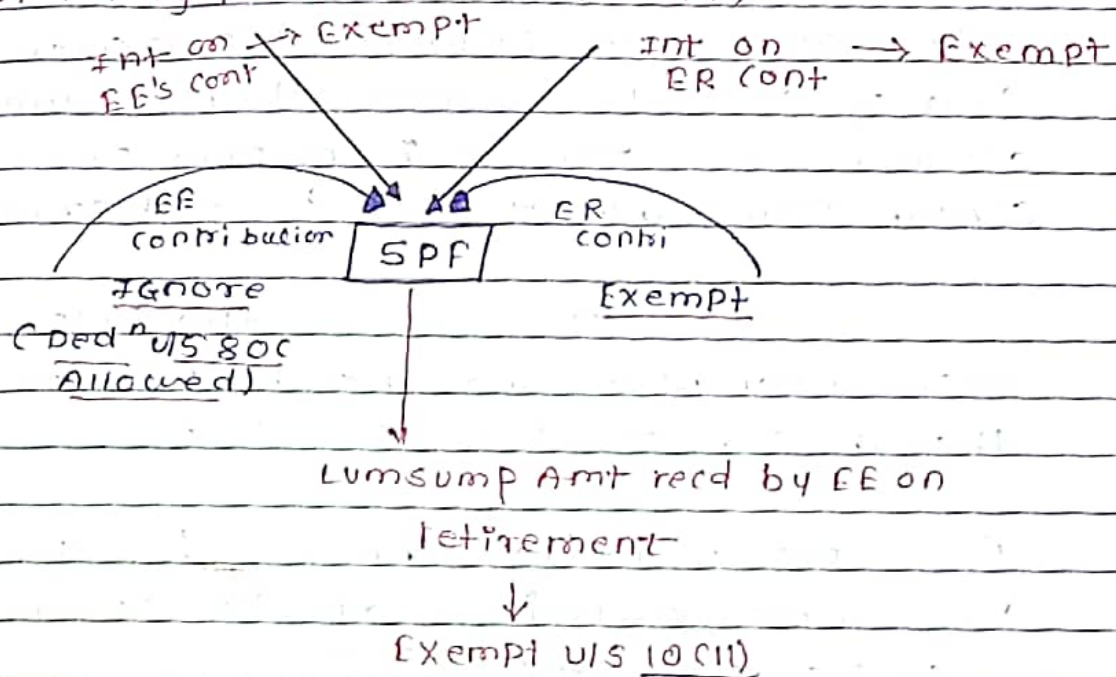
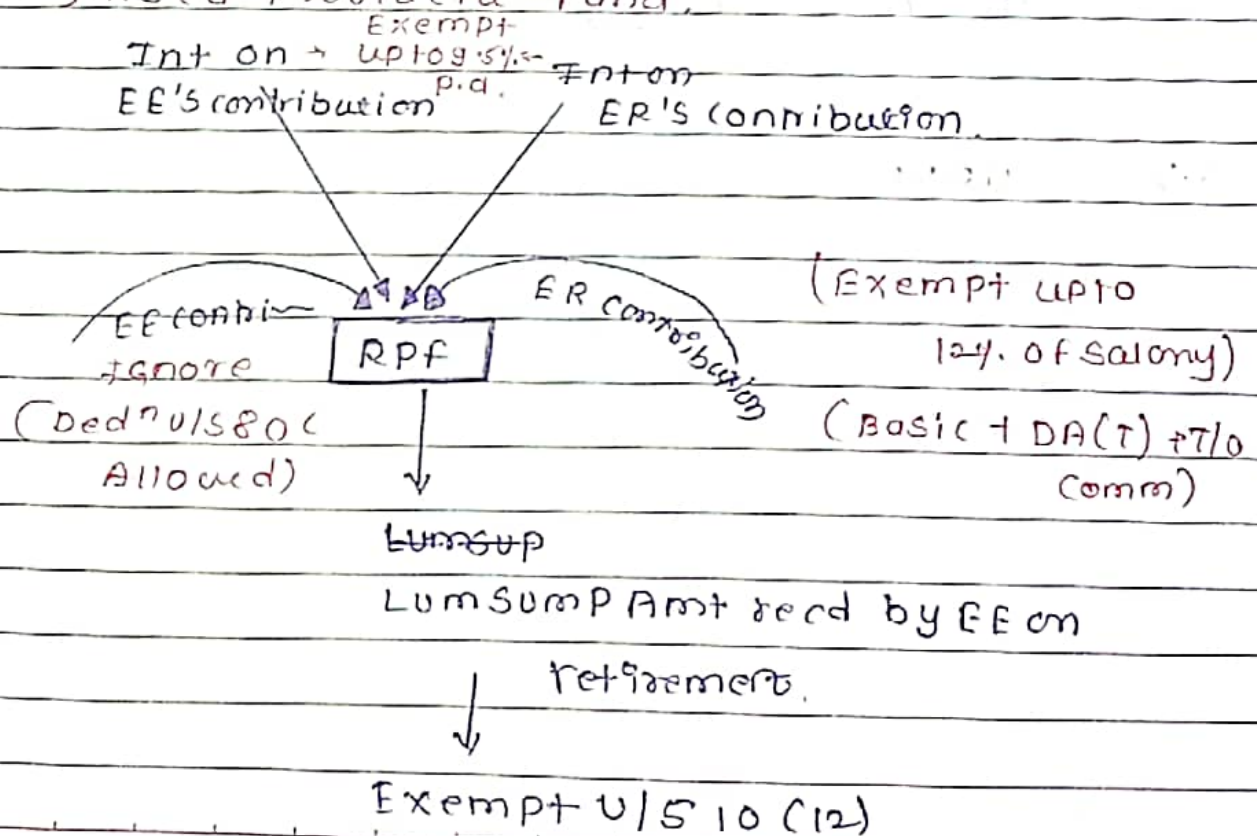


provident fund.

(i) Statutory provident fund. (SPF)



Recognised Provident fund.



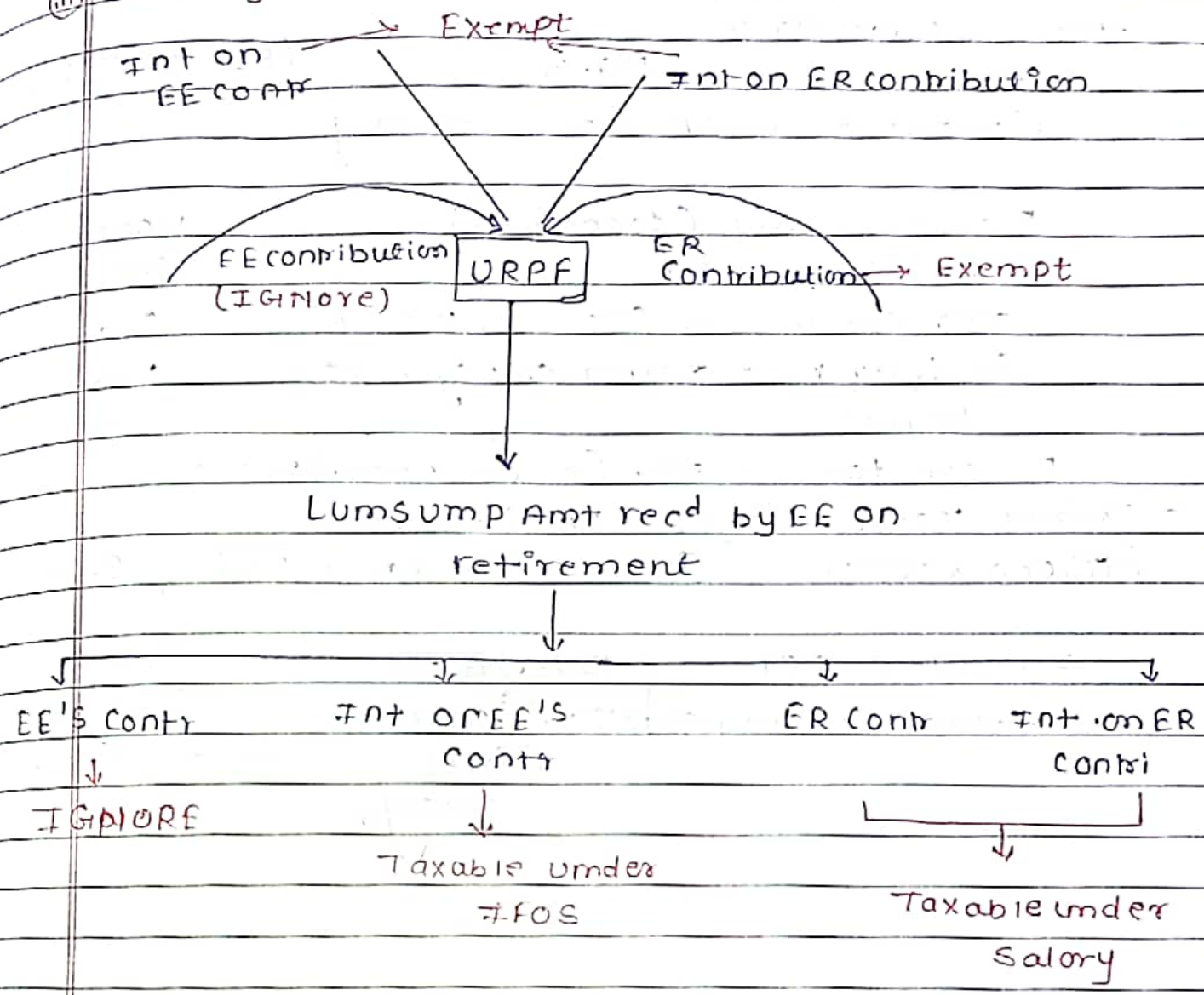
- ① Lumpsum amt received from RPF is exempt u/s 10(12) if employee has rendered service 5 years or more. If employee renders service less than 5 years then exemption claim received earlier in respect of employer contribution & interest shall be withdrawn.

However in the following 3 cases exemption shall not be withdrawn even though services less than 5 years.

- 1) employee retired due to ill health
- 2) employee retired due to closure of employer business.
- 3) employee has retired with the instruction that his balance in RPF should be transferred to new employer or NPS u/s 80 CCD

iii) URPF

iii) Unrecognised Provident Fund (URPF)



$$\frac{13000}{13\%} = 100,000 \text{ Rs.}$$

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Mr. B.

(Payable 25 Aug 2014)

Computation of Gross Salary

Basic salary (10000 x 12)

DA (8000 x 12)

T/O commission (500000 x 0.1%)

Gratuity recd during employment

Bonus

ER. con towards RPF (120000 x 20%) 24000

- Exempt 12% of salary (BS + DA + T/O com)

(173000 x 20%)

(120000 + 48000 + 5000) 20760

3240

Interest on RPF

- interest exempt upto 9.5% 13% x 13000

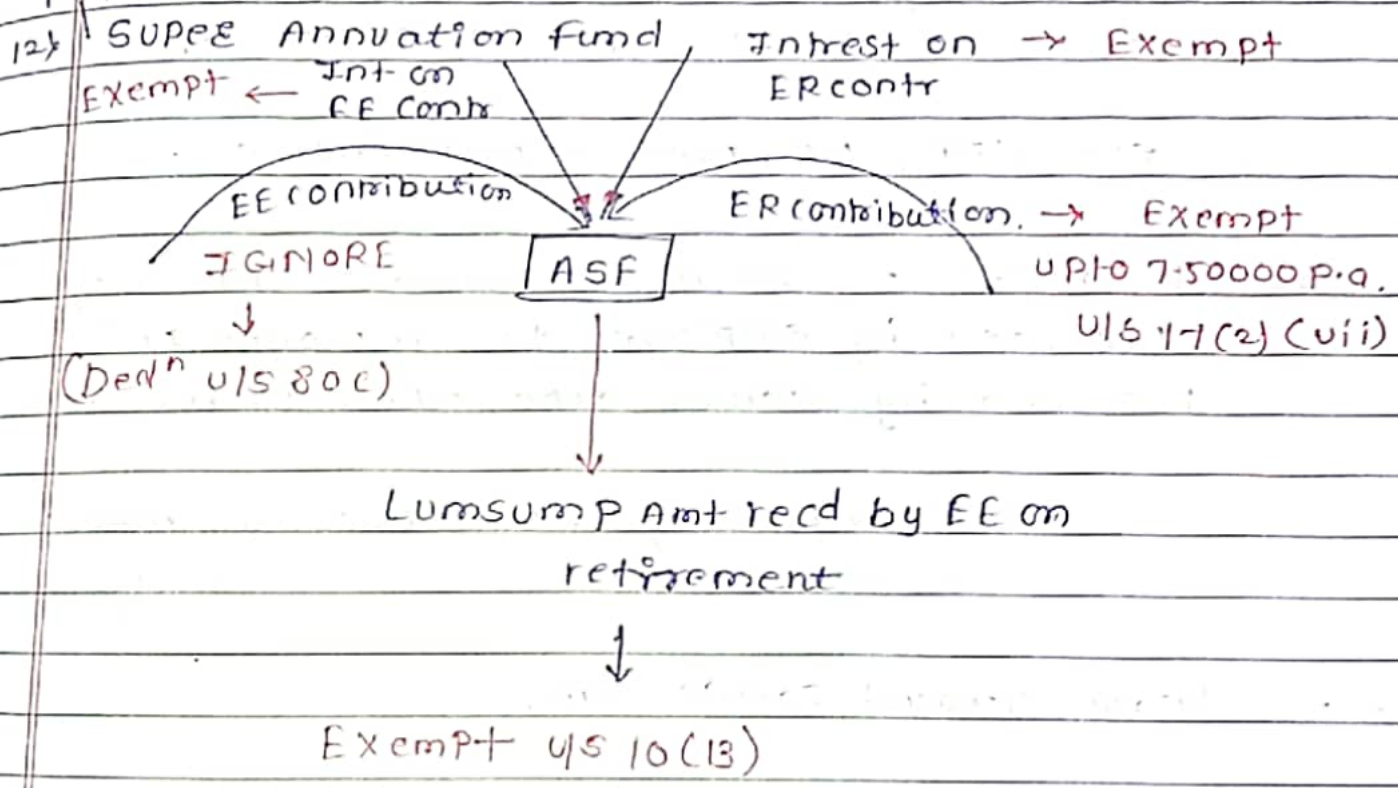
Gross

Salary

3500

292740

Approved.
NA



supee.
i) unapprovedⁿ Annuation fund.

Treatment same as the URPF

14) Perquisite Sec 17(2)
(Benefit)

It means extra Benefit offered by employer to
EE. it may be monetary or non monetary.

Difference between perquisite and allowance

A) Allowance - It means monetary sum amount
received by employee from employer whether
actual amt spent or not. it is part of salary.
e.g. HRA, DA, Medical Allowance etc.

B) Perquisite - It means benefit or facility
provided by employer to employee. It is
received by actual expenditure is incurred.
e.g. Car facility, House facility, medical
facility.

1. Leave Travel Concession.

Travel benefit anywhere in India.

RIL → Raja + Family

Exempt U/s 10(5)



Travel by AIR

Travel by any other way



Exempt Amt



i) Actual exp xxx

Railway

Railway Facility

ii) Economy Class xx

Facility available

not Available



Exemption.

i) Actual Cost xx

ii) 1st class

Railway fare xx



Recognised Transport Facility Available

Recognised transport Not Available



Exempt Amt

Exempt Amt

i) Actual Exp xx

i) Actual EXP xx

ii) Deluxe Class xx

ii) 1st class Railway xx

Fare

AC Fare of similar

Distance.



* Assessee

Spouse

Children

Dependent mem

(BIS/M/F)

1/10/1998

2 max
Children

Notes

1) Exemption of LTC available for the taxpayer employee, spouse, * children & dependent mem (BIS/M/F)

* exemption of LTC available for 2 children born on or after 1/10/1998. (limit is not applicable in case of multiple birth after 1 child)

e.g ① 1st time → 1 child.

2nd time → 2 children

3 children

Exemption for all three.

② 1st time → 2 children

Next time → 1 child.

3 children

Exemption for 2 children

LTC exemption is available for 2 year in block of 4 years. If exemption is not claim in any block then 1 year can be carry forward to the next block

(current block is 2022 to 2025)

24 Medical facility

Treatment in India.

↓
Government Hospital
Treatment employer
own Hospital
Treatment in Govt
recognised Hospital.

otherwise
↓
Fully
Taxable.

↓
Fully exempt

Treatment o/s India.

Exemption of
treatment

Benefit of
stay

Benefit of
Travel

↓
Exempt upto limit
prescribed by RBI

It is fully Exempt if
GTT is upto 200000
otherwise if is
fully taxable.

Exemption for treatment is allowed For employee
Spouse, children and dependent relative.

Exemption for stay & travel is allowed for
only patient and one attendant.

3) Medical benefit Insurance premium benefit is fully exempt.

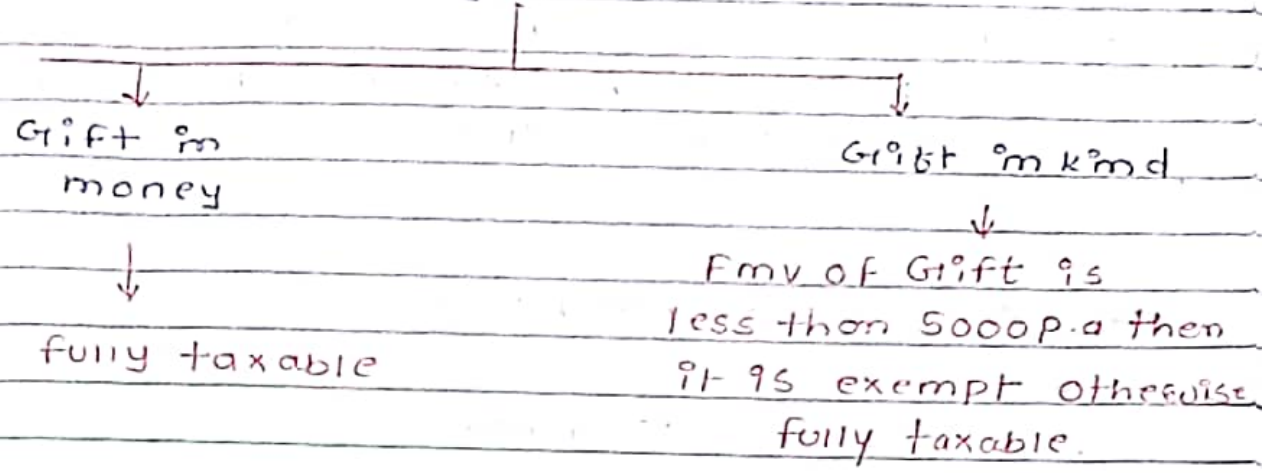
4) Exemption Allowed in respect of any illness related to Covid-19

Conditions

1) employee should submit Covid positive report to employer.

2) Treatment of illness is related to Covid-19 & it suffered within 6 months from the date of being determined as Covid 19.

5) Gift to employee.



6) ESOPS: Employee Stock Option Plan

It means issue of share at Concessional rate to employee

$$\text{taxable amt} = \text{Fmv of Shares} - \text{issue price of Shares}$$

* Fmv should be taken on the date on which Employee exercise the option.

Loan given to employee without interest or concessional rate.

$$\text{Taxable Amt} = \text{loan Amt} \times \left[\begin{array}{l} \text{SBI Int Rate on} \\ \text{1st April of P.Y} \end{array} - \begin{array}{l} \text{Actual} \\ \text{Int rate} \end{array} \right]$$

Notes

If loan is upto 20000 then interest benefit is not taxable

treatment of

2) IF loan is taken for a specified disease then amt benefit is not taxable & even if the loan amt is more than 20000.

3) Use of Movable Asset

Use of Asset

Computer / Laptop

CAR

Any other asset
(Bike, TV, Furniture etc)



Discuss
later

Fully Taxable

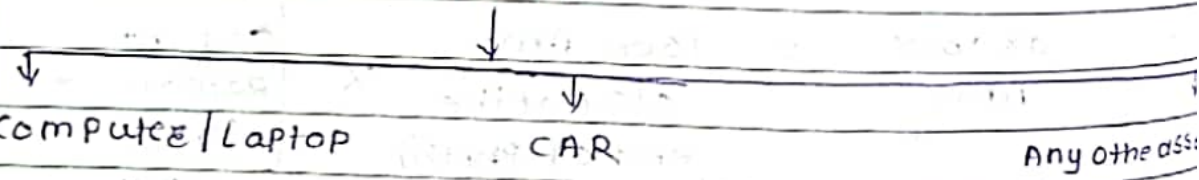
Owned by employer.

Hired by Employee

Taxable amt = 10% of
cost

Higher charges
Paid by employee

7) Transfer of Movable



Computer / Laptop

CAR

Any other asset

Taxable Amt = WDV - consideration

Taxable Amt =
WDV - consideration

Taxable Amt = WDV -
consideration

Dep @ 50% on

WDV method

Dep @ 20% on
WDV method

Dep @ 10% on
SLM method

Depⁿ should be calculated for Completed years from the date on which asset acquired by EP till the date on which Asset transfer to employee.

1) e.g. SSI Ltd. acquired a car for ₹ 600,000. on 10th Dec 2020 car is transferred. to employee Mr. Ved on 7th July 2024 for ₹ 30,000 calculate value of perquisite in hands of Mr. Ved.

Taxable = WDV - Consideration.
perquisite:

	₹	
Cost of CAR	₹ 600,000	10/12/20 → 9/12/21
- Dep 1 st year	(120,000)	10/12/21 → 9/12/22
	480,000	10/12/22 → 9/12/23
- Dep 2 nd year	(96,000)	10/12/23 → 9/12/24
	384,000	7/7/24
(-) Dep 3 rd year	(76,800)	
	307,200	

8) Lunch Facility

It is exempt if value is upto ₹ 50/- meal, it is exempt, if lunch is provided in office premises or through paid vouchers.

If value is more than 50 per m then excess of ru 50 is taxable.

NOTE

- 1) Tea, coffee or breakfast provided in office not taxable.
- 2) Lunch is provided in remote area then not taxable.