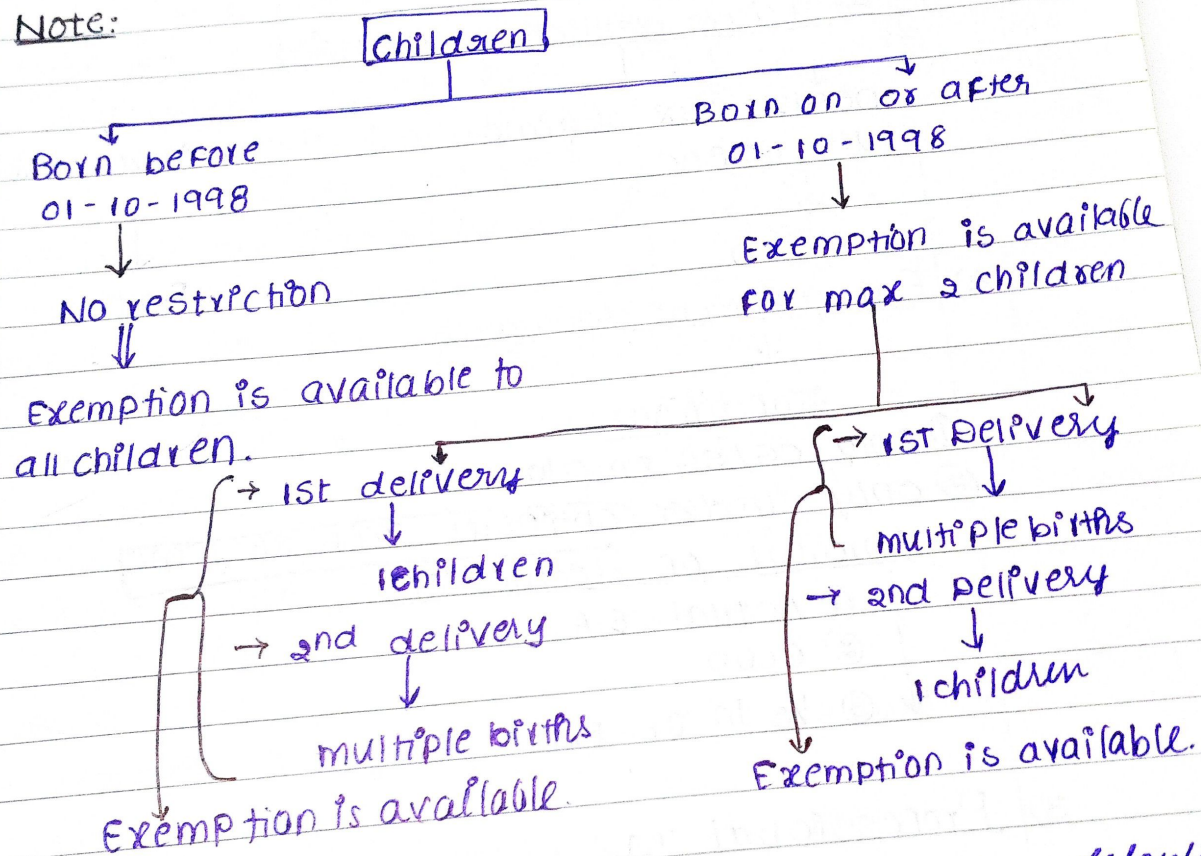
Actual exp (or) Economy class Fare



(i) Actual exp (or) 1st class AC



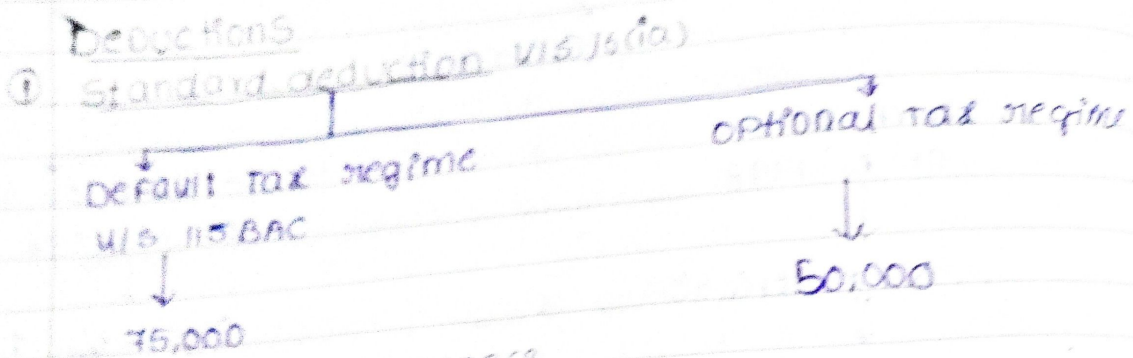
Note:



→ LTC Exemption is not available under default tax regime u/s 115BAC.

→ in a block of four (4) calendar years → LTC Exemption is available only for 2 journeys. [current block → 2022-2025]

→ Only 1 utilised / unused LTC Exemption can be carry forward to next block, if assessee has not availed / used any LTC Exemption.



2) Entertainment Allowance

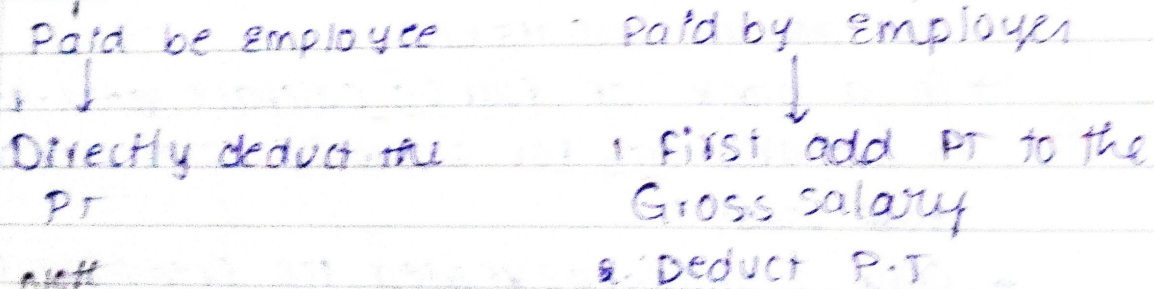
conditions

- ① only CG/SG employees
- ② only under optional tax regime

Amount of deduction

- ① Actual E.A
- ② 8000
- ③ $\frac{1}{5}$ th of Basic Pay

3) Professional tax



Note

- This deduction is AVB only under Optional Tax regime
- max 2500 p.a
- on cash basis
-

(V) Welfare contribution (i) PROVIDENT FUND

Particulars	SPF eligible for deduction u/s 80C	RPF eligible for deduction u/s 80C	URPF <u>not</u> eligible for deduction u/s 80C	PPF eligible for deduct u/s 80C
1) Employee contribution				
2) Employer contribution	Exempted	12% of salary Exempted	-	x
3) Int on employee contribution	Exempted (Note) 5	9.5% p.a is exempted Note-5	-	Exempted
4) Int on Employer contribution	Exempted	9.5% p.a is exempted	-	-
5) LUMPsum Amount Withdrawn From PF A/c	Exempted	Exempted (Note) 4	[Note 2]	Exempted

① Salary: BP + DA (in terms) + commission turnover.

② URPF

(i) employee contribution → No Tax Treatment

(ii) Employer contribution → } Taxable under The
(iii) Int on Employer contribution → } head salaries.

(iv) int on employee contribution → Taxable under the head
IFOS.

3) RPF

Condition

* Employee should serve continuously 5 year under the
Employer

Exemption

① Due to ill health of employee

② Discontinous OF business by Employer.

③ Any other reason which is not in the hand of

- 4) If old employer transferred RPF balance to RPF account created by new employer, then period served under old employer shall also be considered to calculate no of years employment service provided.

Lumpsum Amount withdrawn From RPF

Employee has served 5 years continuously

Yes

Exempted

NO

1. Due to ill health
2. Due to discontinuance of Employer business.
3. Any other reason which is not in the hands of employee.

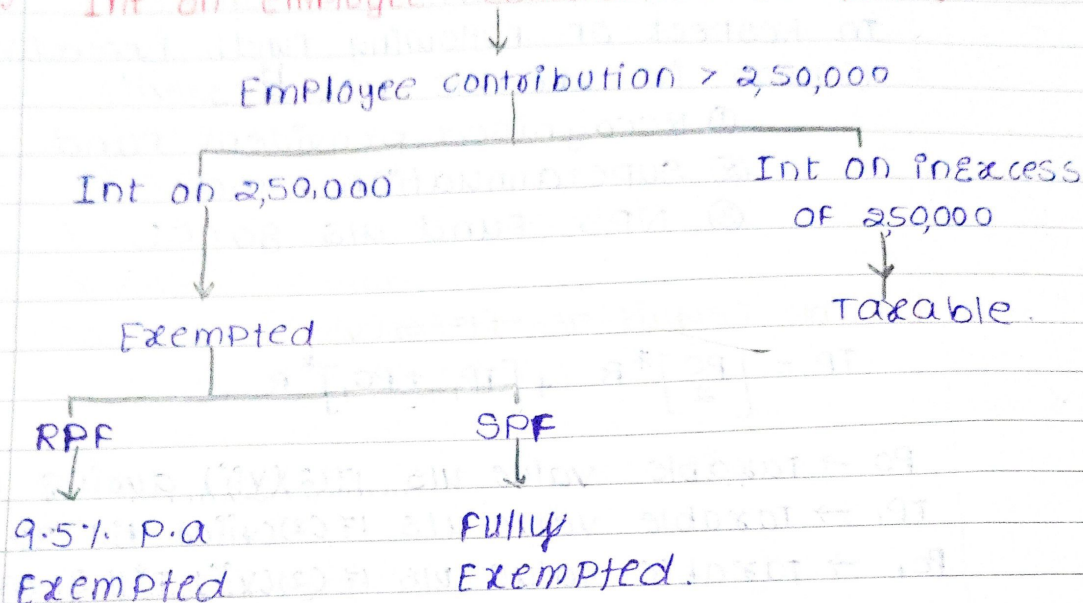
Yes

Exempted

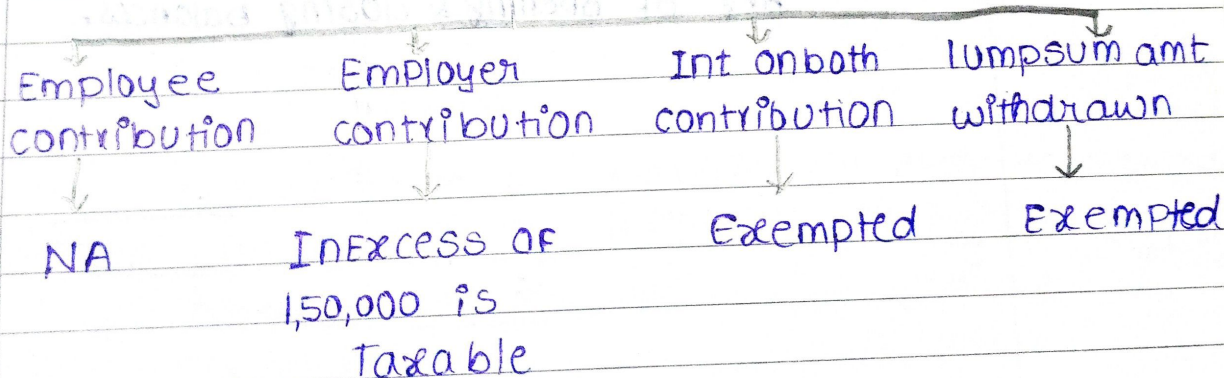
NO

Taxable as URPF

6) Int on employee contribution (SPF/RPF)



2) Approved Retirement (superannuation) Fund



3) National Pension Scheme u/s 80 CCD

Employer contribution in NPS Fund is taxable under the head salaries.

4) Anniveer corpus fund u/s 80 CCH

CG contribution → Taxable under the head Salaries.

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- 5) Employee contribution (Aggregate)
In Respect of following funds Exceeding
₹50,000 is taxable u/s 17(2)(vii)
- ① Recognised provident fund
 - ② Superannuation fund
 - ③ NPS Fund u/s 80CCD

Taxable Perquisite [17(2)(vii)]

$$TP = \left[\frac{PC}{2} \right] * R + [TP_1 + PC_1] * R$$

PC → Taxable value u/s 17(2)(vii) during PY

TP₁ → Taxable value u/s 17(2)(vii) till 31-03-2024

PC₁ → Taxable value u/s 17(2)(vii) till 31-03-2024

R → Interest accrued during the PY
Avg of opening & closing balances.