

Salary

दिनांक...
पृष्ठ... ①

#

Format to solve Salary

Basic Salary
(+) All taxable Allowance
(+) All taxable Perquisites
Gross Salary
(-) Deduction u/s 16
Net Taxable salary

xx
xx
xx
xx
(xx)

House Rent Allowance

(HRA)

Actual HRA received xx
Less:- Lower of
(a) actual amt. received (xx)
(b) 50% or 40% of salary (xx)
(c) rent paid (-) 10% of salary (xx)
Taxable HRA xx

• New Scheme
US BAC

↓
No exemption
i.e. HRA
completely
taxable

Note:- (i) 50% if Mumbai, Delhi, Kolkata, Chennai, otherwise 40%.
(ii) City not mentioned, assume 40%.

(iii) No exemption if

(iv) If rent paid is < 10% of salary take it as '0'.
(a) Accommodation is owned by him
(b) He has not paid the rent for accommodation.

$$\text{Salary} = \text{Basic} + \text{DA(R)} + \text{C(T/O)}$$

Other Partly Taxable Allowance

→ New Scheme → Fully Taxable

→ Old Scheme

(i) Children Education allowance

→ Actual Received xx
(-) ₹ 100 per child (xx)
Per month Subject to 2 child
Taxable xx

(ii) Children Hostel Allowance → Actual xx
Received
(-) ₹ 300 per child (xx)
Per month Subject to 2 child
Taxable xx

(iii) Tribal area Allowance → ₹ 200 P.m.

(iv) Underground allowance → ₹ 800 P.m.

(v) Running Allowance (Allowance for EE working in Transport Industry).

→ Actual xx
Less:- Lower of
a) 70% of Amt. received (xx)
b) 10,000 P.m.
Taxable xx

Fully Exempted Allowance

1) Uniform Allowance

2) Travelling Allowance

3) Conveyance Allowance

4) Daily Allowance

Retrenchment Compensation

↓
As per scheme
of CCr
↓
exempt

Actual
Less:- Lower of
a) actual
b) max. limit 5,00,000
c) Amt. determined as per industrial Dispute Act.

Taxable

xx

(xx)

xx

Note:- Amount as per Industrial Dispute Act

$\frac{15}{26} \times \text{Avg. salary of last 3m} \times \text{no. of year of completed service or part thereof in excess of 6m.}$

Teacher's Signature.....

Gratuity

Received during the service
↓
Taxable

Received on Retirement

Govt. EE
↓
Fully exempt

Non Govt. EE

Covered in gratuity Act

Not covered in gratuity Act

Received after the death of employee
↓
Not Taxable

* **Note:-** If problem doesn't specify covered or not covered in gratuity Act, Assume not covered.

* **Note:-** max limit of 20L is for one or more than 1 employer.

Actual
Less:- Lower of :-
a) Actual Received
b) $\frac{15}{26} \times \text{Last drawn salary}$
 $\times$ no. of years of completed service, or part thereof in excess of 6 month
c) max. limit 20L
Taxable XX

Actual
Less:- Lower of :-
a) actual
b) $\frac{1}{2} \times \text{Avg. salary of 10 months preceding the month of retirement} \times \text{no. of year of completed service}$
c) max. limit 20L
Taxable XX

Salary

Covered in gratuity Act

Basic + DA (for 1m)

Not covered in gratuity Act

Basic + DA (R) + C (T/O)

no. of year of completed service, etc.

Covered in G.A.A

Completed Service

eg: 40 yr + 7m = 41 ✓
40 yr + 3m = 40 ✓
40 yr + 6m = 40 ✓

Not covered in G.A.A

We take only completed year

40 ✓
40 ✓
40 ✓

* Preceding the month of retirement

Suppose Retire in Jan. 25
⇒ Take 10 m of Avg. salary from March 24 to Dec. 24.

Pension

During the service
↓
Taxable

Received on Retirement

uncommuted (Monthly Pension)

Taxable to all including Govt. EE

Commuted (Lumpsum Pension)

Govt. EE
↓
Fully exempt.

Non Govt. EE

On receipt of gratuity

Actual XX
(-) $\frac{1}{3}$ rd of full value of Pension
Taxable XX

Not on receipt of gratuity

Actual XX
(-) $\frac{1}{2}$ of full value of Pension
Taxable XX

After the death
↓
Taxable to legal heir in IFOS as family Pension.

Full value of pension
= $\frac{\text{Amt. received}}{\% \text{ of commutation}}$

Taxable Pension = Taxable uncommuted Pension + Taxable Commuted Pension

Teacher's Signature.....

Leave Encashment

During the Service
↓
Taxable

On Retirement

Govt. EE

Exempt

Non Govt. EE

Actual

Less:- Lower of

a) actual

b) Avg. Salary x 10m

c) max. limit 25L

d) Leave credit for 30 days

Taxable

After the death

Not Taxable

* Balance Leave

Already given

Take it

Calculate

no. of leave allowed every year x no.

No. of leave allowed every year x No. of year of completed service

(-) Leave already taken

Balance Leave

Note:-

Leave credit for 30 Days

$$= \text{Balance Leave} \times \frac{\text{Avg. Salary}}{30}$$

Leave allowed

Less than 30 days → Take actual

30 days → Take actual

more than 30 days → Take only 30 days while calculation.

Limit on overall ER contribution

If ER contribute to

RPF

SAF (Super Annuation Fund)

Pension Scheme

exceeding ₹ 7,50,000

* including Int'l component

Such excess is taxable as Perquisite.

VRS

Actual Less:- Lower of

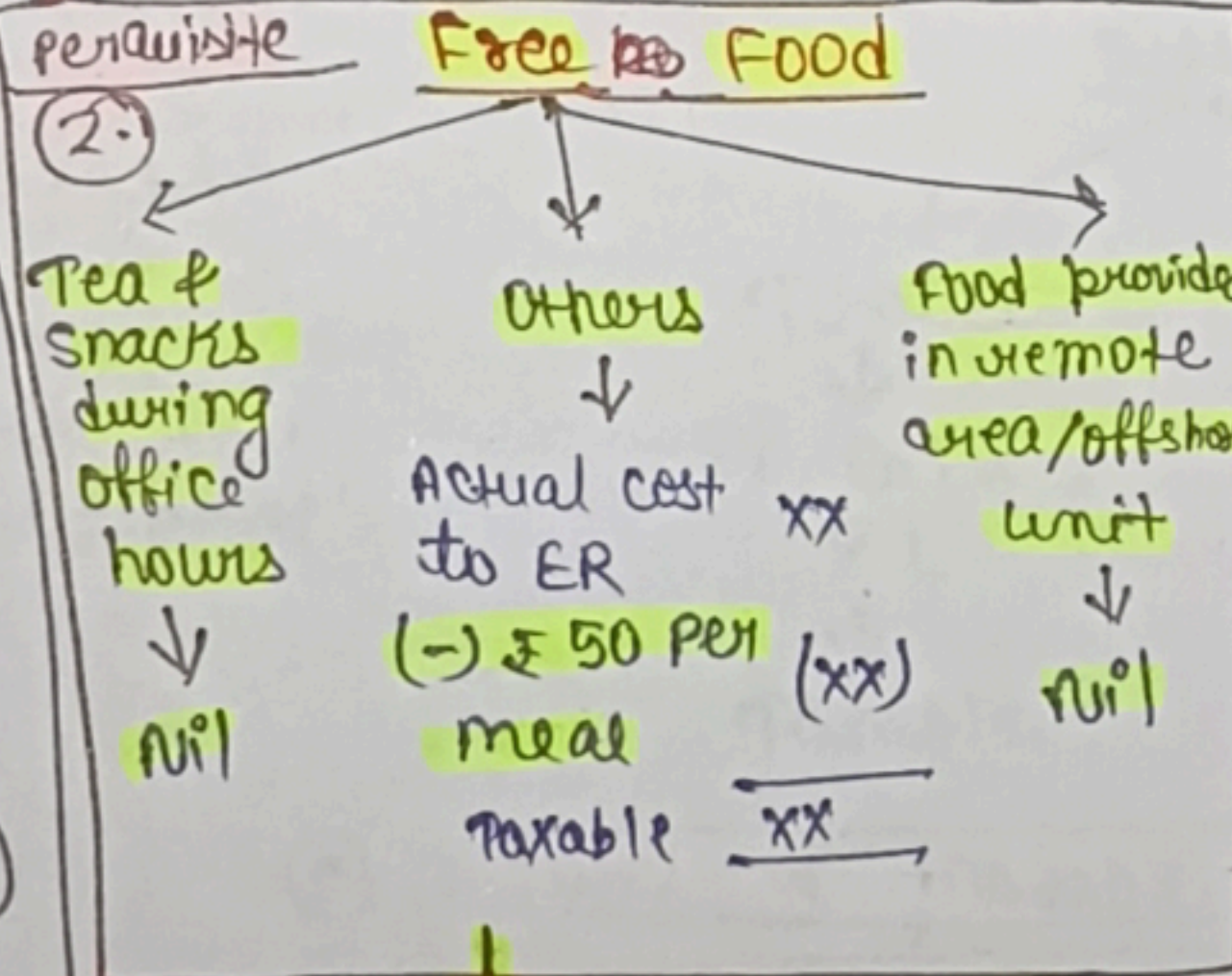
a) actual

b) max. 5,00,000

c) Amount higher of:-

i) Last drawn Salary x 3 x No. of yr of completed service

ii) Last drawn Salary x Balance no. of months left for service



* If no. of Days is not mentioned take 300 days.

Deduction u/s 16

Standard deduction Sec. 16(i)

Old Scheme

Lower of:-

a) Actual

b) 50,000

New scheme 115 BAC

Lower of:-

a) Actual

b) 75,000

(F.A 2024)

Professional tax Sec. 16(iii)

Actual Paid

= 100% Deduction

Entertainment Allowance Sec. 16(ii)

Govt. EE

Lower of:-

a) actual

b) 5000 P.A.

c) 20% of salary

(Basic salary only)

Non Govt. EE

Not available

(Fully Taxable)

Teacher's Signature

Not available if opted

115 BAC

Provident Fund

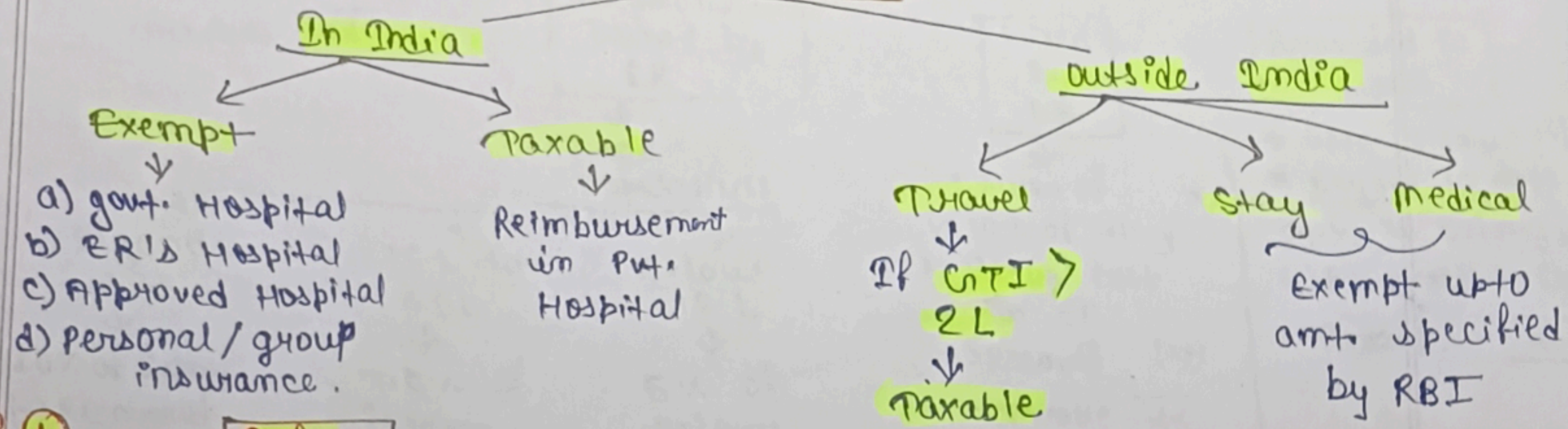
	SPF	RPF	URPF	PPF
ER's Contribution	Exempt	Excess of 12% of salary is taxable.	Not taxable in the year of contribution	N.A
EE's Contribution	Deduction u/s 80C (old)	Deduction u/s 80C	No deduction u/s 80C	Deduction u/s 80C (old scheme)
Interest	Exempt	Excess of 9.5% p.a. of int. is taxable	Not taxable in the year of receipt	Not taxable
Final Sum	Exempt	Exempt but Subject to Certain conditions	i) ER's contribution is taxable under salary ii) EE's contribution is not taxable iii) Int. on ER's contribution is taxable under salary iv) Int. on EE's contribution is taxable in IFOS.	Exempt

* Must be in service for 5 years.
 * If leaved job before 5 years for these Reason, is also exempt.

- A) ill health of EE
- B) Shut down of ER's Business
- C) Job shift (Registered with new ER)

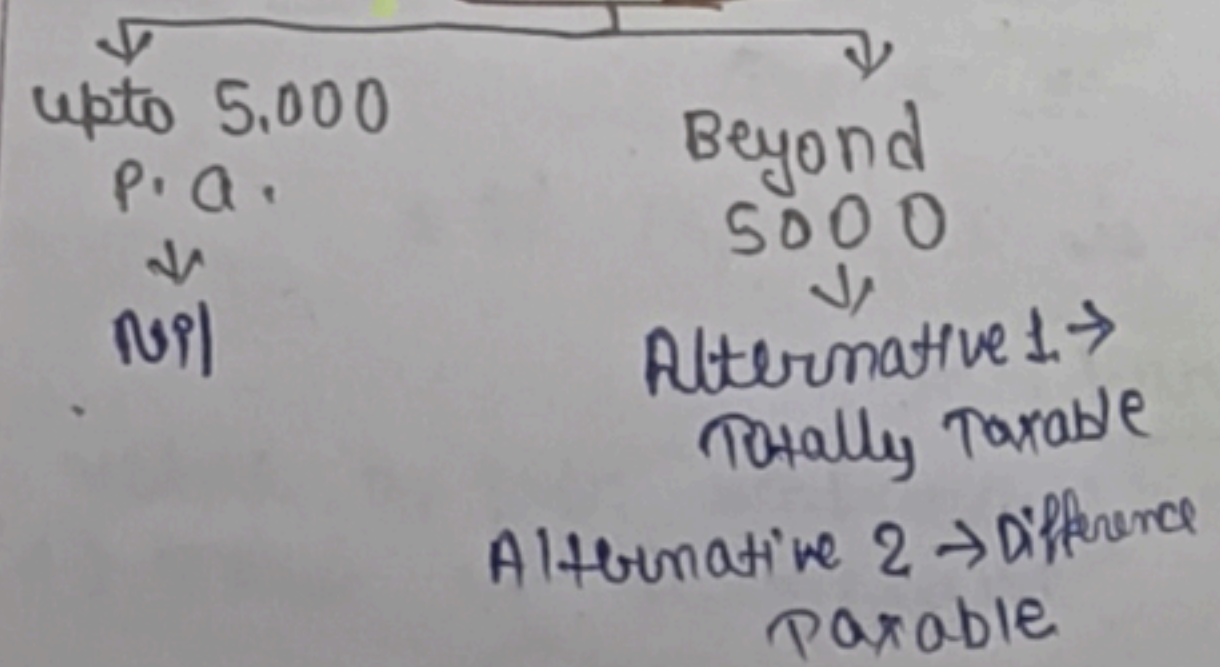
salary = Basic + DA(R) + C(T/D)

Medical Facility



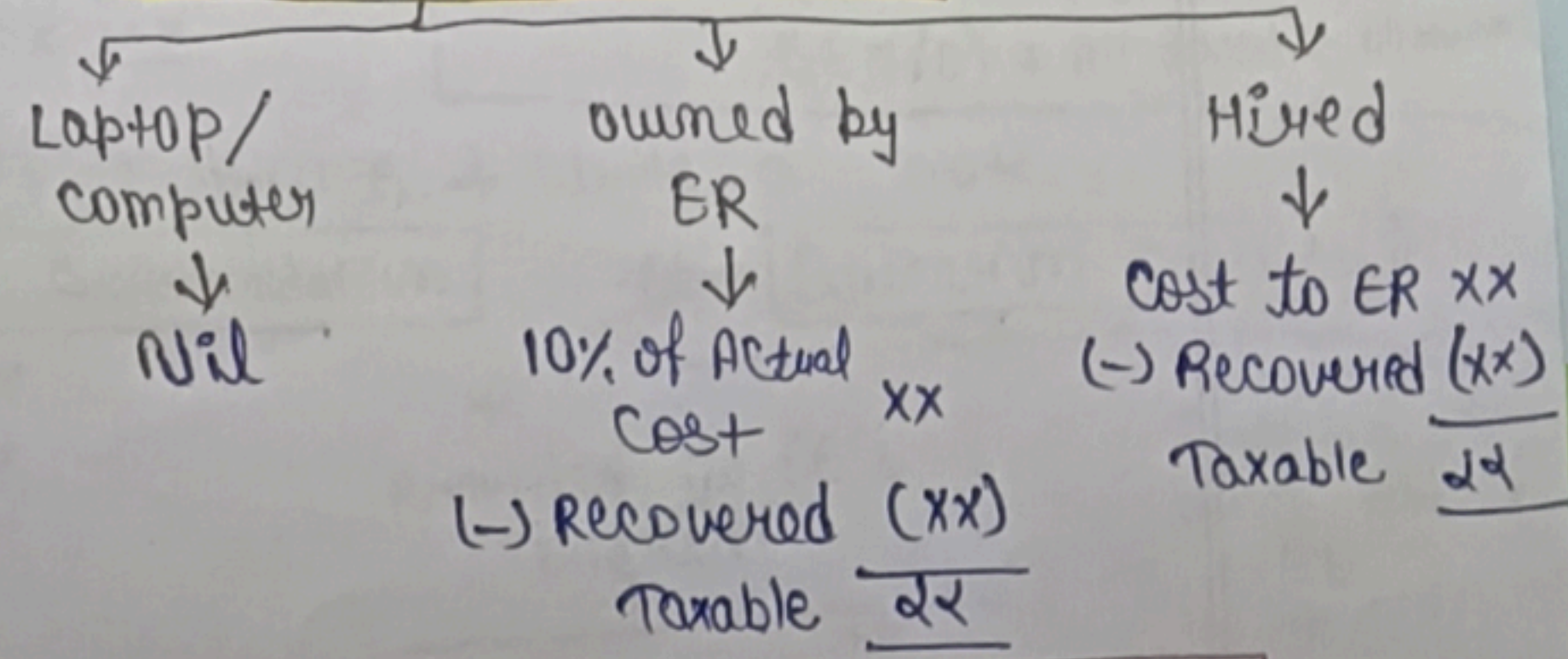
Prerequisite ①

Gifts



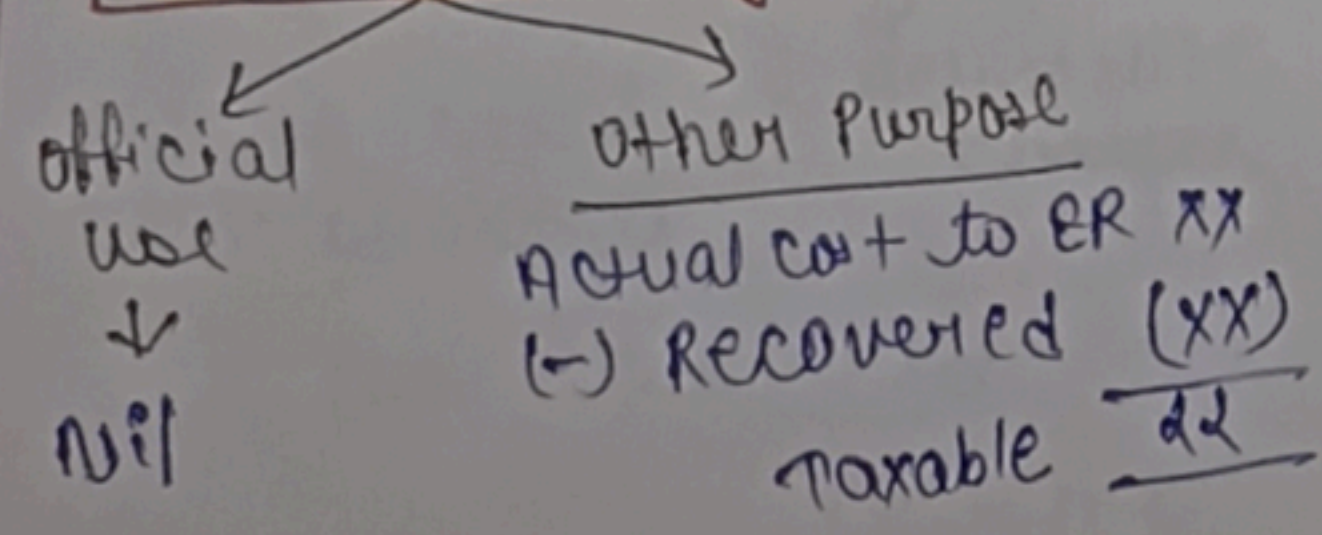
⑤

Use of Movable Asset

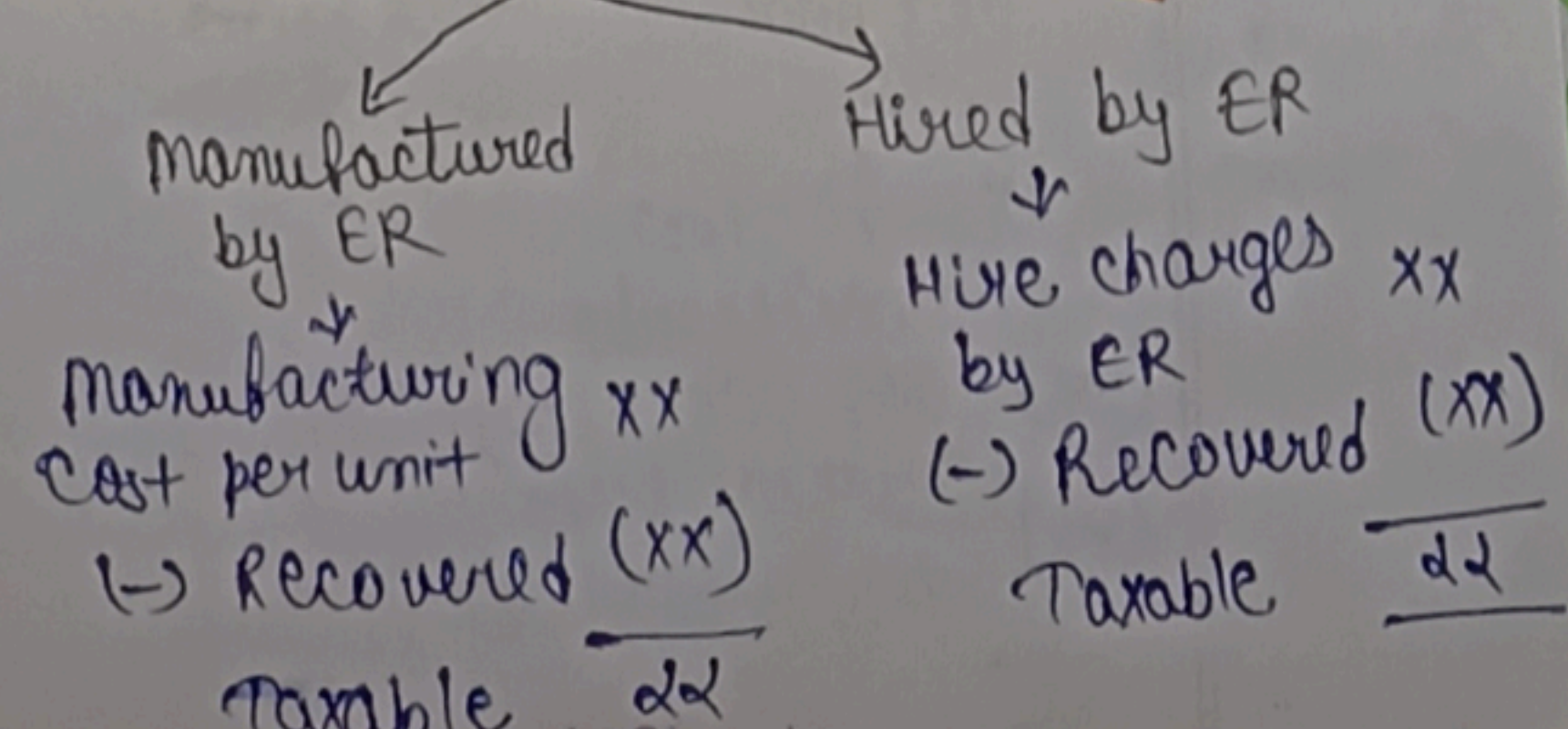


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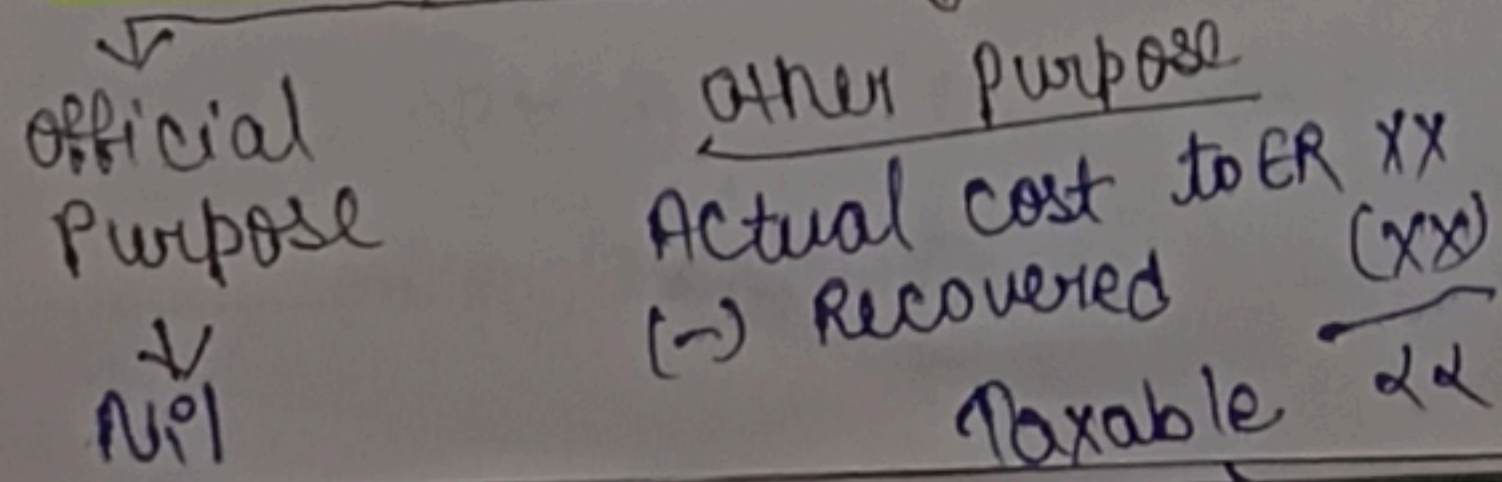
Club Facility



Gas, Water, Electricity



Credit Card Facility



Teacher's Signature.....

Sale of movable Assets (Imp.)

	Computer & Electronics	Car	Other Assets
Dep ⁿ method	WDV	WDV	SLM
Dep ⁿ Rate	50%	20%	10%
Purchase Price	xx	xx	xx
(-) Dep ⁿ for each completed year from the date of acquisition	(xx)	(xx)	(xx)
WDV	xx	xx	xx
(-) Sale value.	(xx)	(xx)	(xx)
Perk	xx	xx	xx

* Electronic → Computer related electronic. eg. - Printer, mouse, keyboard.

* AC, fridge, washing machine, 2 wheeler fall in other assets.

* Perquisite arise only when sale value is less than WDV.

Sweeper, Gardener, Personal attendant

Actual cost xx
(-) Recovered (xx)
Taxable xx

If Employed by ER
Taxable only to Specified EE

RFA (Rent free Accommodation) (Imp.)

Unfurnished Accommodation

* **Govt. EE**

License Fees xx
(-) Recovered (xx)
Taxable xx

* **Non Govt. EE**

Accommodation owned by ER

check Population

Beyond 40L

10% of Salary
(-) Recovered
Taxable xx

15L to 40L

7.5% of Salary
(-) Recovered
Taxable xx

Below 15L

5% of Salary
(-) Recovered
Taxable xx

Hired by ER

Lower of
✓ 10% of salary
✓ Actual cost to ER
(-) Recovered (xx)
Taxable xx

Provided in Hotel

* upto 15 days → nil
* Beyond 15 days
24% of salary xx
(-) Recovered (xx)
Taxable xx

Salary = Basic + DA(R) + Bonus + C(T/O) + All taxable Allowance

* If Population is not given → assume & write a note.

Furnished Accommodation

Education Facility

value as per unfurnished
(+) value of furniture xx

owned

10% of actual cost of Assets

(-) Recovered

Taxable xx

Hired

Actual Hire charges

(xx)

Taxable xx

Provided to EE's children

cost doesn't exceed ₹1000

nil

Cost exceed ₹1000 p.m

cost of education
(-) ₹1000 per child per month
(-) Recovered (xx)
Taxable xx

Provided to other HH of EE

Cost to ER

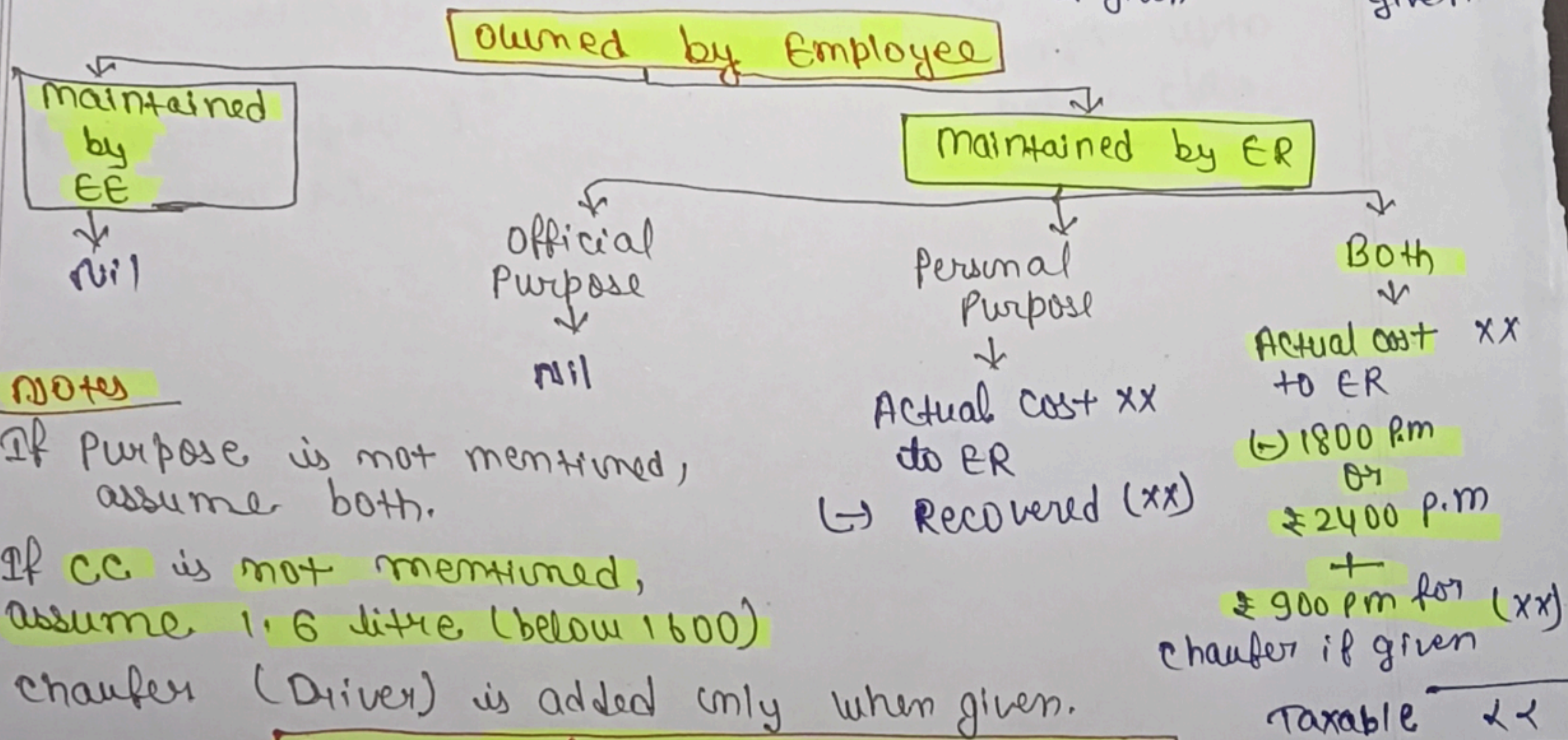
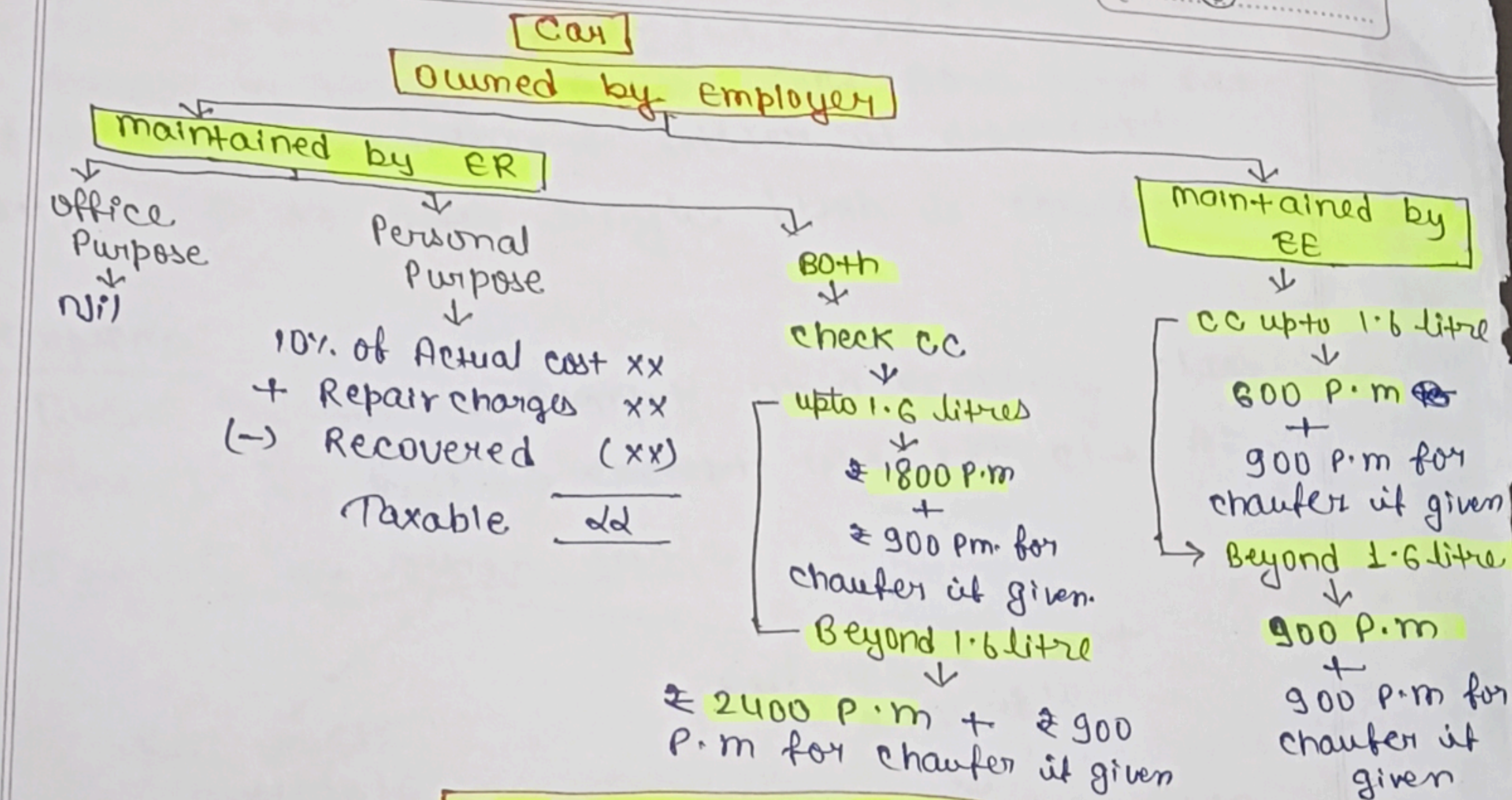
(-) Recovered (xx)

Taxable xx

Sweat Equity Shares/ESOP's

FMV (-) Option Price x No. of Shares
↓
(Purchase Price)

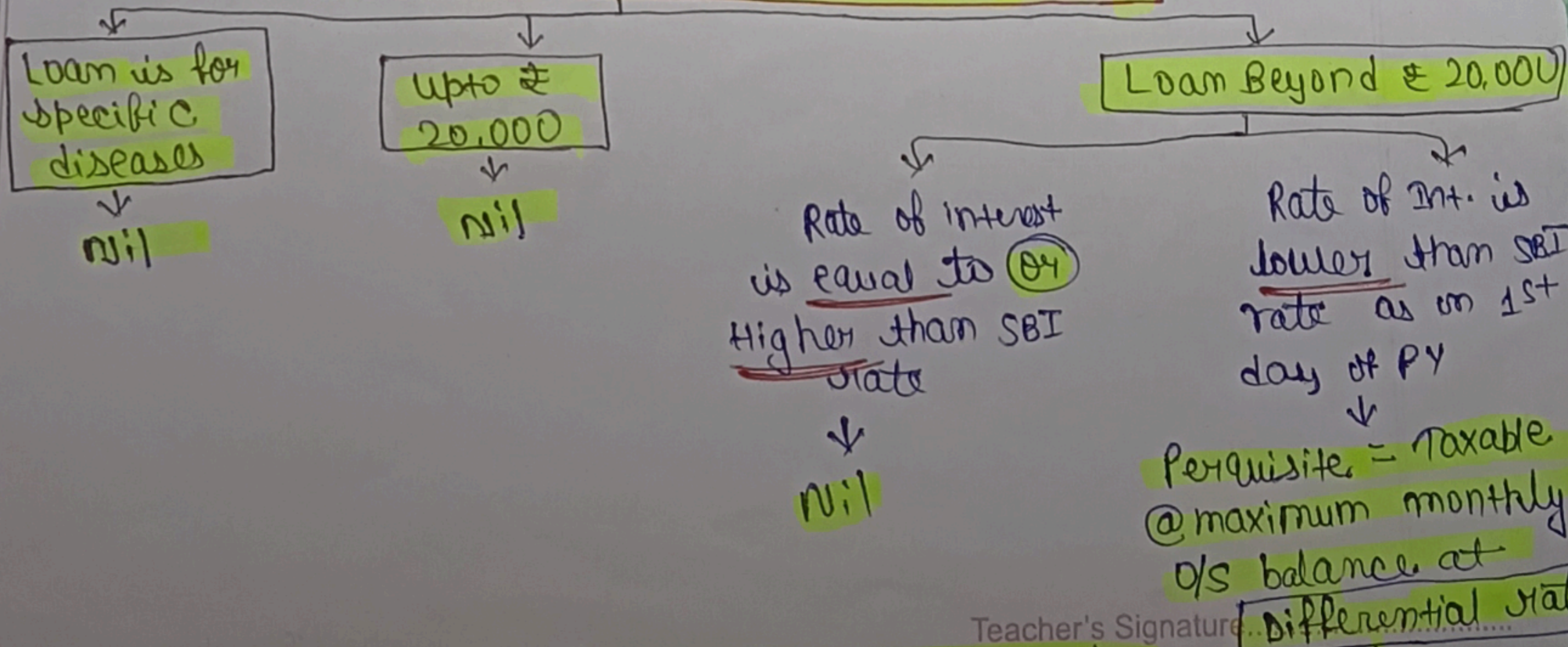
Teacher's Signature.....



Notes

- 1) If Purpose is not mentioned, assume both.
- 2) If CC is not mentioned, assume 1.6 litre (below 1600)
- 3) chauffer (Driver) is added only when given.

Interest free / concessional Loan



(SBI rate (-) ER Int. rate)

Leave Travel Concession (LTC)

- For Assessee + Spouse + Any 2 child Born after Oct. 1998 + Parents, brother & sister if dependent
- Multiple Birth after single birth is considered as 1.

Exemption

- Travel by air → exempt upto economy class
- Travel by Rail → exempt upto 1st class AC.
- Travel by other mode

