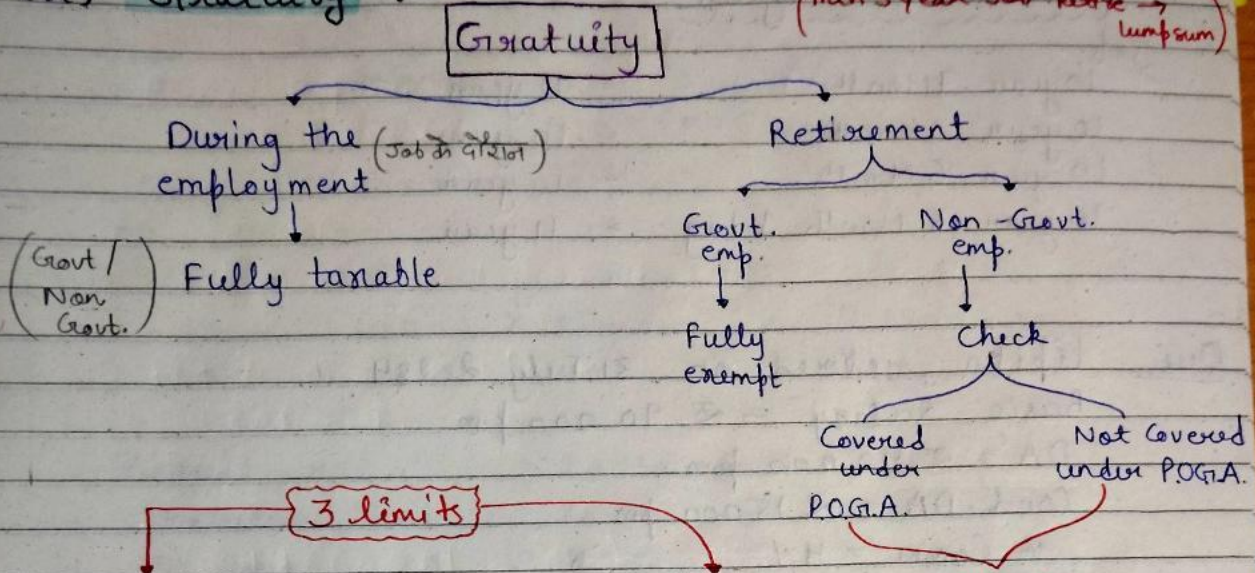


⇒ [POGRA → Payment of Gratuity Act]  
 ⇒ Last drawn salary → Retire se last Pehle wala Month.

(2) **Gratuity** :-

(min 5 year Job Retire → lumpsum)



**3 limits**

Covered under POGA

Not Covered under POGA

**3 limits**

- (1) Actual receive
- (2) Statutory limit 20 lakh

- (1) Actual receive
- (2) Statutory limit 20 lakh

(3)  $\frac{15}{16} \times \text{last drawn Salary} \times \text{No. of Years of Service}$

$\underbrace{\text{Basic Salary} + \text{Full DA}}_{> 6 \text{ Months} = 1 \text{ year}}$

(3)  $\frac{15}{30} \times \text{Last 10 Months Avg Salary} \times \text{No. of years of Service}$

$\underbrace{\text{Basic salary} + \text{Full DA} + \text{Fix 1. Comm on Tlo.}}_{\text{Ignore fraction}}$

**Note :-** If nothing is mentioned in the Que we Consider the employee is 'Not Covered under POGA'.



3rd limit → Covered under POGA :-

$$\frac{15}{28} \times \text{last drawn Salary} \times \text{No. of yrs of Service.}$$

(> 6M = 1 year)

$$\frac{15}{28} \times (90,000 + 40,000) \times 13 \text{ year.}$$

$$\frac{15}{28} \times 130,000 \times 13 \text{ year} \Rightarrow \boxed{975,000 \text{ rs}}$$

- Actual rec. 23,40,000
- Statutory limit 20,00,000
- 3rd limit. 975,000

$$\begin{array}{l} \text{Actual Rec} \longrightarrow 23,40,000 \\ (-) \text{ lowest above } \longrightarrow (975,000) \\ \quad \quad \quad (3 \text{ limits}) \end{array}$$

$$\text{Taxable Gratuity} \longrightarrow \boxed{13,65,000}$$

$$\text{Taxable Gratuity 'Covered under POGA'} \Rightarrow \boxed{13,65,000}$$

3rd limit → Not Covered under POGA :-

$$\frac{15}{30} \times \frac{\text{last 10 Month Salary}}{10 \rightarrow (\text{Avg} \div 10)} \times \text{No. of yrs of service}$$

$$\begin{array}{l} \text{Salary} \Rightarrow \text{Basis Salary} = 90,000 \times 10 \text{ month} = 9,00,000 \\ (+) \text{ Cond. DA} = 15,000 \times 10 \text{ month} = 1,50,000 \\ (+) \% \text{ Comm on T/O} \\ \quad \quad \quad 70 \text{ lakh} \times 4\% \times \frac{10 \text{ m}}{12 \text{ m}} = \underline{2,33,333} \end{array}$$

$$12,83,333$$
$$\text{Avg} \div 10$$

$$12,83,33.33$$

$$\frac{15}{30} \times 12,8333.33 \times 12 \text{ year (ignore fraction)}$$

$$= 7,69,999$$

$$\Rightarrow 7,70,000$$

- Receive  $\longrightarrow$  23,40,000
- statutory limit  $\longrightarrow$  20,00,000
- 3rd limit  $\longrightarrow$  7,70,000

Actual Rec 23,40,000  
(-) lower above (7,70,000)  
(3 limits)

Taxable gratuity  $\underline{15,70,000}$

Taxable gratuity 'Not Covered under POGA'  $\Rightarrow 15,70,000$

## Homework

- Shreya retired on 30 Nov, 2024.
- Monthly Salary was ₹ 29,000 pm
- D. allowance = 50% of Basic salary  
(70% of which is Conditional)
- TLo for the year = ₹ 17 lakhs
- % Comm. is 4%
- Date of joining 17 June, 2014
- leaves allowed per year = 27 days
- Total leaves availed = 51
- leave encash rece. = ₹ 5,70,000

Find Net Salary for

## Homework solution

- Date of Joining = 17 June 2014
- Retirement = 30 Nov 2024

17 June 2014

30 Nov 2024

$$\begin{array}{r} 2024 \\ - 2014 \\ \hline 10 \text{ years} \end{array}$$

- (i) 1<sup>st</sup> limit → 25 lakh
- (ii) 2<sup>nd</sup> limit → 5,70,000
- (iii) 3<sup>rd</sup> limit →  $\frac{\text{last 10 month salary} \times 10}{10}$

$$\text{Basic Salary} = 29000 \times 10 \text{ month} = 2,90,000$$

$$\begin{aligned} \text{Conditional DA} &= 14500 \times 70\% \times 10 \text{ month} \\ &= 1,01,500 \\ &= 14,500 \times 70\% \end{aligned}$$

$$\begin{aligned} \text{Fin \% Commission on Tlo} &= 56,666.666 \\ \frac{172 \times 4\% \times 10 \text{ mon}}{12 \text{ mon}} & \end{aligned}$$

$$\begin{aligned} &4,48,166.66 \\ &4,48,170 \end{aligned}$$

(iv) 4<sup>th</sup> limit  $\rightarrow$

$$\left( \frac{\text{Total leaves allowed} - \text{Total leaves availed}}{30} \right) \times \frac{10 \text{ Monthly avg. Salary}}{10}$$

$$\frac{(10 \times 27 \text{ days}) - 51}{30} \times \frac{4,48,166.66}{10}$$

$$\frac{219}{30} \times 448166.66$$

$$7.3 \times$$

$$= 3,27,161.666$$

→ leave encashment :-

5,70,000

4 limits

1st 25 lakh  
2nd 5,70,000  
3rd 4,48,166.66  
4th 3,27,161.66

(3,27,161.66)

24,28,338.333



24,28,338.333

Taxable leave encashment.

→ Net Salary

Particulars	Amount ₹
Basic Salary (29000 × 8m)	232000
Dearness allowance (14500 × 8m)	116000
Commission (172 × 4% × $\frac{8\text{mon}}{12\text{mon}}$ )	45333.33
leave encashment taxable amt. Gross salary	24,28,338.09
less (50) stand ded <sup>n</sup> .	₹ 63,6170 (75000)
Net Salary	<u>561170</u>

Lec 5 11 Feb

\* Note for leave encashment :-

The statutory limit of ₹25 lakhs is life time limit

Eg Job 1  
leave encashment = 20 lakhs  
Rec.

∴ 20l exempt

New in Job 2  
leave encashment = 9 lakhs  
Rec.

∴ 15l max exempt

\* For all Calculation :-

- If nothing is mentioned in the Que for D.A, we consider, in the Que for DA, -we it as Full DA and not Conditional.
- If not mentioned employee is Govt. / Non-Govt. we will consider it as Non-Govt.

Que:- Kusum retired on 31<sup>st</sup> Jan 2025.

Basic Salary ₹ 2 lakh per month

DA = 80,000 pm (30% is Conditional)

Tlo for the year = ₹ 30 lakhs

% Commission = 6%

Gratuity received for ₹ 24 lakhs

No. of Years of Service 14 years & 8 months

Find taxable gratuity

- if person is covered under POGA
- also if not cover under POGA

Sol<sup>n</sup> (i) POGA

$$\frac{15}{26} \times \text{Last D. Salary} \times \text{Yrs of service } (> 6 \text{ mon} = 1 \text{ year})$$

Basic + D. allowance

$$\frac{15}{26} \times (200000 + 80000) \times 15 \text{ years}$$

$$\frac{15}{26} \times 2,80,000 \times 15 \text{ years}$$

$$= 2423076.9 \Rightarrow \boxed{\text{₹}2423077}$$

Received

24,00,000

• Rec. 24 lakh

• Statutory 2 lakh (20 lakh)

• 3rd limit 2423077

4,00,000 → Taxable

(ii) Not POGA

$$\frac{15}{30} \times \text{Last 10 month Aug sal.} \times \text{yrs of Service.}$$

$$\text{Salary Basic } 2l \times 10 \text{ mon} = 20,00,000$$

$$\text{D.A} = 80,000$$

$$\text{Cond. DA} = \times 30\%$$

$$= 24000 \times 10 \text{m} = 2,40,000$$

$$\% \text{ Comm } 6\% \times 30l \times \frac{10 \text{m}}{12 \text{m}} = 1,50,000$$

$$\underline{\underline{23,90,000}}$$

Average

$$\begin{array}{r} 2390000 \\ \div 10 \\ \hline 239000 \end{array}$$

$$\frac{15}{30} \times 239000 \times 14 \text{ yrs } 8 \text{ month} \rightarrow \text{Ignore fraction}$$

$$= 16,73,000 \rightarrow 3^{\text{rd}} \text{ limit}$$

Rec. 24,00,000

Basic sal. 24l

stat. limit 24l

3<sup>rd</sup> limit 1673000 (1673000)

12,70,000  $\rightarrow$  Taxable.

(3) Pension :-

Pension

Commutated  
Pension



Lumpsum amount

Govt /  
Defence /



fully  
exempt

Non Govt  
Employee



Check

Receiving  
Gratuity



Not rec.  
Gratuity



Un Commuted  
Pension



Monetary Pension



Fully taxable  
(Govt / Non-Govt)