

* Standard Deduction

XX	
XX	
<hr/>	
Gross salary XX	
(-) less standard deduction XX	
<hr/>	
Net salary	XXX

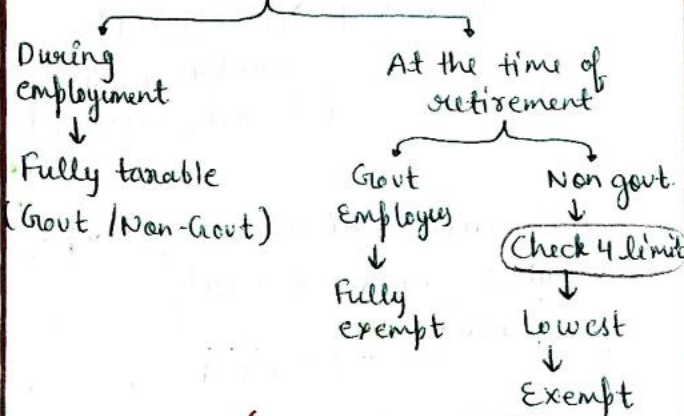
Sec 16 (ia)

Old Regime = 50,000

New Regime = 75,000

* Retirement Benefit

① Leave encashment



4 limits :- (Exempt lower)

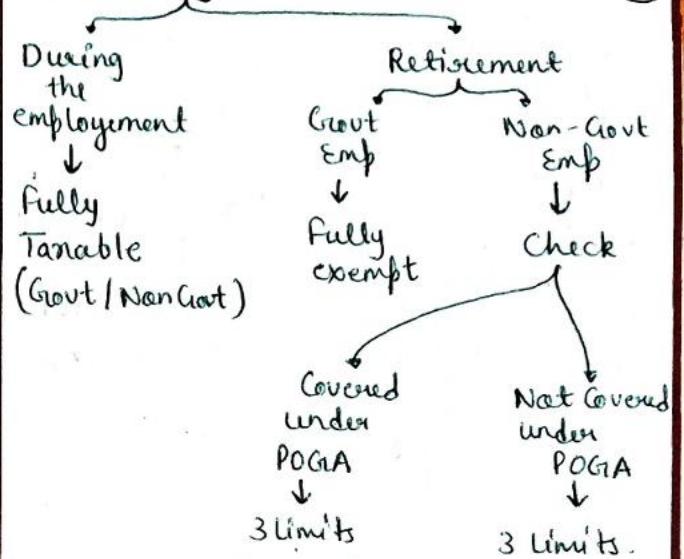
- (i) statutory limit → 25 lakh (fixed)
- (ii) Actual received (leave encashment recd at retirement)
- (iii) $\frac{\text{last 10 month Avg salary} \times 10 \text{ times}}{10}$

Salary includes :-

- Basic salary ⊕
- Conditional dearness allowance ⊕
- Fixed % of Commission Turnover

Total	XX	Salary
<hr/>		
(iv) Total leaves allowed	-	Total leaves availed
30		X
		10 months Avg salary

② Gratuity



→ If Covered under POGA

3 limits (Exempt lower)

- (i) Actual receive
- (ii) statutory limit 20 lakh

(iii) $\frac{15}{26} \times \text{last drawn Salary} \times \text{No. of Years of Service}$

↓

[Basic Salary + Full DA]

↓

[> 6 Months = 1 year]

[Job 10 yrs 11 month = 11 yrs]

→ If Not Covered under POGA

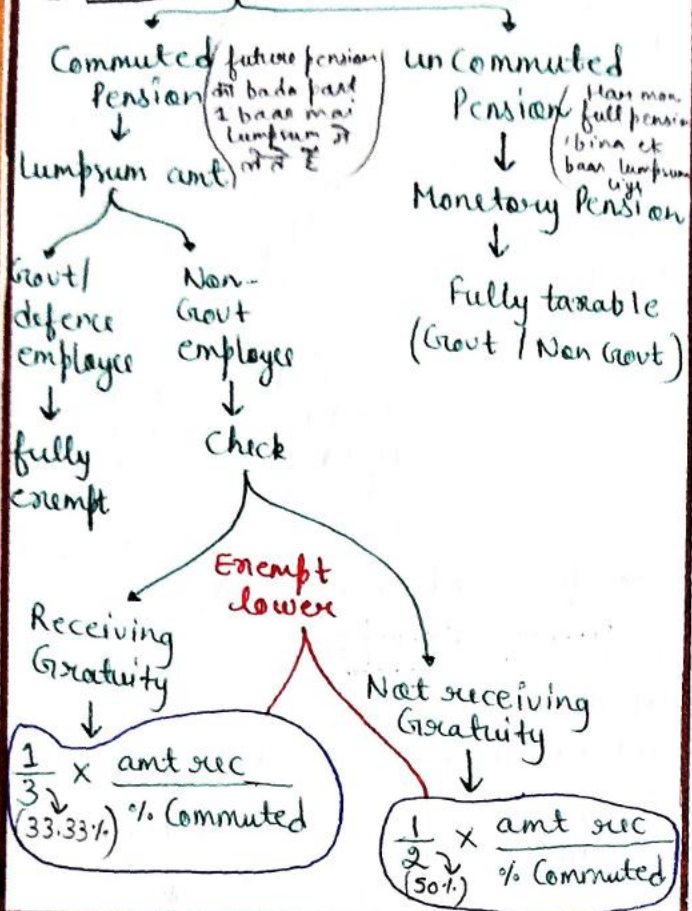
3 limits (Exempt lower)

- (i) Actual receive
 - (ii) statutory limit 20 lakh
 - (iii) $\frac{15}{30} \times \text{last 10 Month Avg salary} \times \text{No. of Years of Service}$
- ↓
- [Basic Salary + Full DA + Fix % Comm on T10]
- ↓
- [Ignore fraction]

NOTE :-

If Nothing is mentioned in the Question then, we Consider the employee is 'Not Covered under POGA'

③ Pension



* Allowances

① Allowance which is partially taxable / partially exempt

House Rent allowance (HRA)

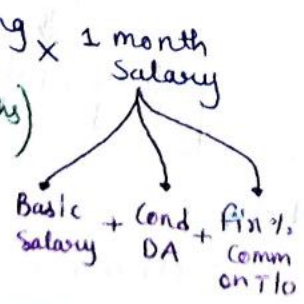
3 limits exemption

- (i) Actual HRA Received
- (ii) Rent paid ^(minus) $\leq 10\%$ of Salary
 (Basic + Cond + Fixed % of Salary) / (DA + Comm on T10)
- (iii) 40% of Salary / (otherwise 40%
 50% of Salary \rightarrow (Metrocity)
 (Mumbai, Delhi, Chennai, Kolkata)

④ Voluntary Retirement scheme

4 limits :-

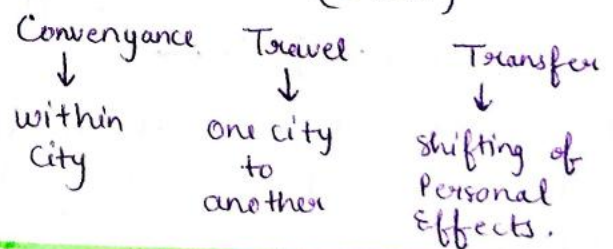
- ① Actual received
- ② statutory limit 5,00,000
- ③ No. of yrs \times 1 month Salary \times 3 month
 are Service (Past = Kine year Kaam Kira)
- ④ Months remaining till retirement \times 1 month Salary
 (future = Kitne months Baki hai)



② Allowance which are exempt

Subject to be Actual expenditure

(C.T.T.)



③ Allowances which are exempt subject to the given limits

- Children Education allowance
Exemption :
 ≤ 100 pm per child for max 2 child
- Children Hostel allowance
Exemption :
 ≤ 300 pm per child

Exemptions :- limits :-

- ₹100pm → children education allowance
(₹100pm, per child for max 2 children)
- ₹200pm → Tribal allowance
- ₹300pm → Children Hostel allowance
(₹300pm, per child for max 2 children)
- ₹800pm → underground allowance
- ₹3200pm → Transport allowance (Disabled)
- ₹10,000pm or 70% whichever is lower Running allowance

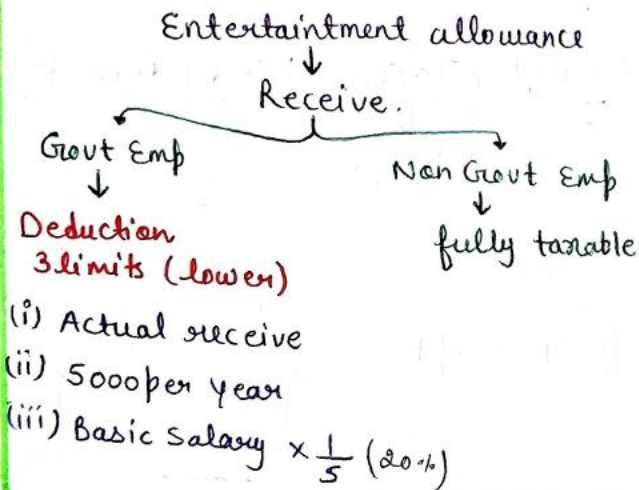
NOTE : New Regime (115BAC)

(3)

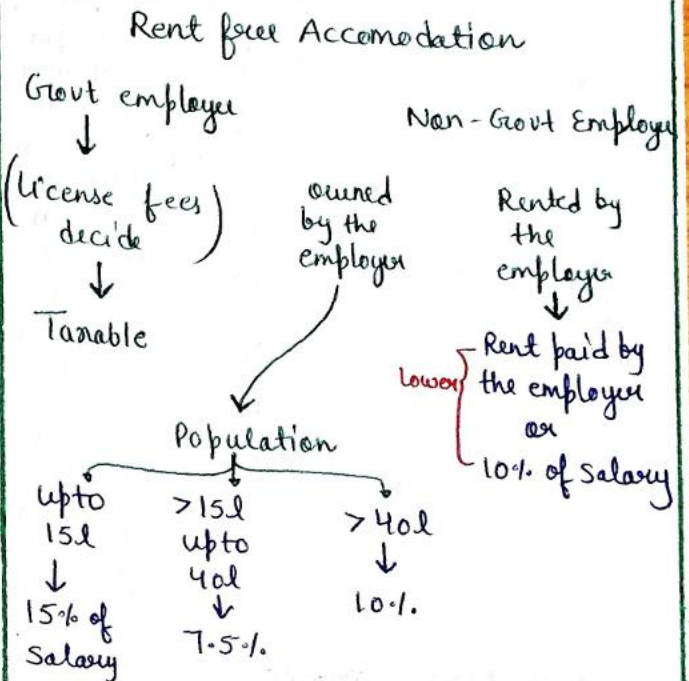
4 allowances are exempt

- (i) Daily
 - (ii) Conveyance
 - (iii) Travel
 - (iv) Transport allowance
 - (v) other fully taxable (children, hostel allowance etc)
- Actual exp. } Disabled ₹3200pm

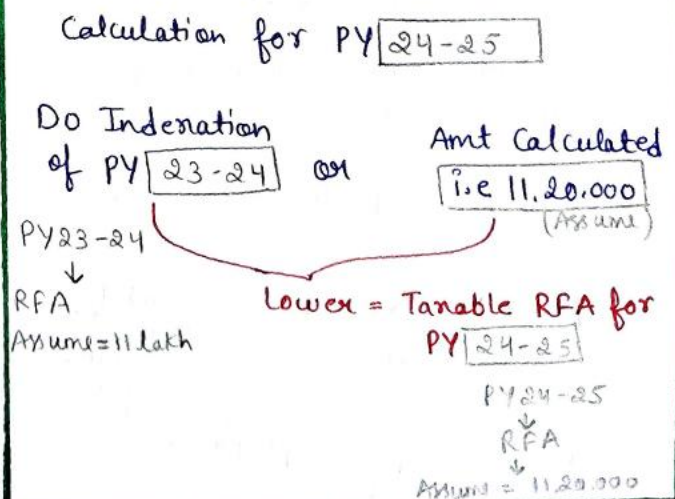
④ Allowance for which deduction is allowed



* Perquisites (Notes go through)



* Concept of Indentation in salary



⑤ Allowances which are fully exempt

- (i) HC/SC Judges
- (ii) United Nation employee
- (iii) Indian Citizen working outside India & salary is paid by Indian Govt.

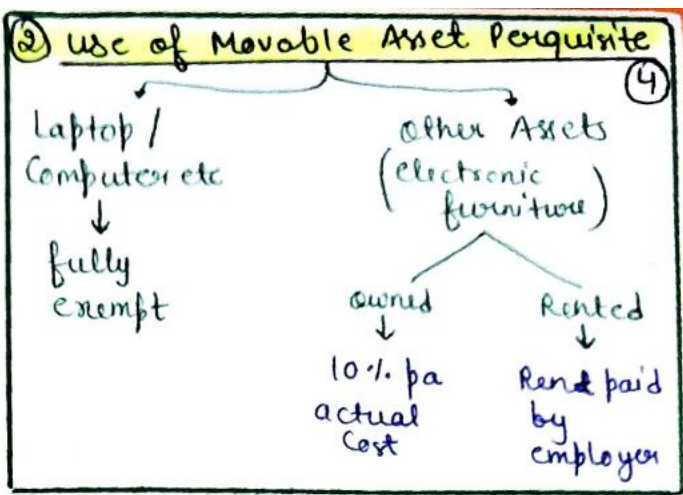
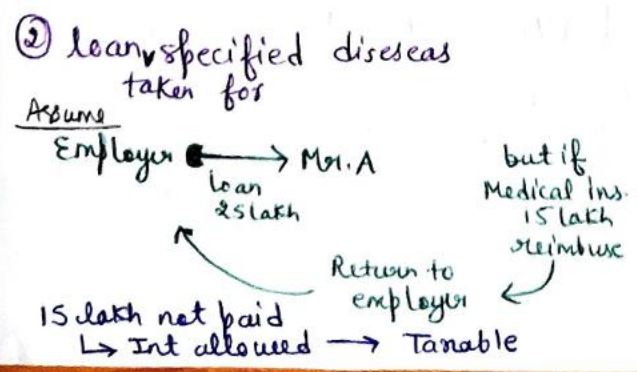
① Motor Car Perquisite
 illu 20 19 4.9 @ 2
 illu 4 19 4.2 @ 3
 Driver = ~~16000 /~~ > 16000
 Actual Recovery less
 Recovery less xx

① Motor Car Perquisite

Particulars	official	Personal Driver = Actual recovery less	official + Personal 16000 / > 16000 Recovery less XXX no
Car	Not Taxable	owned 10% p.a of Actual Cost or Rented → Rent Paid	600pm/900pm + 900pm → Driver 1800pm / 2400pm + Driver 900pm
Car + Expenses	Not Taxable	⊕	1800pm / 2400pm + Driver 900pm
Expenses	Not Taxable	Actual Received	Amt Received (-) 1800pm / 2400pm (-) 900pm Taxable → XX

* Loan Not Taxable

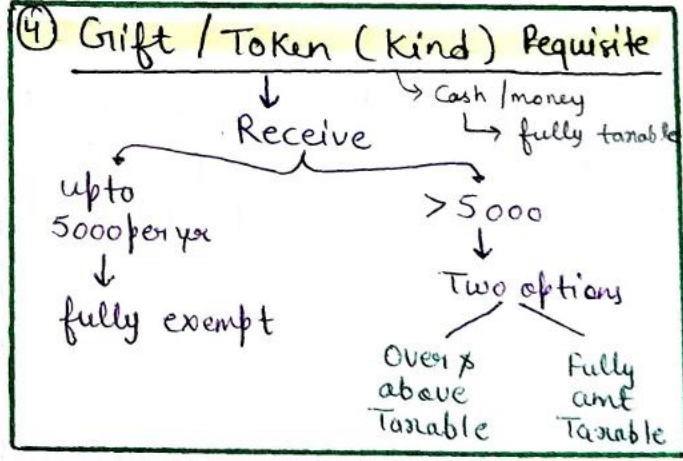
① loan amt upto 20,000
 into benefit Not taxable
 Loan not taxable if amt is upto 20,000.



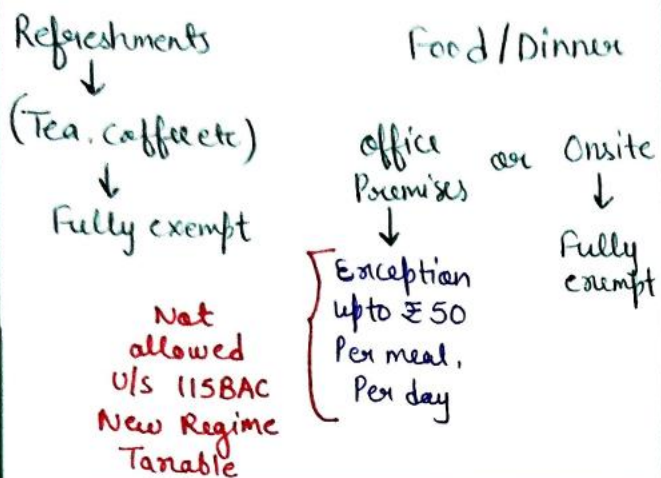
③ Transfer of Movable Assets Perquisites

2nd hand Asset → is sold to employee

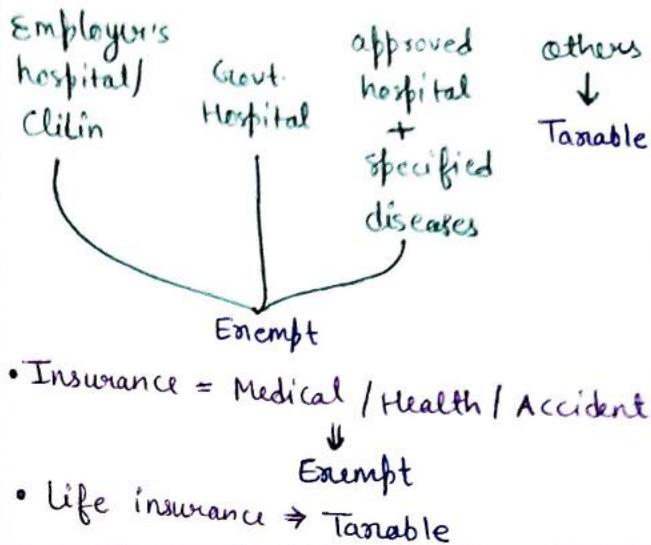
Laptop / Computer & related items	Motor Car	Furniture / other items, electronic.
50%	20%	10%
WDV Method	WDV method	SLM Method



5 Free food & Non-Alcoholic Beverages Perquisite



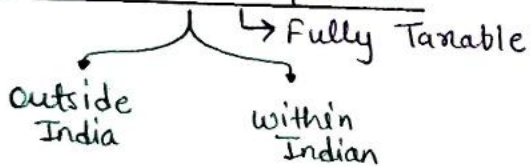
6 Treatment within India



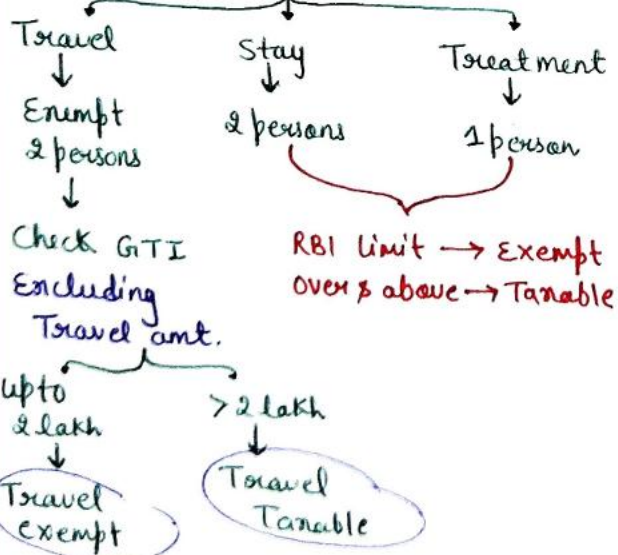
6 Leave Travel Concession Perquisites

Exemption Not allowed U/s 115BAC

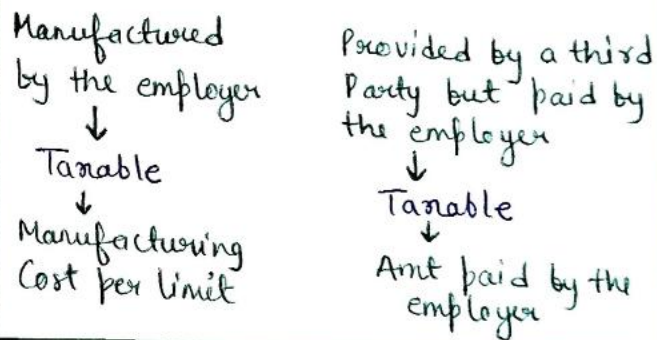
7 Medical Perquisites



(A) Treatment Outside India

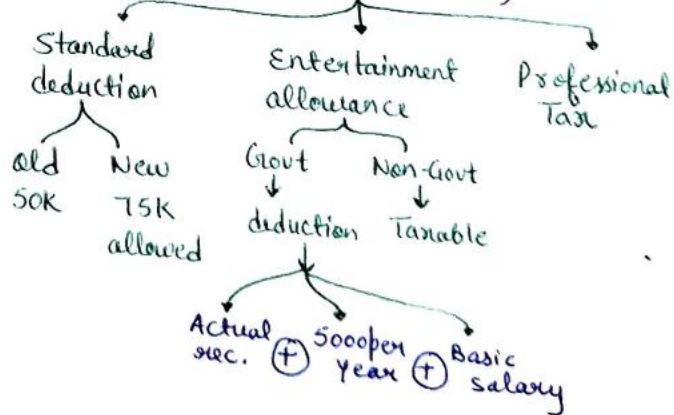


8 Gas / water / Electricity Perquisites



Deductions (Salary head)

(115BAC not allowed)



* Few Perquisites
↳ Notes → Revision.

DONE :)