



Sec. 15: Charging Section

Income is taxable under the head salary if there is **Employee - Employer relationship** (master - servant relation).

- ☞ Salary is taxable even in case of part time job like employee work with 2 employers simultaneously.
- ☞ Salary is taxable on the basis of **due or received** whichever is **earlier**.
- ☞ Salary received by **partner** from partnership firm shall be taxable under the head **PGBP**.
- ☞ Salary received by **MP, MLA, MLC** shall be taxable under the head **IFOS**.
- ☞ Contract "of" service - Taxable under **Salary**.
- ☞ Contract "for" service - Taxable under **PGBP**.
- ☞ Salary forgone is always taxable since it is merely application of income. Salary surrendered to central Govt., shall not to be treated as salary.
- ☞ Any amount received before joining employment or after cessation of employment with that person is treated as "**Profit in lieu**" of salary & it is taxable under salary.

- In this topic we have to find out salary income of employee as per default tax regime u/s 115BAC & as per Normal Provision of Income tax. So let's begin this Topic and we will complete this topic with the help of 17 working notes

Name of Assessee:-		PY 25-26 AY 26-27	
Computation of Taxable Salary			
Particulars	Note	Amount (₹)	
Basic Salary	Note-1	xxx	
Dearness Allowance (D.A.)	Note-2	xxx	
Commission	Note-3	xxx	
Bonus	Note-4	xxx	
Advance Salary / Arrears salary	Note-5	xxx	
Gratuity	Note-6	xxx	
Pension	Note-7	xxx	
Leave salary	Note-8	xxx	
Allowances	Note-9	xxx	
Provident Fund	Note-10	xxx	
Super Annuation fund	Note-11	xxx	
Voluntary Retirement Compensation	Note-12	xxx	
Retrenchment Compensation	Note-13	xxx	
Perquisite	Note-14	xxx	
Gross Salary		xxx	
Less: Deduction u/s 16			
1. Professional Tax [Sec 16(iii)]	Note-15	(xxx)	
2. Entertainment Allowance [Sec 16(ii)]	Note-16	(xxx)	
3. Standard deduction [Sec 16(ai)]	Note-17	(xxx)	
Net Taxable Salary		xxx	



- Note:1 Basic Salary -
It means fixed regular payment (base salary) of Employee. It is fully taxable.
- Note:2 Dearness Allowance (D.A.)
DA is fully taxable whether it is 'in terms' or 'not in terms'.
DA in terms means DA which is forming part of retirement benefit calculation (provided in terms of employment for retirement benefits). In all the formulas, DA is considered only if it is 'in terms'. If nothing is given about DA then assume it is 'not in terms'.
- Note:3 Commission
Commission is fully taxable whether it is Turnover commission or any other commission.
- Note:4 Bonus
It is fully taxable.
- Note 5 Advance & Arrears Salary
 - ☞ Advance Salary: Advance salary is taxable on receipt basis. If advance against salary is given or only advance is given then it should be ignored because it is treated as loan.
 - ☞ Arrears Salary: It means salary under dispute or increase of salary retrospectively. It is taxable in the year in which it is received or dispute resolved whichever is earlier.
- Note 6 Gratuity
Gratuity is a voluntary payment made by an employer in appreciation of services rendered by the employee.
 - ☞ Gratuity received during the employment - fully taxable for all employees (Government as well as non-government employees).

☞ Gratuity received at the time of retirement- It is Exempt u/s 10(10) as follows

Govt. Employee		Other Employee	
Fully Exempt			
POGA Employee (EE covered under Payment of Gratuity Act, 1972)		Non - POGA Employee	
Exempt Amount: Lower of		Exempt Amount: Lower of	
(i) $15/26 \times \text{salary p.m.} \times \text{No. of years of completion of service}$ [rounding off allowed]		(i) $1/2 \times \text{Avg. salary p.m.} \times \text{No. of years of completion of service}$ [rounding NOT allowed]	
(ii) Actual amount received		(ii) Actual amount received	
(iii) Maximum ` 20 lakhs		(iii) Maximum ` 20 lakhs	



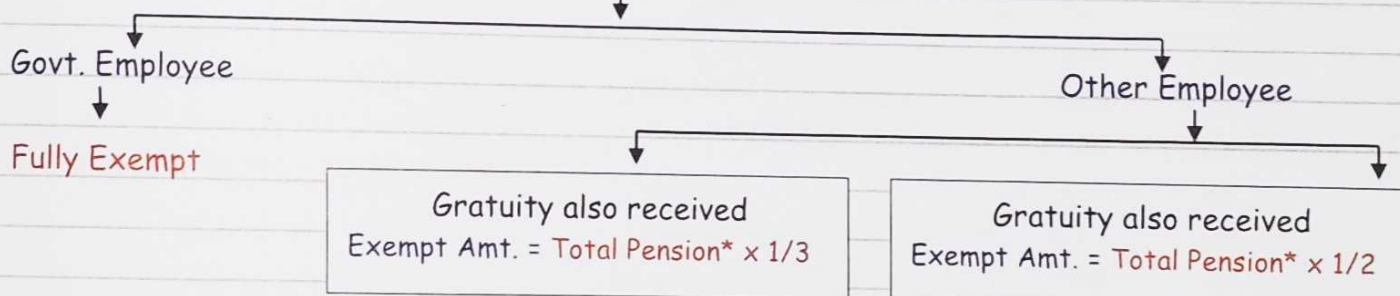
POGA		Non POGA	
*Salary P.M.		*Avg. Salary P.M. (Don't include month of retirement)	
Latest Basic salary p.m	xx	Avg. Basic salary of last 10 months	xx
(+) Latest D.A (both)	xx	(+) Avg. DA(T) of last 10 months	xx
Salary P.M.	xx	(+) Avg. T/O comm. of last 10 months	xx
		Avg. Salary P.M.	xx
In case of POGA employee if fraction is more than 6 months, it should be rounded off. e.g. 30 years 4 months = 30 years 30 years 6 months = 30 years 30 years 9 months = 31 years		In case of Non-POGA employee fraction should be ignored. eg: 30 years 3 months = 30 years 30 years 11 months = 30 years	

Notes:

- If gratuity is received from more than one employer in the same previous year, the maximum exemption allowed is ₹ 20,00,000.
- If gratuity was received in an earlier previous year and another gratuity is received in the current year from a different employer, the ₹ 20,00,000 limit will be reduced by the amount of exemption already claimed.

➤ Note 7 Pension

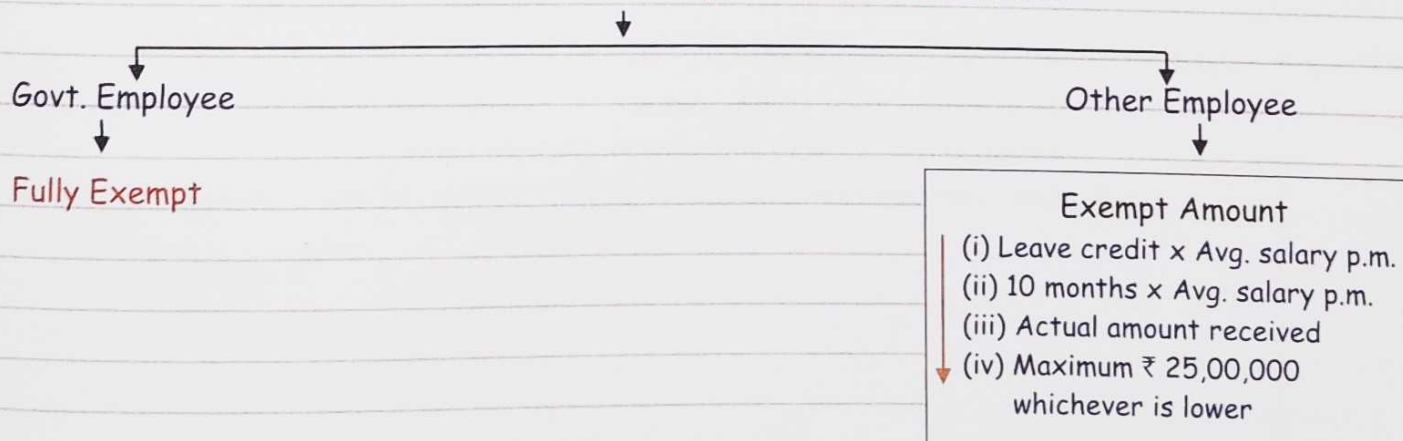
- Uncommuted pension (monthly pension) - Taxable for All employees
- Commuted pension (lumpsum pension) - It is exempt u/s 10(10A) as follows



*Total Pension = Full value of pension.

➤ Note 8 Leave Salary: It means encashment of un-utilised leave.

- Received during the employment - fully taxable for all employees.
- Received at the time of retirement- It is Exempt u/s 10(10AA) as follows





Avg. Salary P.M. (Avg of last 10 months upto date of Retirement)

Avg. Basic salary of last 10 months	xx
Avg. DA (in terms) of last 10 months	xx
Avg. Turnover Commission of last 10 months	xx
Avg. Salary P.M.	xx

Leave Credit (months) = Leave allowed - Leave taken

↓
[Max. 30 days for every completed year]

➤ Note 9 Allowances

S.No.	Allowance	Exempt u/s 10(14)
1.	Commutation / Transport allowance (Office to Home & Home to Office)	Max ₹ 3200 p.m (in case of blind/deaf & dumb or handicapped)
2.	Children Education Allowance	Max ₹ 100 p.m. per child (Max 2 child.)
3.	Children Hostel Allowance	Max ₹ 300 p.m. per child (Max 2 child.)
4.	Underground Allowance (Mines)	Max ₹ 800 p.m.
5.	Tribal area Allowance	Max ₹ 200 p.m.
6.	Allowance to employees of Transport undertaking	70% of such allowance upto a max. of ₹ 10,000 p.m.
7.	Traveling or Tour allowance	Exempt amount = Amount spent
8.	Conveyance allowance	
9.	Uniform allowance	
10.	Daily allowance	
11.	Helper allowance (for office Purpose)	
12.	Research / Academy allowance	
13.	House Rent Allowance (HRA)	Exempt u/s 10(13A) - Lower of (i) 40% / 50%* of salary [BS+DA(T)+T/O Comm.] (ii) Actual Amount received (iii) Rent paid - 10% of salary [BS+DA(T)+ T/O Comm.] *50% if metro cities (Mumbai/Delhi/Chennai/Kolkata), 40% for other cities.
Notes	1. All other allownaces are fully taxable. 2. If assessee opted 115BAC default tax regime then above exemptions are not available except DTDC (1,7,8,10 allownace exemptions above) 3. Entertainment allowance is also taxable but Govt. EE can claim deduction u/s 16.	



➤ Note 10 Provident Fund

☞ Statutory Provident Fund (SPF) - PF for Govt. or semi-Govt. employees

A. During the Employment

EE's Contribution	ER's Contribution	Int. on EE Cont.	Int on ER Cont.
Ignore (deduction u/s 80C allowed)	Exempt	Exempt	Exempt

B. At the time of retirement lumpsum amount received by Employee - Fully Exempt u/s 10(11)

☞ Recognised Provident Fund (RPF) - PF which is recognised by Commissioner of IT

A. During the Employment

EE's Contribution	ER's Contribution	Int. on EE Cont.	Int on ER Cont.
Ignore (deduction u/s 80C allowed)	Exempt upto 12% of salary [Basic + DT(T) + T/o Comm]	Exempt upto 9.5% p.a.	Exempt upto 9.5% p.a.

B. At the time of retirement lumpsum amount received by Employee - Fully Exempt u/s 10(12)

Notes:

- Lumpsum amount received from RPF is exempt if employee has rendered service of 5 years or more, If employee rendered service less than 5 years then exemption allowed in respect of employer's contribution and interest shall be withdrawn. However in the following 3 cases exemption shall not be withdrawn even though service is less than 5 years:
 - Employee retired due to ill health.
 - Employee retired due to shut down of employer's business.
 - Employee has retired with the instruction that his balance in RPF should be transferred to new employer, or to NPS A/C referred u/s 80CCD.
- Interest on EE's Contribution towards SPF/RPF : Exemption u/s 10(11) or 10(12) not available for interest accrued during the PY to the extent it relates to the contribution made by that employee exceeding ₹ 2,50,000 in any PY in that fund, on or after 01/04/21. If in that fund employer not made any contribution, then, a higher limit of ₹ 5,00,000 would be applicable. It may be noted that interest accrued on contribution to such funds upto 31/03/21 would be exempt without any limit, even if the accrual of income is after that date.

☞ Unrecognised Provident Fund (URPF) - PF which is recognised by Commissioner of IT

A. During the Employment

EE's Contribution	ER's Contribution	Int. on EE Cont.	Int on ER Cont.
Ignore	Exempt	Exempt	Exempt



B. At the time of retirement lumpsum amount received by Employee - Taxable

EE's Contribution	ER's Contribution	Int. on EE Cont.	Int on ER Cont.
Ignore	Taxable under Salary	Taxable under IFOS	Taxable under Salary

- Note 11 Superannuation Fund
- Approved Superannuation Fund (ASF)

A. During the Employment

EE's Contribution	ER's Contribution	Int. on EE Cont.	Int on ER Cont.
Ignore (deduction u/s 80C allowed)	Exempt upto ₹ 7,50,000 p.a. [as per sec 17(2)(vii)]	Exempt	Exempt

B. At the time of retirement lumpsum amount received by Employee - Fully Exempt u/s 10(13)

- Unapproved Superannuation Fund (UASF) - treatment same as URPF.

- Note 12 Voluntary Retirement Scheme Compensation [VRS]

Exempt u/s 10(10C) - Lower of;

- Salary p.m. x 3 months x No. of years of completion of service (Fraction IGNORED)
- Salary p.m. x No. of remaining months of service
- Actual amount received

▼ (iv) Maximum ₹ 5,00,000

Salary p.m. = Basic + DA(T) + T/O Commission

- Note 13 Retrenchment Compensation

Exempt u/s 10(10B) - Lower of;

- * Compensation as per Industrial Disputes Act.
- Maximum ₹ 5,00,000

* $\frac{15}{26} \times \text{Avg salary of last 3 months (Basic + DA(T) + T/O Commission)} \times \text{No. of years of completion of service (if fraction is more than 6 months, then round off)}$

- Note 14 Perquisite : It means extra benefit offered by employer to employee. It may be monetary or non- monetary.

Difference between allowance & perquisites.

- ☞ Allowance - It means monthly fixed amount received by employee from employer whether actual expenditure is incurred or not. It is part of salary, e.g. HRA, Medical Allowance etc.
- ☞ Perquisites - It means benefits or facility provided by employer. It is received when actual expenditure is incurred e.g. Medical facility, car facility etc.

1. Leave Travel Concession (LTC) : Travel benefit is provided for travel anywhere in India

Travel by	Exempt Amount u/s 10(5)
Air	↓ (i) Actual Expenses xx ↓ (ii) Economy Class Fare xx Whichever is Lower
Any other Mode	Railway facility Available ↓ (i) Actual Expenses xx ↓ (ii) 1 st Class Railway AC Fare xx Whichever is Lower Railway facility Not Available ☞ Recognised transport facility Available ↓ (i) Actual Expenses xx ↓ (ii) Deluxe Class Bus Fare xx Whichever is Lower ☞ Recognised transport facility Not Available ↓ (i) Actual Expenses xx ↓ (ii) 1 st Class Railway AC Fare of similar distance xx Whichever is Lower

Notes

1. LTC exemption is available for the travel of **employee, his spouse, children* & dependent relative** - (Mother, Father, Brother, Sister)
 * Exemption of LTC is available only for 2 children born on or after 1/10/1998.
 - ☞ 1st time = 1 child, 2nd time = Twins
 Total 3 children = Exemption Allowed to all 3 children.
 - ☞ 1st time = Twins, 2nd time = 1 child
 Total 3 children = Exemption allowed to only 2 children.
2. LTC exemption is available for 2 years during the block of 4 Calendar years (current block is 2022-25)



2. Medical Facility

A. Treatment in India

Treatment in Govt. Hospital	Fully Exempt
Treatment in Employer's Own Hospital	
Treatment in Govt. Recognised Hospital	
Otherwise (like treatment in Pvt Hospital, clinic etc.)	Fully Taxable

B. Treatment outside India

Benefit of treatment and Benefit of stay	Exempt upto limit prescribed by RBI
Benefit of Travel	It is fully exempt if GTI is upto ₹ 8,00,000 otherwise it is Fully Taxable

Notes:

- (i) **Medical insurance** premium paid by ER for EE is **fully exempt**.
- (ii) Exemption for treatment is allowed for employee, spouse, children & dependent relative (Mother, Father, Brother, Sister).
- (iii) Exemption of stay & travel is allowed **only for one patient & one attendant**.
- (iv) Exemption allowed in respect of any illness relating to COVID-19 subject to such conditions as the CG may notify.

Employee shall submit the following documents to the employer, -

- ☞ COVID-19 positive report of the employee or family member;
- ☞ all necessary documents of medical treatment of the employee or his family member for COVID-19 or illness related to COVID-19 suffered within 6 months from the date of being determined as COVID-19 positive; and
- ☞ a certification in respect of all expenditure incurred on the treatment.

3. "Loan" given by Employer to Employee or any family member of EE at concessional rate of interest or without rate of interest

Taxable amount =

Loan Amt o/s at end of month \times (SBI Interest rate on 1st April of PY - Actual Interest rate)

Notes:

- (i) Loan amount is upto ₹ 20,000 then interest benefit is not taxable.
- (ii) If loan is taken for treatment of specified disease, then interest benefit is not taxable even loan amt is more than ₹ 20,000.

4. Gift from ER to EE

- ☞ Gift in Cash/Money = **Taxable**
- ☞ Gift in Kind = if FMV of Gift is **less than ₹ 5000 p.a.** then it is **fully exempt** otherwise fully taxable

5. ESOP: Employee stock option plan or Sweat Equity shares to EE

It means Company offers shares to employee at concessional rates.

Taxable amount: - **FMV of shares - Issue price**

FMV should be taken on the date on which option is exercised by employee.

Calculation of FMV

(i) Case where share is listed on a recognized stock exchange (RSE), FMV shall be average of opening price and closing price of share on that date.

If share is listed on more than one RSE, FMV shall be the avg. of opening price and closing price on RSE which records highest volume of trading in the share.

If on the date of exercising the option, there is no trading in the share on any RSE, FMV shall be—closing price on last trading session.

(ii) Case where share is not listed, the FMV shall be determined by a merchant banker.

6. Use of Movable Assets

Computer & Laptop	Fully Exempt
Any other Asset (Tv, AC, Bike etc.)	Taxable Amount
☞ Owned by Employer	→ 10% of cost of Asset
☞ Hired by Employer	→ Hire charges paid by Employer

7. Transfer of Movable Assets

Taxable Amt = WDV of Asset - Consideration paid by EE

For WDV calculation depreciation shall be calculated for every completed year from the date of acquisition of asset till transfer of asset as per following methods

Computer, Laptop & Electronic items	Depn @ 50% on WDV method
Motor Cars	Depn @ 20% on WDV method
Any other Asset	Depn @ 10% on SLM method

8. Lunch Facility

It is exempt upto ₹ 50 per meal, if lunch is provided in office premises or through Paid voucher.

Notes: (i) Tea, coffee, or breakfast provided in office - **Not taxable**.

(ii) Lunch is provided in remote area is **Not taxable**

9. Employer contribution towards RPF, ASF & NPS [Sec 17(2)(vii)]

Employer contribution towards Recognized Provident Fund (RPF), New Pension Scheme (NPS) referred u/s 80CCD, Approved Super annulation Fund (ASF) in **excess of ₹ 7,50,000 is treated as perquisite in hands of EE and Taxable**.



10. Annual Accretion of Interest on RPF, ASF & NPS in excess of ₹ 7.5 lakhs [Sec 17(2)(viiia)]
Annual Accretion by way of Interest/dividend on contribution of more than ₹ 7,50,000 by ER also treated as perquisite in hands of EE and Taxable.
Calculation of Annual Accretion in PY:

$$TP = (PC/2)*R + (PC1 + TP1)*R$$

TP : Taxable perquisite u/s 17(2)(viiia) for the current PY.

PC : Amount of ER's contribution in excess of ₹ 7.5 lakh to RPF, NPS and ASF during PY.

PC1 : Amount or aggregate of amounts of ER's contribution in excess of ₹ 7.5 lakh to RPF, NPS and ASF for the PY or years commencing on or after 01/04/20 other than the current PY.

TP1: Aggregate of taxable perquisite u/s 17(2)(viiia) for the PY or years commencing on or after 01/04/20 other than the current PY.

R : I / Favg

I : Amount of income accrued during the current PY in RPF, NPS and ASF.

Favg : (Amount of balance to the credit of RPF, NPS and ASF on 01/04/25 + Amount of balance to the credit of RPF, NPS and ASF on 31/03/26)/2

11. Rent Free Accommodation (House Facility)

1. Govt Employee : Taxable as per Licence fees decided by Govt.

2. Other Employee

➤ House Owned by Employer:

Taxable amount = * 5% / 7.5% / 10% of Salary [BDBACM]

* Population as per 2011 census upto 15 lakhs = 5%

Population > 15 lakhs upto 40 lakhs = 7.5%

Population > 40 lakhs = 10%

➤ House Hired by Employer

Taxable amount = | (i) 10% of salary [BDBACM]

↓ (ii) Hire Charges paid by Employer

Whichever is Lower

12. Hotel Benefit

Taxable amount = | (i) 24% of salary [BDBACM]

↓ (ii) Hire Charges paid by Employer

Whichever is Lower

Notes:

1. If employee is provided with accommodation [on his transfer from one place to another], at the new place of posting while retaining the accommodation at the other place, the taxable amount shall be determined only for one accommodation which has the lower perquisite value, for a period



- upto 90 days and thereafter, the value of perquisite shall be charged for both such accommodations.
2. Where accommodation is provided to the same employee for more than one PY, the value of perquisite shall not exceed the amount so calculated for first PY, as multiplied by amount which is a ratio of the CII (cost inflation index) for PY for which the value is calculated and CII for the previous year in which the accommodation was initially provided to the employee.
"First PY" means P.Y. 2023-24 or PY in which the accommodation was provided to the employee, whichever is later.
 3. Meaning of Salary - BDBACM

B - Basic salary	A - Taxable Allowances
D - Dearness Allowance (T)	C - Commission (All)
B - Bonus	M - Other monetary income excluding perks.
 4. For computing BDBACM perks should not be considered.
 5. BDBACM should be calculated on due basis, means salary of current period should be considered. Advance salary, arrears salary should be ignored.
 6. For computing BDBACM, retirement benefit should not be considered i.e. gratuity, Pension, leave salary, VRS, Retrenchment compensation, lump sum amount from P.F. etc.
 7. BDBACM should be considered for the time for which assessee had occupied such house.
 8. Employer contribution towards PF & interest on PF should also be not considered.
 9. If hotel facility is provided at the time of transfer of employee & if it is upto 15 days, then it is not taxable.
 10. If furniture is also provided with house then perks (use of movable asset Perks 6) shall also be added in above taxable amounts.
 11. In house facility & hotel facility if employer recover any rent from employee, then such rent should be deducted from above taxable amount.

13. Motor Car Facility

- Car is used for fully office purpose - **Fully Exempt**

If Employer maintains record of each journey & Employer issue a certificate that car is used exclusively for office purpose.

- Car is used for fully personal purpose - **Fully Taxable**

Motor Car	Taxable Amount
☞ Owned by Employer	→ 10% of cost of Asset
☞ Hired by Employer	→ Hire charges paid by Employer
Add: Driver Salary (if Paid by ER)	
Add: Running & Maintenance Charges (if paid by ER)	

➤ Car is used for partly office & partly personal purpose (POPP)

Car Own by	Running & Mani. Charges paid by	Taxable Amount
Employee	Employee	No Benefit, nothing is taxable.
	Employer	Running & Maint. charges paid by ER Less: 1800 p.m. / 2400 p.m. [upto 1600CC] [>1600CC] Taxable Amount
Employer	Employee	600 p.m. / 900 p.m. xxx [upto 1600CC] [>1600CC]
	Employer	1800 p.m. / 2400 p.m. xxx [upto 1600CC] [>1600CC]

Notes:

- ☞ If employer also provided driver, then ₹ 900 pm, should be added to above taxable amount.
- ☞ If more than one car is provided for POPP then one car is taxable according to above standard amount & other car shall be taxable on the assumption that it is fully used for personal purpose.
- ☞ 1600CC is also know as 1.6Ltr of engine.

14. Transport facility for Transport Employee (Free tickets)

- (i) For airlines & railway employee - Airlines & Railway facility is fully exempt.
- (ii) For other employees - It is fully taxable.

15. Education Facility

- (i) For employee - Fully exempt
- (ii) For children - It is exempt if value of education is upto ₹ 1000 p.m. per child & education is provided in employer's own institution or institution where employer have tie-ups, otherwise fully taxable.
- (iii) For other relatives - Fully taxable.

16. Gas, Electricity & Water Supply - Fully Taxable

17. Free Servant - Fully Taxable

18. Any other Perquisite - Fully Taxable



Note: perquisite No 13 to 17 are taxable only if employee is specified EE, if EE is non-specified then these perquisites are Exempt.

Specified Employee means

- ☞ Director employee;
- ☞ Employee having cash salary more than ₹ 4,00,000;
- ☞ employee having substantial Interest in the business of employer.

➤ Following perquisites are **Fully Exempt**

1. Telephone / mobile bill paid or re-imbursed by Employer.
2. Scholarship to employee's children.
3. Goods sold by employer to employee at reasonable price.
4. Tax on non-monetary perquisites paid by employer.
5. Personal Accidental Policy premium paid by employer.

➤ Note 15 Professional Tax

It means tax on employment. If it is paid by employer on behalf of employee, then first it should be taxable and there after deduction allowed u/s 16. If it is paid by employee then only deduction is allowed.

➤ Note 16 Entertainment Allowance

It is fully taxable for all employees but deduction is allowed to government employees u/s 16 as follows:

- ↓ (i) 20% of Basic Salary
 - ↓ (ii) Actual amount received
 - ↓ (iii) Maximum ₹ 5000
- Whichever is lower

➤ Note 17 Standard Deduction

If assessee opted 115BAC

- ↓ (i) Salary Income
- ↓ (ii) ₹ 75,000

Assessee optout from 115BAC

- ↓ (i) Salary Income
- ↓ (ii) ₹ 50,000

➤ Notes: Concept of Pay Scale

Eg:- MS. Priyal joined Railways as on 1/7/2021 on a pay scale of 10000 - 1000 - 13000 - 1500 - 16000 - 2000 - 20000 - 3000. Compute basic salary for A.Y. 2026-27

1/7/21	→	30/6/22	10,000
1/7/22	→	30/6/23	11,000



1/7/23	→	30/6/24	12,000
1/7/24	→	30/6/25	13,000
1/7/25	→	30/6/26	14,500
Salary for PY 2025 - 26			
1/4/25	→	31/3/26	
= (13,000 × 3months) + (14,500 × 9months)			
39,000 + 1,30,500			
= 1,69,500			

➤ Rebate u/s 89 for Arrears of salary

To calculate the relief, the following steps should be taken :

Step 1 : Firstly, calculate the tax due in the current year by including the arrears in your total income.

Step 2 : Now calculate the tax due in the current year by excluding the arrears from your total income.

Step 3 : Compute the difference of the two figures of Step 1 & 2 and let's call that difference as 'X'.

Step 4: Now Calculate your tax due in the year for which the arrears have been received by including the arrears in your total income.

Step 5 : Then Calculate your tax due in the year for which the arrears have been received by excluding the arrears from your total income.

Step 6 : After that compute the difference of the two figures of Step 4 & 5 and let's call the difference as 'Y'.

Step 7: Lastly subtract X (Step 3) from Y (Step 6) and you will get the relief amount.

Definition of Salary	
Entertainment Allowance	Only Basic Salary
Gratuity (POGA)	Basic + DA (Both)
Gratuity (Non POGA)	Basic + DA (T) + T/O Commission
Leave Salary	
HRA	
Contribution to RPF	
VRS	
Retrenchment Compensation	BDBACM
House & Hotel Facility	

Following Benefits **not available** when assessee opted section 115BAC

1. HRA exemption u/s 10(13A)
2. LTC exemption u/s 10(5)
3. Allowance exemptions u/s 10(14) **except DTDC**
4. Free meal exemption upto ₹ 50

Remuneration received by Individual (not being a citizen of India) is fully exempt in following cases		
10(6)(ii)	Remuneration received by Foreign Diplomats/ Consulate and their staff Conditions: (a) The remuneration received by our corresponding Govt. official's resident in such foreign countries should be exempt. (b) The above-mentioned officers should be the subjects of the respective countries and should not be engaged in any other business or profession or employment in India.	Individual (not being a citizen of India)
10(6)(vi)	Remuneration received as employee of a foreign enterprise for services rendered by him during his stay in India, if: a) Foreign enterprise is not engaged in any trade or business in India; b) His stay in India does not exceed period of 90 days in such PY; and c) Such remuneration is not liable to deducted from the income of employer chargeable under this Act	Individual - Salaried Employee (not being a citizen of India)
10(6)(viii)	Salary received by or due for services rendered in connection with his employment on a foreign ship if his total stay in India does not exceed 90 days in the PY.	Individual (NR who is not a citizen of India)