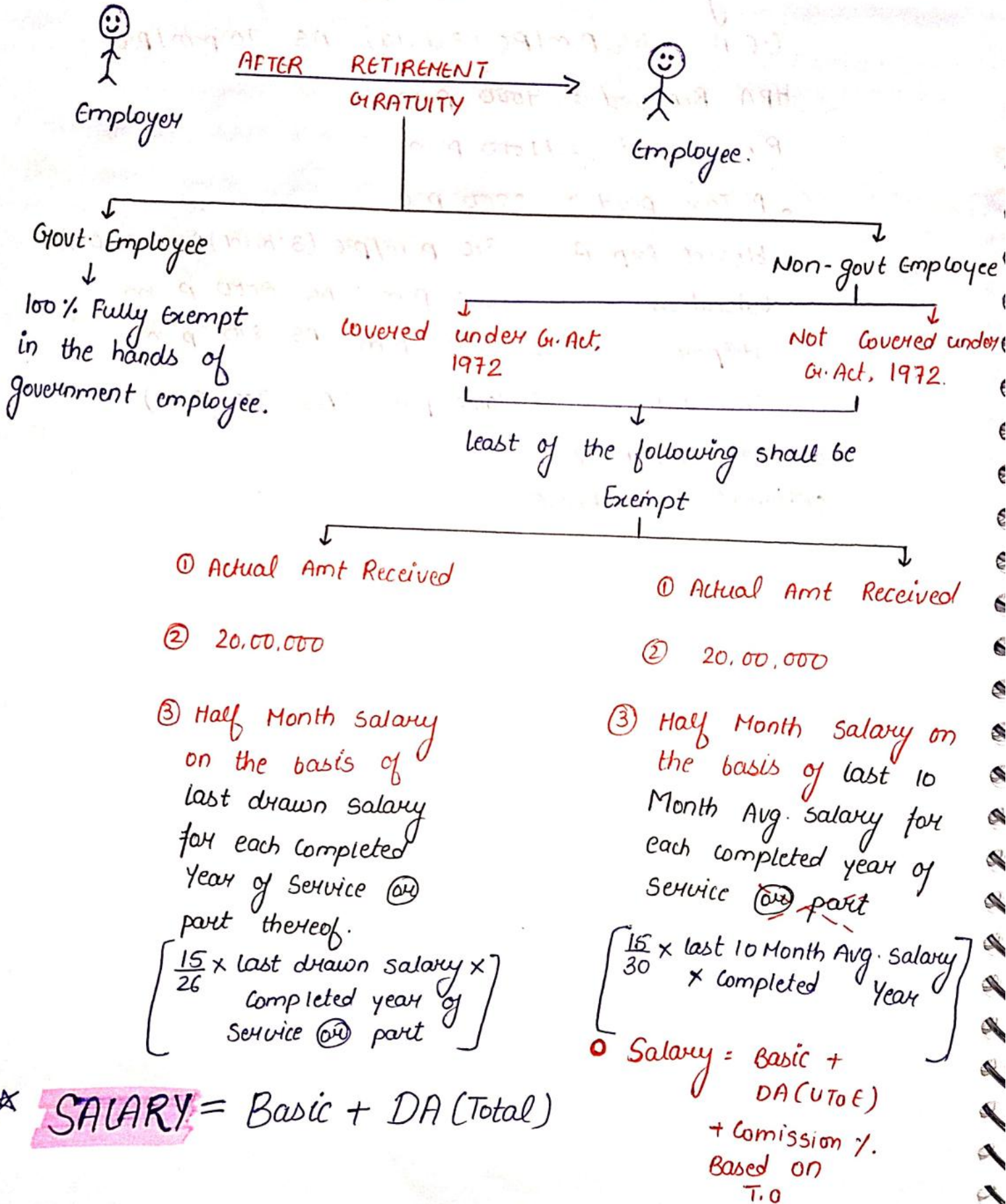


Retirement Benefits

L15

GRATUITY Sec-10(10)



★★ **SALARY** = Basic + DA (Total)

Part thereof Means :-

→ Upto 6 Month = No counted as a Year

→ More than 6 Month = Counted 1 year complete.

Example :-

35 year 4M = 35 year

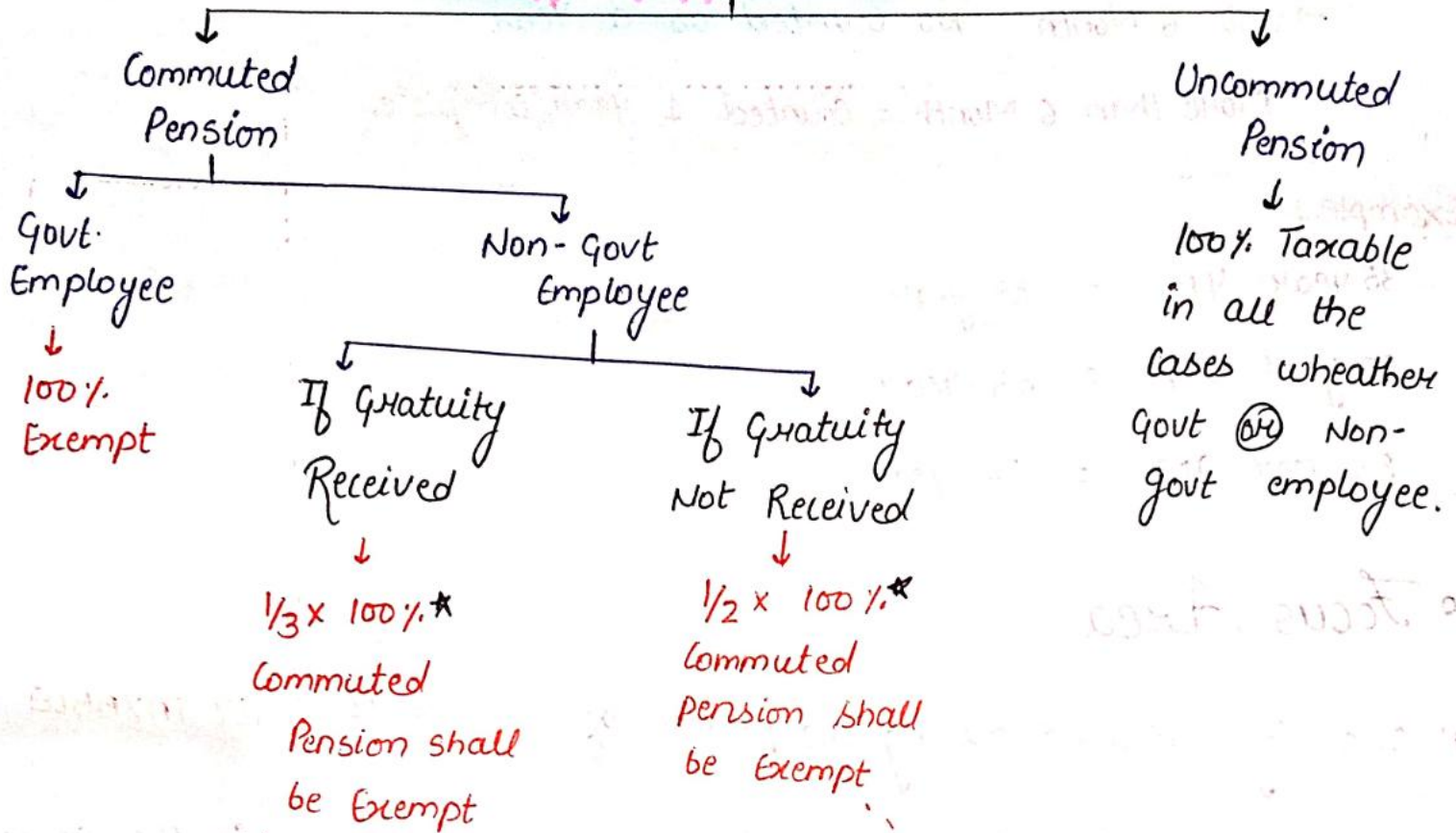
35 year 6M = 35 year

35 year 9M = 36 year

Focus Area

- 1) Gratuity received during the period of service is **FULLY TAXABLE**
- 2) where gratuity is received from 2 more employee in the same P.Y, aggregate amount of gratuity exempt from tax cannot exceed Rs. 20 lakh.
- 3) where gratuity is received in earlier year from the former employee and received from another employer in the later year, the limit of Rs. 20,00,000 will be reduced by the amount of gratuity exempt earlier.
- 4) The exemption in respect of gratuity would be available even if gratuity is received by widow, children or dependent of the deceased employee.

Pension - 10 (10A)



Commuted Pension Taxable = $\frac{\text{Commuted Pension Received} - \text{Amount Exempt}}{\text{XXX}}$

* $\frac{\text{Commuted Pension}}{\% \text{ age of Commuted Pension}} \times 100$