

3. Deduction u/c VI not allowed if Assessee opted sec 115BAC Default Taxation regime except 80CCD(2) 80CCH (2) and 80JJAA

* Payment Related Deduction

Sec 80C :- Specified Investment

a) Eligible Assessee :- Individual / HUF

b) Amt of Deduction :- Max 150000

c) Eligible Investment :-

I] Life Insurance Premium

Individual → self, spouse, children

HUF → Any member of HUF

Policy issued before 1/4/2012

| | |
|---|-----|
| ↓ (i) Premium paid | xxx |
| ↓ (ii) 20% of Policy value (sum assured) | xxx |

Policy issued on or after 1/4/2012

| | |
|---|-----|
| ↓ (i) Premium paid | xxx |
| ↓ (ii) 10% of policy value (sum assured) | xxx |

Policy issued for person with disability (u/s 80 u)
or person suffering from specified disease (u/s 80 b b)
on or after 1/4/2013 whose premium is as follows

(i) Premium paid xxx

(ii) 15% of policy value (sum assured) xxx

II] Amount deposited in Public Provident Fund (PPF)

Individual → self / spouse / children
HOF → Any member

III] Employee contribution to statutory Provident fund (SPF), Recognised Provident fund (RPF), Approved super Annuation fund (ASF)

IV] Fixed deposit in schedule Bank or post office for minimum 5 years

V] Tuition fees paid for education of max 2 children for full time education in India.

VI] Amount invested in National saving certificate (Nsc) as well as Interest accrued on Nsc.

VII] Deposit in senior citizen saving scheme (SCSS)

VIII] Investment in unit linked Insurance Policy (ULIP)

IX] Deposit in Sukanya samriddhi scheme etc (for any girl child of individual or girl child for whom such

individual is a legal guardian

- x] Deposit in Notified bonds of NABARD
- xij] Deposit in Notified units of mutual fund / UTI
- xii] Deposit in Notified Pension scheme of MF/UTI
- xiii] Repayment of Housing loan (Principal Amt) for purchase or construction of house and loan taken from Bank and financial institution.
- xiv] Stamp duty or registration charges for acquiring House property.
- xv] Contribution to National Housing Bank.
- xvi] By Employee of central Govt. to NPS Tier II for a fixed period of 3 years or more.
- xvii] Investment in Equity linked saving scheme (ELSS)

* Dedn u/s 80CCD(1B) is allowed to the parent or guardian for amt deposited for minors (NPS vatsa-lyla) is allowed upto max ₹ 50

— Sec 80CCC :- contribution to Pension fund of LIC or any other Insurance company.

a) Eligible Assessee :- Individual

b) Amount of deduction :- Max 150000

— Sec 80CCD :- contribution to Pension scheme of central Govt / National Pension scheme / (Atal Pension Yojana)

a) Eligible Assessee :- Individual

— Sec 80CCD(1)

↓
Salaried employee

↓
Other Individual (Self Employed)

↓ (i) Employer cont. xxx
↓ (ii) 10% of salary xxx

↓ (i) Assessee's cont xxx
↓ (ii) 20% of GTI xxx

* — Sec 80CCD (1B) :- Additional Dedn upto ₹ 50000 shall be allowed other than contribution covered u/s 80CCD (1)

Eg. Mr BB is a businessman, contributed 130000 towards NPS, GTI of Mr BB is ₹ 500000.

→ In this case Assessee can claim ₹ 100000 (20% of GTI) u/s 80CCD(1) and remaining 30000 u/s 80CCD(1B). Alternatively he can first claim u/s 80CCD(1B) of

Note:- As per sec 10(12BA) any amt rec'd on the partial withdrawal from NPS vatsalya is exempt to the extent of 25% of contribution made by Assessee. In case of death any amt is rec'd by parent / guardian is fully exempt

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of min or

₹50000 and remaining v/s 80CCD(1) of ₹80000.

80CCD(2) :- Employer contribution towards NPS for the benefit of employee.

ER contribution is first taxable under the head salary in hands of employee and then EE can get dedn v/s 80CCD(2)

↓ (i) Employer cont. xxx
↓ (ii) 10%/14% of salary xxx

* 14% → where contribution made by CG/Sg or EE opted sec 115BAE

- Notes -

1) For the purpose of sec 80CCD(1) & (2) salary means Basic + DACT

2) On closure of NPS A/c amount rec'd by Assessee is exempt upto 60% and 40% is taxable.

In case of death of Assessee if any amt rec'd by legal heir is fully exempt.

3) In case of partial withdrawal by EE, withdrawal upto 25% of total cont. made by him is exempt.

4) Assessee can transfer fund from his RPF A/c or Super Annuention fund to NPS A/c without any Tax implications.

— Sec 80CCE = Aggregate Dedn u/s 80C + 80CC(1) + 80CC(2)
is Restricted to max ₹ 150000.

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Part A :- Employee opted out from sec 115BAC

(i) ER contribution to NPS ($1200000 \times 15\%$) : 180000
Taxable under salary in hand of EE.

(ii) Dedn u/s 80CC(1) & 80CC(1B) :- Dedn for own contribution:

a) 80CC(1)

↓ (i) EE contribution : 180000

↓ (ii) 10% of salary (Basic + DA) : 144000

(1200000 + 240000)

1440000

1440000

b) 80CC(1B) : $[180000 - 144000] = 36000$

(Allowed u/s 80CC(1B))

Note :- Alternatively : 80CC(1B) : 50000

80CC(1) : 130000

(iii) Dedn u/s 80CC(2) :- ER cont towards NPS

↓ (i) ER contribution : 180000

↓ (ii) 10% of salary : 144000

(1440000)

144000

Part B :- If employee opted IISBAE

(i) Dedn u/s 80CCD(1) and 80CCD(1B) Not Available

(ii) Dedn u/s 80CCD(2)

(i) ER contribution : 180000

(ii) 14% of salary : $\frac{201600}{180000}$
(1440000)

Dedn allowed u/s
80CCD(2) to EE

Sec 80CCH :- Contribution to Agnipath's scheme

Eligible Assessee :- Individual enrolled in Agnipath scheme subscribing to Agniveer corpus fund on or after 1/11/2022

80CCH(1) :- 100% of his cont. to Agniveer corpus fund.

80CCH(2) :- 100% of C4's cont to Agniveer corpus fund.

[first it is taxable under salary then employee can claim ded u/s 80CCH(2)]

- NOTE -

1) Any amt. recd by Assessee or his legal heir from Agniveer fund is fully exempt.

2) As per Agnipath scheme 30% of package should be contributed to Agniveer fund by Assessee and C4

← Sec 80D: Medical Insurance Premium, CG Health scheme, Preventive health checkup, medical treatment.

a) Eligible Assessee = Individual / HUF

b) For whom: Individual → self, spouse, Parents, independent children.

HUF → Any member of HUF

c) Mode of Payment = Any mode other than cash but

payment of preventive health checkup

can be made in cash.

d) Amount of deduction

| | Particulars | Individual self, spouse dependent children | Parents | HUF Members |
|-------|--|---|-----------|----------------|
| A (i) | Medical Insurance Premium | Yes | Yes | Yes |
| (ii) | CG Health scheme | Yes | NO | NO |
| (iii) | Preventive Health checkup | Yes | Yes | NO |
| | General Deduction [i + ii + iii] | Max 25000 | Max 25000 | Max 25000 |
| | + | | | |
| | Additional Dedn (When Mediclaim taken for senior citizen Age 60 or more) | Max 25000 | Max 25000 | Max 25000 |
| B | Medical exps of senior citizen (Age 60 or more) & mediclaim premium not paid for such person | Max 50000 | Max 50000 | Max 50000 |
| | Maximum deduction (A+B) | Max 50000 | Max 50000 | Max 50000 |

Note: Aggregate payment for preventive health checkup of self, spouse, dependent children and parents cannot exceed ₹ 5000/-

Teacher's Signature: _____

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MAY

PY 25-26 AY 26-27

computation of dedn u/s 80D

| c) for self, spouse and dependent children | Actual Amt | Maxe dedn |
|--|-------------|-------------|
| (i) Medical Insurance prem. | 22000 | 22000 |
| (ii) CA Health scheme | <u>6000</u> | <u>3000</u> |
| | 28000 | 25000 |

b) for parents

| | | |
|--------------------------|--------------|--------------|
| (i) Medical Ins. Premium | 33000 | 33000 |
| (ii) Medical treatment | <u>20000</u> | <u>17000</u> |
| | 53000 | 50000 |

∴ Max deduction = ₹ 75000

- Note -

If Medical Insurance is paid in lumpsum for more than one year then dedn is allowed :-

lumpsum premium

PY's in which Insurance

is in-force

Ex Mr BB paid Health Insurance premium of ₹ 60000 for 5 years on 1/11/2024. Policy tenure is 5 years i.e. from 1/11/24 to 31/10/29. calculate deduction allowed for PY 24-25

→ In this case dedn is allowed in 6 PYs i.e. PY 24-25 till PY 29-30. So dedn in cy is

$$\frac{60000}{6 \text{ PY's}} = 10,000$$

— Sec 80U :- Deduction for handicapped Assessee

a) Eligible Assessee :- Resident Individual

b) Amount of Deduction :-

(i) Normal Disability :- ₹ 75000

(ii) Severe Disability :- ₹ 125000

(80% or more disability)

Sec 80DD :- Medical treatment and maintenance of Handicapped dependent relative.

a) Eligible Assessee :- Resident Individual / HUF

b) Amount of Deduction :-

(i) Normal Disability :- ₹ 75000

(ii) Severe Disability :- ₹ 125000

(80% or more disability)

— Notes —

1) Above dedn is flat dedn irrespective of Actual Exps.

2) Dedn under this section is allowed if Assessee incurred expenses on medical treatment or deposit

any amt for maintenance of Handicapped dependent relative. (HDR)

3) Relative :- Individual → spouse, children, mother, father, brother, sister.

HUF → Any member of HUF

— Sec 80DDB :- Deduction in respect of medical treatment of specified disease)

a) Eligible Assessee :- Resident Ind. / HUF

b) Amount of Dedn :-

- ↓ (i) Actual exp on treatment xxx
- ↓ (ii) Max $\frac{40000}{100000}$ xxx
- whichever is lower xxx

(-) Insurance claim Rec'd (xxx)

Amt of dedn xxx

★ Normal case :- 40000
Senior citizen patient :- 100000

- Notes -

1) Assessee should incur exps on treatment of specified disease. for :-

Individual :- Self or dependent member
(S.M.F.C.B.S)

HUF :- Any dependent member of HUF