INCOME FROM SALARIES UNDER THE INCOME TAX ACT, 2025

A Comparative Professional Analysis

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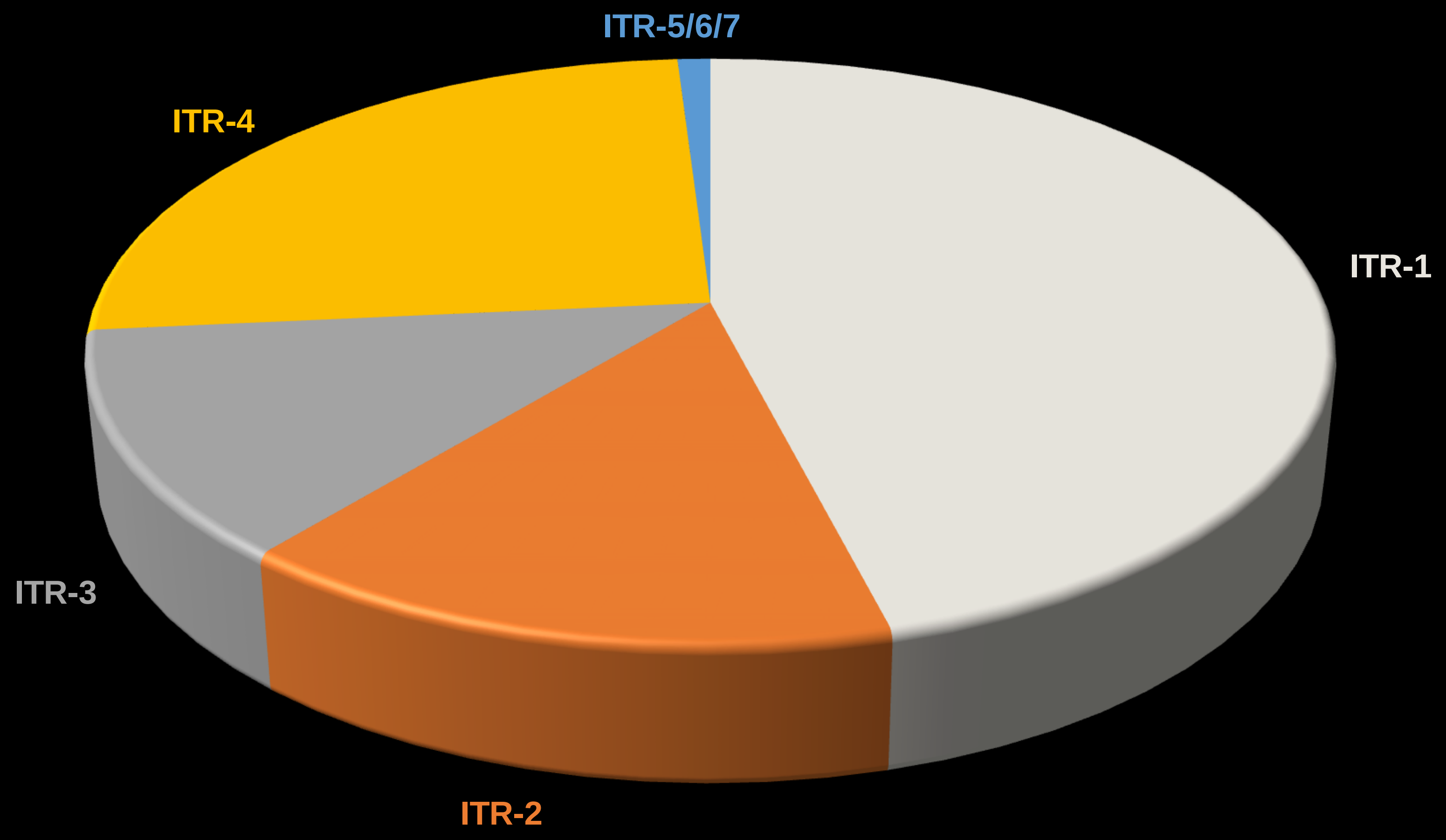
The Salary Head: Driving the Highest Number of ITR Filings in India



Salary income continues to be the largest contributor to individual return filings.

CA. Aloshy K Abraham

SECTION 15: CHARGE OF SALARIES

A Comparative Table

Sl. No.	ITA 1961	ITA 2025
1	Section 15	Section 15(1)
2	Section 15(a)	Section 15(1)(a) & 15(2)
3	Section 15(b)	Section 15(1)(b) & 15(2)
4	Section 15(c)	Section 15(1)(c) & 15(2)
5	Explanation 1 to Section 15	Section 15(3)
6	Explanation 2 to Section 15	Section 15(4)

SECTION 15: CHARGE OF SALARIES

(1) The following income shall be chargeable to income-tax under the head "Salaries":

(a) any salary due from an employer ~~or a former employer~~ to an assessee in the ~~previous year~~ tax year, whether paid or not;

(b) any salary paid or allowed to him in the ~~previous year~~ tax year by or on behalf of an employer ~~or a former employer~~ though not due or before it became due to him;

(c) any arrears of salary paid or allowed to him in the ~~previous year~~ tax year by or on behalf of an employer ~~or a former employer~~, if not charged to income-tax for any earlier ~~previous year~~ tax year.

(2) For the purposes of sub-section (1), employer includes former employer.

Salary Due

Salary Received in Advance

Arrears not taxed earlier

SECTION 15: CHARGE OF SALARIES

(continued)

~~Explanation 1 /~~ (3) If any salary paid in advance is included in the total income of any person for any ~~previous year~~ tax year, it shall not be included again in the total income of ~~the person~~ such person when the salary becomes due.

~~Explanation 2 /~~ (4) Any salary, bonus, commission or remuneration, by whatever name called, due to, or received by, a partner of a firm from the firm shall not be regarded as ~~"salary"~~ salary for the purposes of this section.

SECTION 15 –*KEY PRINCIPLES*

Dual Basis of Chargeability:

- Taxable in <u>Due or Receipt</u> basis <u>whichever is earlier.</u>
- Prevents deferral of Tax Liability through delayed payment arrangements.

Advance Salary:

- Once taxed in the year of receipt, not taxed again when it becomes due.

Paid Vs Allowed:

The Expression "paid" includes every receipt by the employee from the employer whether it was due to him or not. The expression "allowed" is of wider connotation and any credit to the employee's account is covered, thereby and it should imply that right is conferred on the employee in respect of the same. *[CIT v Russel (L.W.) (1964) 53 ITR 91 (SC)]*

SECTION 15 – *KEY PRINCIPLES*

(continued)

Arrears of Salary

- Taxable when paid or allowed
- Applicable only if not taxed earlier
- Relief available u/s 157 (old Sec 89)

For example, if the Government announces increase in dearness allowance in the tax year 2026-27 which is effective from 1.5.2022, then arrears from 1.5.2022 to 31.3.2026 were never due earlier. These arrears will be taxed in the tax year in which these are paid or allowed, although the arrears of salary relate to the past years.

Partner's Remuneration:

- Not treated as Salary. Taxed under head 'PGBP'.

Former Employer:

- Prevents tax avoidance through post-employment settlements.

SECTION 15 –*QUICK RECAP*

Event	Taxability
Salary Due	Taxable
Salary Received in Advance	Taxable
Arrears not taxed earlier	Taxable
Advance Salary becoming due later	Not taxable again
Partner's Remuneration	Not Salary
Former Employer Payment	Covered under Salary

Golden Rule: Salary is taxable on Due or Receipt basis, whichever is earlier.

SECTION 16: COMPONENTS OF SALARY

A Comparative Table

Sl No	ITA 1961	ITA 2025
1	Section 17(1)	Section 16
2	Section 17(1)(i)	Section 16(a)
3	Section 17(1)(ii)	Section 16(b)
4	Section 17(1)(iii)	Section 16(c)
5	Section 17(1)(iv)	Section 16(d), (e) & (f)
6	Section 17(1)(v)	Section 16(g)
7	Section 17(1)(va)	Section 16(h)
8	Section 17(1)(vi)	Section 16(i)
9	Section 17(1)(vii)	Section 16(j)
10	Section 17(1)(viii)	Section 16(k)
11	Section 17(1)(ix)	Section 16(l)

SECTION 16: COMPONENTS OF SALARY

~~**17. For the purposes of sections 15 and 16 and of this section,—**~~

16. For the purposes of this Part, “salary” includes—

~~(i)~~ (a) **wages;**

Remuneration paid to employees, whether termed salary, wages, pay or earnings, is taxable under the head "Salaries“

~~(ii)~~ (b) **any annuity or pension;**

Section 16(b) brings Pension arising from employer-employee relationship is taxable under the head "Salaries". Annuity received under an employment-linked retirement arrangement is also covered. While regular pension (Uncommuted) is fully taxable as salary, commuted pension may qualify for deduction under Section 19.

~~(iii)~~ (c) **any gratuity;**

Gratuity Inclusion Provision: Section 16(c)

Deduction/Exemption Provision: Section 19 (Table Sl. Nos. 3 to 6)

SECTION 16: COMPONENTS OF SALARY

(continued)

~~(iv)~~ (d) any fees, or commission ~~, perquisites or profits in lieu of or in addition to any salary or wages~~;

- ***Includes any remuneration received by an employee from the employer in addition to regular salary, such as:***
  - ***Fees for specific assignments or services.***
  - ***Commission based on sales, turnover, collections, or performance.***
- ***Fees and commission are taxable under the head "Salaries" only when an employer–employee relationship exists.***
- ***Commission is expressly included in the definition of salary to remove ambiguity and ensure that remuneration received from an employer is taxed under the head "Salaries" and not as Business Income or Professional Income.***

Gestetner Duplicators P Ltd v CIT (1979) 117 ITR 1(SC)

Commission paid as a fixed percentage of turnover achieved by an employee is merely a mode of computing remuneration and therefore forms part of salary.

SECTION 16: COMPONENTS OF SALARY

(e) perquisites;

Perquisites are benefits, amenities, facilities or personal obligations provided, paid for, or reimbursed by an employer in addition to regular salary. (Section 17)

(f) profits in lieu of, or in addition to, any salary or wages;

Profits in lieu of salary cover employment-related receipts received in substitution for, or in addition to, regular salary. (Section 18)

~~(v)~~ (g) any advance of salary;

- Salary received before it becomes due.
- Such salary is taxable on receipt and is not taxed again when it subsequently becomes due.

SECTION 16: COMPONENTS OF SALARY

(continued)

~~(va)~~ (h) any payment received by an employee in respect of any period of leave not availed of by him;

- ***Includes leave salary received during service as well as at retirement/resignation, subject to relief/exemption provisions.***
- ***Why is it specifically included?***
  - ***Leave encashment is not remuneration for current services rendered during the year.***
  - ***It is compensation for leave accumulated by the employee.***
- ***Inclusion in Salary: Section 16(h)***
- ***Deduction / Exemption: Section 19 (Table Sl. Nos. 13 & 14)***

SECTION 16: COMPONENTS OF SALARY

(continued)

~~(vi)~~ (i) the annual accretion to the balance at the credit of an employee participating in a recognised provident fund, to the extent to which it is chargeable to tax ~~under rule 6 of Part A of the Fourth Schedule~~ as per paragraph 6 of Part A of Schedule XI;

Paragraph 6 of Part A of Schedule XI-

PF Interest Taxability

- **Interest credited at notified rate → Not taxable**
- **Interest credited above notified rate → Taxable as Salary**
- **Taxability governed by Para 6 of Part A of Schedule XI**

SECTION 16: COMPONENTS OF SALARY

(continued)

~~(vii)~~ (j)the aggregate of all sums that are comprised in the transferred balance as referred to in ~~sub-rule (2) of rule 11 of Part A of the Fourth Schedule~~ Paragraph 11(2) of Part A of Schedule XI of an employee participating in a recognised provident fund, to the extent to which it is chargeable to tax ~~under sub-rule (4) thereof~~ under sub-paragraphs (4) and (5) thereof;

The above provision is the regard to treatment of balance in newly recognized fund.

Had this PF been recognised from the beginning, what amount would have been taxable?

That amount becomes taxable when the balance is transferred.

SECTION 16: COMPONENTS OF SALARY

(continued)

~~(vii)~~ (k)the contribution made by the Central Government or any other employer ~~in the previous year~~in any tax year, to the account of an employee under a pension scheme referred to in ~~section 80CCD~~ Section 124;

- **Employer contribution to NPS : included in Salary under Section 16(k).**
- **Deduction is available under Section 124, subject to the prescribed limits.**

Category	Deduction for Employer's NPS Contribution u/s 124
CG/ SG Employee	14% of Salary (Basic +DA)
Other Employees (Old Regime)	10% of Salary (Basic +DA)
Any Employee opting for Section 202 (New Regime)	14% of Salary (Basic +DA)

~~(ix)~~ (l)the contribution made by the Central Government ~~in the previous year~~in any tax year, to the Agniveer Corpus Fund account of an individual enrolled in the Agnipath Scheme referred to in ~~section 80CCH~~ Section 125.

- **Applicable only to Agniveers under the Agnipath Scheme**
- **Deduction is available under Section 125.**

SECTION 16: COMPONENTS OF SALARY

Wages & Bonus

Annuity & Pension

Gratuity

Fees & Commission

Perquisites

Profits in Lieu of Salary

Advance Salary

Leave Encashment

Taxable PF Accretions

Employer NPS Contribution / Agniveer Contributions

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PERQUISITES– A COMPARATIVE TABLE

Sl No	ITA 1961	ITA 2025
1	Section 17(2)	Section 17(1)
2	Section 17(2)(i)	Section 17(1)(a)
3	Section 17(2)(ii) & Explanation	Section 17(1)(b)
4	Section 17(2)(iii)	Section 17(1)(c)
5	Explanation to Section 17(2)(iii)	Section 17(2)(e)
6	Section 17(2)(iv)	Section 17(1)(f)
7	Section 17(2)(v)	Section 17(1)(g)
8	Section 17(2)(vi)	Section 17(1)(d)
9	Explanation (a) to Section 17(2)(vi)	Section 17(4)(f)
10	Explanation (b) to Section 17(2)(vi)	Section 17(4)(g)
11	Explanation (c) to Section 17(2)(vi)	Section 17(4)(h)
12	Explanation (d) to Section 17(2)(vi)	Section 17(4)(a)
13	Explanation (e) to Section 17(2)(vi)	Section 17(4)(e)
14	Section 17(2)(vii)	Section 17(1)(h)
15	Section 17(2)(viia)	Section 17(1)(i)
16	Section 17(2)(viii)	Section 17(1)(e)

PERQUISITES– A COMPARATIVE TABLE

(continued)

Sl No	ITA 1961	ITA 2025
17	1st Proviso to Section 17(2)	Section 17(2)
18	1st Proviso (i) to Section 17(2)	Section 17(2)(a)
19	1st Proviso (ii) to Section 17(2)	Section 17(2)(b)
20	1st Proviso (ii)(a) to Section 17(2)	Section 17(2)(b)(i)
21	1st Proviso (ii)(b) to Section 17(2)	Section 17(2)(b)(ii)
22	Proviso to 1st Proviso (ii)(b) to Section 17(2)	—
23	1st Proviso (ii)(c) to Section 17(2)	—
24	1st Proviso (iii) to Section 17(2)	Section 17(2)(c)
25	1st Proviso (iv) to Section 17(2)	Section 17(2)(d)
26	1st Proviso (v) to Section 17(2) (Omitted)	—
27	1st Proviso (vi) to Section 17(2)	Section 17(2)(f) & 17(3)
28	2nd Proviso to Section 17(2)	—
29	Explanation (i) to Section 17(2)	Section 17(4)(d)
30	Explanation (ii) to Section 17(2)	Section 17(4)(b)
31	Explanation (iii) to Section 17(2)	Section 17(4)(c)

SECTION 17(1): PERQUISITES

17. (~~2~~ 1) ~~"~~ For the purposes of this Part, "perquisite~~"~~ " includes—

(~~i~~ a) the value of rent-free accommodation provided to the assessee by his employer computed in such manner as may be prescribed;

(~~ii~~ b) the value of any accommodation, computed in such manner as may be prescribed, provided to the assessee by his employer at a concessional rate which is in excess of rent recoverable from or payable by the assessee;

~~Explanation.—For the purposes of this sub-clause, it is clarified that accommodation shall be deemed to have been provided at a concessional rate, if the value of accommodation computed in such manner as may be prescribed, exceeds the rent recoverable from, or payable by, the assessee~~;

- Taxable Perquisite arises where:
  - Accommodation is provided free of rent; or
  - Accommodation is provided at concessional rent.
- Valuation is prescribed under Rule 15(2).

ACCOMMODATION

Section 17(1)(a)/(b) rwt Rule 15(2)

GOVERNMENT EMPLOYEE (CG/ SG):	
License fee fixed by Govt.	xxxx
Less: Rent paid by Employee	xxxx
Value of Unfurnished Accommodation	**xxxx**
Add: 10% p.a. of Cost of Furniture or Actual Hire Charges (if hired) *Rule 15(2)(e)*	xxxx
Value of Accommodation Prequisite	**xxxx**

For Government Employees, Valuation of Rent Free or Concessional Accommodation Perquisite is based on License fee fixed by Govt., not Market rent or % of Salary.

ACCOMMODATION

Section 17(1)(a)/(b) rwt Rule 15(2)

(continued)

NON GOVERNMENT EMPLOYEE: (Employer Owned Accommodation)	
% of Salary	xxxx
Less: Rent paid by Employee	xxxx
Value of Unfurnished Accommodation	**xxxx**
Add: 10% p.a. of Cost of Furniture or Actual Hire Charges (if hired) *Rule 15(2)(e)*	xxxx
Value of Furnished Accommodation	**xxxx**

City Population (2011 Census)	% of Salary
> 40 Lakhs	10%
> 15 Lakhs <= 40 Lakhs	7.5%
Other Areas	5%

<u>Salary include:</u>
Basic Salary,
DA (forming part),
Bonus,
Commission,
Fees and
Taxable
Allowances.

Perquisites and employer's retirement fund contributions are excluded.

ACCOMMODATION

Section 17(1)(a)/(b) rwt Rule 15(2)

(continued)

NON GOVERNMENT EMPLOYEE: (Leased Accommodation)	
Lower of; • Actual Lease Rent paid by Employer • 10% of Salary	xxxx
Less: Rent paid by Employee	xxxx
Value of Unfurnished Accommodation	**xxxx**
Add: 10% p.a. of Cost of Furniture or Actual Hire Charges (if hired) *Rule 15(2)(e)*	xxxx
Value of Furnished Accommodation	**xxxx**
NON GOVERNMENT EMPLOYEE: (Hotel Accommodation)	
Lower of; • Actual Hotel Charges paid by Employer • 24% of Salary	xxxx
Less: Rent paid by Employee	xxxx
Value of Hotel Accommodation	**xxxx**

Hotel Accommodation Not taxable if <= 15 days on account of Transfer

ACCOMMODATION

Section 17(1)(a)/(b) rwt Rule 15(2)

When an Employee is Transferred:

- **Retains Old Accommodation**
- **Gets New Accommodation**

For the First 90 days, only ONE accommodation is Taxable. (Lower of Two Values)

After 90 days, both accommodations are valued and taxed separately.

Exempt Accommodation:

- **Remote area accommodation.**
- **Mining / oil exploration / project site accommodation.**

Not taxable subject to prescribed conditions.

Expenditure on repairs of residential accommodation occupied by employee is not a perquisite- Scott R Bayman v CIT (Del HC)

SECTION 17(1): PERQUISITES

(continued)

(~~iii~~ c) the value of any benefit or amenity granted or provided free of cost or at concessional rate in ~~any of~~ the following cases:—

(~~a~~ i) by a company to an employee, who is a director thereof~~;~~

~~(b) by a company to an employee being a person~~ or who has a substantial interest in the company;

(~~c~~ ii) by any employer (including a company) to an employee ~~to whom the provisions of paragraphs (a) and (b) of this~~ other than employee referred in sub-clause (i) ~~do not apply and~~ whose income under the head ~~"~~ "Salaries~~" (whether due from, or paid or allowed by, one or more employers), exclusive of the value of all benefits or amenities not provided for~~ " by way of monetary payment~~,~~ (from one or more employers) exceeds ~~[fifty thousand rupees]:~~ such amount as may be prescribed;

Specified Employee:
An employee (other than a director) whose monetary salary exceeds ₹4,00,000 during the tax year, as per Rule 17.

Old Threshold: ₹50,000 p.a. → New Threshold: ₹4,00,000 p.a.

MOTOR CAR PERQUISITE [RULE 15(3)]

EMPLOYER OWNED/ EXPENSES MET BY EMPLOYER

Wholly Official Use

- Perquisite Value = NIL

- Subject to maintenance of prescribed records and employer's certificate.
  - *As per sub(3)(c)*

Wholly Personal Use

- Taxable Perquisite = Actual expenditure incurred by employer
- including:
- Fuel , Charging and maintenance
- Insurance
- Driver salary
- 10% p.a. of actual cost of vehicle (wear & tear) *Rule 15(3)(d)*
  - Less: Amount recovered from employee

Partly Official & Partly Personal

- Taxable Monthly Perquisite

Engine Capacity	Monthly Value
Up to 1.6L/ EV	₹5,000
Above 1.6L	₹7,000
(+) Driver	₹3,000

MOTOR CAR PERQUISITE [RULE 15(3)]

EMPLOYEE OWNED/ EXPENSES MET BY EMPLOYEE

Wholly Official Use

- **Perquisite Value = NIL**

- **Subject to maintenance of prescribed records and employer's certificate.**
- ***As per sub(3)(c)***

Wholly Personal Use

- **Taxable Perquisite = Actual Reimbursement by employer**
- **including:**
- **Fuel , Charging and maintenance**
- **Insurance**
- **Driver salary**

Partly Official & Partly Personal

- **Taxable Monthly Perquisite= Actual Reimbursement reduced by following amount**

Engine Capacity	Monthly Value
Up to 1.6L/ EV	₹2,000
Above 1.6L	₹3,000
(+) Driver	₹3,000

SECTION 17(1): PERQUISITES

(continued)

(~~vi~~ d) the value of any specified security or sweat equity shares allotted or transferred, directly or indirectly, by the current employer, or former employer, free of cost or at concessional rate to the assessee;

Taxable Perquisite = Fair Market Value (FMV) on Exercise Date − Exercise Price paid by Employee

RULE 15(6)

Situation	Valuation Rule
Listed shares	FMV = Avg. Of Opening & Closing Price on Date Of Exercise.
Listed shares- Multiple Exchanges	Exchange having Highest Trading Volume: FMV= Avg. Of Opening & Closing Price on Date Of Exercise.
Listed shares- No Trading on Exercise date	FMV= Closing price on the nearest preceding date on which trading took place.
Unlisted Shares	FMV as per Merchant Banker Valuation

PERQUISITES

(~~viii~~ e) the value of any other ~~fringe~~ benefit or amenity as may be prescribed

(Rule 15(5)(a) Table IV)

INTEREST-FREE/ CONCESSIONAL LOAN *SEC 17(1)(e) rwt RULE 15(5)(a)*

Perquisite Value:

Interest @ SBI Rate (on 1st day of Tax Year) on Max. outstanding Monthly Balance

Less: Interest Paid by Employee

Exemptions:

- **Aggregate Loan up to ₹ 2 Lakhs -> Not treated as Perquisite ~~(Previously ₹ 20,000)~~**
- **Loan for specified Medical treatment -> Not treated as Perquisite**

Exception: If Medical Expenses Reimbursed by insurance, Loan Exemption is not applicable.

PERQUISITES

(continued)

HOLIDAY/ TRAVEL/ ACCOMMODATION SEC 17(1)(e) rwt RULE 15(5)(a)

Perquisite Value: Actual Expenditure incurred by Employer

Special Situations:

- **Official tour Extended as Vacation-> Only Vacation Part Taxable**
- **Family on Official Tour -> Family Expenses Taxable**
- **Employer's Own Holiday Facility -> Not available uniformly to all employees -> Taxable at Rate charged form Public**

FREE FOOD & BEVERAGES SEC 17(1)(e) rwt RULE 15(5)(a)

Perquisite Value: Actual Expenditure incurred by Employer

Less: Amount Recovered from Employee

Exemptions:

- **Tea or Snacks during working hours**
- **Food up to ₹200 per meal. ~~(Previously ₹ 50/- per meal)~~**
- **Food at Remote Areas/ Offshore Locations**

SECTION 17(1): PERQUISITES

(continued)

GIFTS/ VOUCHERS/ TOKENS *SEC 17(1)(e) rwt RULE 15(5)(a)*

Perquisite Value: Actual Value of Gift/ Voucher/ Token

Exemptions :

- **Aggregate Value up < ₹ 15,000/- p.a. -> Not treated as Perquisite ~~(Previously ₹ 5,000 p.a.)~~**

CREDIT CARD EXPENSES *SEC 17(1)(e) rwt RULE 15(5)(a)*

Perquisite Value: Actual Amount Paid / Reimbursed by Employer

Less: Amount Recovered from Employee

Exemptions:

- **Expenses wholly incurred for Official Purposes**

SECTION 17(1): PERQUISITES

(continued)

CLUB MEMBERSHIP SEC 17(1)(e) rwt RULE 15(5)(a)

Perquisite Value: Actual Amount Paid / Reimbursed by Employer

Less: Amount Recovered from Employee

Exemptions :

- **Corporate membership Initial Fee -> Not treated as Perquisite**
- **Expenses wholly incurred for Official Purposes-> Not treated as Perquisite**
- **Health Club/ Sports Facilities provided uniformly to all Employees**

USE OF MOVABLE ASSETS SEC 17(1)(e) rwt RULE 15(5)(a)

Perquisite Value: 10% p.a. of Actual Cost Employer OR Rent Paid by Employer (if Hired)

Less: Amount Recovered from Employee

Excludes:

- **Laptops, Computers, tablets and Mobile Phones.**

SECTION 17(1):

PERQUISITES

(continued)

TRANSFER OF MOVABLE ASSETS *SEC 17(1)(e) rwt RULE 15(5)(a)*

Perquisite Value: Actual Cost Employer

Less: Depreciation on account of Wear & Tear

Less: Amount Recovered from Employee

Wear & Tear Rates:

- **Computer & Electronic items : 50% (Reducing Balance Method)**
- **Motor cars : 20% (Reducing Balance Method)**
- **Other Assets: 10 % per Completed year.**

ANY OTHER BENEFITS *SEC 17(1)(e) rwt RULE 15(5)(a)*

Perquisite Value: Actual Cost Employer (Arm's length basis)

Less: Amount Recovered from Employee

Excludes Telephone/ Mobile phone Expenses

SECTION 17(1): PERQUISITES

(continued)

~~(iv~~ f ~~)~~ any sum paid by the employer in respect of any obligation which, but for such payment, would have been payable by the assessee; (Rule 15(4), Table III)

DOMESTIC STAFF ***(Sweeper, Gardener, Watchman, Personal Attendant)***

Perquisite Value: Salary Paid by Employer

Less: Amount Recovered from Employee

UTILITIES ***(Gas, Electricity Water Supply)***

Purchases from Outside Agency:

Perquisite Value: Amount Paid to Agency by Employer

Less: Amount Recovered from Employee

Supplied from Employer's Own Resources:

Perquisite Value: Manufacturing Cost Per Unit

Less: Amount Recovered from Employee

SECTION 17(1): PERQUISITES

(continued)

FREE/ CONCESSIONAL EDUCATION *(For any member of the employee's household)*

Direct Sponsorship or Out-of-Pocket Reimbursements:

Perquisite Value: Expenses Incurred by Employer

Less: Amount Recovered from Employee

Employer Owned, Maintained, and Operated Institutions:

Perquisite Value: Cost in similar Institution in locality

Less: Amount Recovered from Employee

Exempt if up to Rs.3000/- p.m. per child

Institutional Corporate Tie-Ups:

Perquisite Value: Cost in similar Institution in locality

Less: Amount Recovered from Employee

Exempt if up to Rs.3000/- p.m. per child

SECTION 17(1): PERQUISITES

(continued)

FREE/ CONCESSIONAL TRAVEL FACILITY

(Employer who is engaged in the carriage of passengers or goods)

Perquisite Value: Value at which such benefit offered to the public

Less: Amount Recovered from Employee

Not applicable to Airline and Railway employees

SECTION 17(1): PERQUISITES

(continued)

(~~v~~ g) any sum payable by the employer~~, whether directly or through a fund, other than a recognised provident fund or an approved superannuation fund or a Deposit-linked Insurance Fund established under section 3G of the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 (46 of 1948), or, as the case may be, section 6C of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952),~~ to effect an assurance on the life of the assessee or to effect a contract for an annuity, whether directly or through a fund, other than—(i) a recognised provident fund; or

(ii) an approved superannuation fund; or

(iii) a Deposit-linked Insurance Fund established under—

(A) section 3G of the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 (46 of 1948); or

(B) section 6C of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952);

PERQUISITES

(continued)

(~~vii~~ h) ~~the amount or~~ the aggregate ~~of~~ amount~~s~~ of any contribution, in excess of Rs. 7,50,000 in a tax year, made to the account of the assessee by the employer—

(~~a~~ i) in a recognised provident fund;

(~~b~~ ii) in the scheme referred to in section 124(1) ~~sub-section (1) of section 80CCD~~; and

(~~c~~ iii) in an approved superannuation fund,

~~to the extent it exceeds seven lakh and fifty thousand rupees in a previous year;~~

(~~viia~~ i) the annual accretion by way of interest, dividend or any other amount of similar nature during the ~~previous year~~ tax year to the balance at the credit of the fund or scheme referred to in ~~sub-clause (vii)~~ clause (h), ~~to the extent it relates to the contribution referred to in the said sub-clause which is included in total income under the said sub-clause in any previous year computed in such manner as may be prescribed~~ , computed in such manner, as may be prescribed (to the extent it relates to the contribution referred to in the said clause in any tax year); ~~and~~ (Rule 16)

SECTION 17(1): PERQUISITES

(continued)

EMPLOYER'S CONTRIBUTION : TAXABLE PERQUISITE

Aggregate employer contribution exceeding ₹7,50,000 in a tax year to:

- Recognised Provident Fund (RPF)
- National Pension System [Sec. 124(1)]
- Approved Superannuation Fund (ASF)

Taxable Perquisite = Aggregate Contribution – ₹7,50,000

ANNUAL ACCRETION : TAXABLE PERQUISITE

Annual accretion attributable to the taxable contribution, such as:

- Interest
- Dividend
- Similar earnings

to the extent attributable to the employer's contribution already taxed under Sec. 17(1)(h).
Valuation: Computed as prescribed under Rule 16.

SECTION 17(2): EXCLUSIONS FROM PERQUISITES

(continued)

(2) ~~Provided that~~ Nothing in sub-section (1) ~~this clause~~ shall apply to,-

(~~i~~ a) the value of any medical treatment provided to an employee or any member of his family in any hospital maintained by the employer;

(~~ii~~ b) any sum paid by the employer in respect of any expenditure actually incurred by the employee on his medical treatment or treatment of any member of his family—

(~~a~~ i) in any hospital maintained by the Government or any local authority or any other hospital approved by the Government for the purposes of medical treatment of its employees;

(~~b~~ ii) in respect of the prescribed diseases or ailments, in any hospital approved by the Principal Chief Commissioner or Chief Commissioner having regard to the prescribed guidelines as may be issued in this behalf;

(~~iii~~ c) any portion of the premium paid by an employer in relation to an employee, to effect or to keep in force an insurance on the health of such employee under any scheme approved, for the purposes of section 30(c), by the-

(i)Central Government or

(ii) the Insurance Regulatory and Development Authority established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), ~~for the purposes of clause (ib) of sub-section (1) of section 36;~~

(~~iv~~ d) any sum paid by the employer in respect of any premium paid by the employee to effect or to keep in force an insurance on his health or the health of any member of his family under any scheme, approved for the purpose of Section 126, by the-

(i)Central Government or

(ii)~~the~~ Insurance Regulatory and Development Authority established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), ~~for the purposes of section 80D~~;

SECTION 17(2): EXCLUSIONS FROM PERQUISITES

(continued)

~~(v) [***]~~ (e) any expenditure incurred by the employer for the use of any vehicle for journey by the assessee from his residence to his office or other place of work, or from such office or place to his residence;

(~~vi~~ f) any expenditure incurred by the employer, or any sum paid by the employer in respect of any expenditure actually incurred by the employee, on—

(~~1~~i) medical treatment of the employee, or any member of the family of such employee, outside India;

(~~2~~ii) travel and stay abroad of the employee or any member of the family of such employee for medical treatment;

(~~3~~ iii) travel and stay abroad of one attendant who accompanies the patient in connection with such treatment,

~~subject to the condition that—~~

SECTION 17(3): CONDITIONS FOR MEDICAL TREATMENTS ABROAD

(continued)

(3) For the purposes of sub-section (2)(*f*),

(~~A~~ a) the expenditure on medical treatment and stay abroad shall be excluded from perquisite only to the extent permitted by the Reserve Bank of India; and

(~~B~~ b) the expenditure on travel shall be excluded from perquisite only in the case of an employee whose gross total income, as computed before including therein the said expenditure, does not exceed ~~two lakh rupees~~ such amount as may be prescribed; - (Rule 19 – Rs.8,00,000/-)

~~(vii)any sum paid by the employer in respect of any expenditure actually incurred by the employee for any of the purposes specified in clause (vi) subject to the conditions specified in or under that clause :~~

~~Provided further that for the assessment year beginning on the 1st day of April, 2002, nothing contained in this clause shall apply to any employee whose income under the head "Salaries" (whether due from, or paid or allowed by, one or more employers) exclusive of the value of all perquisites not provided for by way of monetary payment, does not exceed one lakh rupees.~~

SECTION 17:

EXCLUSIONS FROM PERQUISITES

(continued)

MEDICAL TREATMENT OUTSIDE INDIA

What is Covered?

Employer Pays or Reimburses;

- **Medical Treatment Outside India**
- **Stay in abroad for Treatment**
- **Travel Expenses of Patient + One Attendant**

Component	Controlled By	Condition
Treatment & Stay	RBI LRS	Standard Limit $ 2,50,000 per FY RBI approval to be taken for higher amount. Remains exempt to the extent of Approval
Travel (Patient + One Attendant)	Income Test	Exempt only if Gross Total Income <= ₹ 8 lakhs (GTI to be computed excluding this perquisite)

SECTION 17(2): EXCLUSIONS FROM PERQUISITES

(continued)

Section	Particulars	Brief Description
~~Proviso Sec 17(2)(i)~~ Sec 17(2)(a)	Medical treatment in employer's hospital	Fully exempt for employee/family
~~Proviso Sec 17(2)(ii)~~ Sec 17(2)(b)	Medical expenditure reimbursement	Exempt if incurred in Govt./approved hospitals or for prescribed diseases
~~Proviso Sec 17(2)(iv)~~ Sec 17(2)(c)	Employer-paid health insurance	Premium paid under approved schemes exempt
~~Proviso Sec 17(2)(v)~~ Sec 17(2)(d)	Reimbursement of employee-paid health insurance of the member of family	Exempt if scheme is approved
~~Proviso Sec 17(2)~~ Sec 17(2)(e)	Conveyance facility	Travel between residence and workplace exempt
~~Proviso Sec 17(2)(vi) r/w Rule 3B~~ Sec 17(2)(f) r/w S 17(3) r/w Rule 19	Medical treatment outside India	Includes treatment, travel & stay for employee/family (subject to conditions)

SECTION 17(4): EXPLANATIONS/ DEFINITIONS

(continued)

(4) For the purposes of this section,—

(a)"fair market value" means the value determined in accordance with the method, as may be prescribed;

(b)"family", in relation to an individual, shall have the meaning assigned to it in Schedule III (Note 2);

(c)"gross total income" shall have the meaning assigned to it in section 122(10);

(d)"hospital" includes a dispensary or a clinic or a nursing home;

(e)"option" means a right but not an obligation, granted to an employee to apply for the specified security or sweat equity shares at a predetermined price;

(f)"specified security" means the securities as defined in section 2(h) of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and, where employees' stock option has been granted under any plan or scheme therefor, includes the securities offered under such plan or scheme;

SECTION 17: PERQUISITES

(continued)

(g)"sweat equity shares" means equity shares issued by a company to its employees or directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called;

(h)the value of any specified security or sweat equity shares shall be the fair market value of the specified security or sweat equity shares, on the date on which the option is exercised by the assessee, as reduced by the amount actually paid by, or recovered from, the assessee in respect of such security or shares.

SECTION 18: PROFITS IN LIEU OF SALARY

Sl No	ITA 1961	ITA 2025
1	Section 17(3)	Section 18(1)
2	Section 17(3)(i)	Section 18(1)(a)
3	Section 17(3)(ii)	Section 18(1)(c) & 18(2)
4	Explanation to Section 17(3)(ii)	Section 18(1)(c)(iii)
5	Section 17(3)(iii)	Section 18(1)(b)

SECTION 18: PROFITS IN LIEU OF SALARY

~~(3)~~ (1)For the purposes of this Part, "profits in lieu of salary" includes-

(~~i~~ a) the amount of any compensation due to, or received by, an assessee from his employer or former employer at or in connection with the

(i) termination of his employment; or

(ii) modification of the terms and conditions relating thereto;

(~~iii~~b)any amount due to, or received, whether in lump sum or otherwise, by any assessee from any person—

(~~A~~i)before his joining any employment with that person; or

(~~B~~ii)after cessation of his employment with that person.

SALARY

(continued)

(~~ii~~ c) any payment ~~(other than any payment referred to in clause (10), clause (10A), clause (10B), clause (11), clause (12), clause (13) or clause (13A) of section 10),~~ due to or received by an assessee

(i)from an employer or a former employer or

(ii) from a provident or other fund, to the extent to which it does not consist of contributions by the assessee or interest on such contributions or

(iii) any sum received under a Keyman insurance policy as defined in Schedule II (Note 1), including the sum allocated by way of bonus on such policy.

~~Explanation.—For the purposes of this sub-clause, the expression "Keyman insurance policy" shall have the meaning assigned to it in clause (10D) of section 10;~~

(2) The payment referred in sub-section (1)(c) shall not include any payment referred to in-

(a)Schedule II (Table: Sl. No. 3);- Payment from PF to which PF Act applies

(b)Schedule II (Table: Sl. No. 4); Payment from RPF

(c)Schedule II (Table: Sl. No. 8); and Payment from Approved Super Annuation Fund

(d)Schedule III (Table: Sl. No. 11). Any Special allowance from employer- actual expenditure, accommodation

SECTION 18: PROFITS IN LIEU OF SALARY

(continued)

What it Includes:

❑ **Employment Changes & Termination:**

- Compensation due or received from a current/former employer regarding **termination of employment** or **modification of terms & conditions**.

❑ **Pre & Post-Employment Payments:**

- Any lump-sum or staggered amount received from any person **before joining** or **after cessation** of employment with that person.

❑ **Employer & Fund Payments:**

- Payments from an employer, former employer, or a provident/other fund (excluding the employee's own contributions and interest).

❑ **Keyman Insurance Policy:**

- Any sum received under a Keyman insurance policy, including allocated bonuses.

SALARY

(continued)

What is EXCLUDED from "Profits in Lieu of Salary":

The following specific payments do not fall under this section:

- **Statutory Provident Funds: Payments from a PF to which the PF Act applies [Schedule II, Table Sl. No. 3].**
- **Recognized Provident Funds (RPF): Qualifying tax-free payments from an RPF [Schedule II, Table Sl. No. 4].**
- **Approved Superannuation Funds: Payments received from an approved superannuation fund under qualifying conditions [Schedule II, Table Sl. No. 8].**
- **Special Allowances: Business/Accommodation Allowances: Special allowances provided by an employer for actual business expenditure or accommodation [Schedule III, Table Sl. No. 11].**

Gratuity, Commuted Pension, and Retrenchment Compensation have been left out of Section 18's exclusions. Every single rupee must hit gross salary first, then claims a deduction under Section 19.

SECTION 19: DEDUCTIONS FROM SALARIES

Sl No	ITA 1961	ITA 2025
1	Section 10(10)(i)	Section 19(1), Table: Sl. Nos. 3 & 4; Section 19(2)(g)
2	Section 10(10)(ii)	Section 19(1), Table: Sl. No. 5
3	Section 10(10)(iii)	Section 19(1), Table: Sl. No. 6; & Schedule III, Table: Sl. No. 38
4	Section 10(10), 1st and 2nd provisos	Section 19(2)(a)
5	Explanation to Section 10(10)	Section 19(2)(b)
6	Section 10(10AA)(i)	Section 19(1), Table: Sl. No. 13
7	Section 10(10AA)(ii), & it Explanation	Section 19(1), Table: Sl. No. 14
8	Section 10(10AA)(ii), 1st and 2nd provisos	Section 19(2)(f)
9	Section 10(10A)(i)	Section 19(1), Table: Sl. No. 7
10	Section 10(10A)(ii)	Section 19(1), Table: Sl. No. 8
11	Section 10(10A)(iii)	Section 19(1), Table: Sl. No. 9
12	Section 10(10B) & its 1st proviso	Section 19(1), Table: Sl. No. 10
13	2nd Proviso to Section 10(10B)	Section 19(1), Table: Sl. No. 11

SECTION 19: DEDUCTIONS FROM SALARIES

(continued)

Sl No	ITA 1961	ITA 2025
14	Explanation (a) and (b) to Section 10(10B)	Section 19(2)(c)
15	Explanation (c) to Section 10(10B)	Section 19(2)(d)
16	Section 10(10C)	Section 19(1), Table: Sl. No. 12; & Section 19(2)(h)
17	Provisos to Section 10(10C)	Section 19(2)(e)
18	Section 16	Section 19(1)
19	Section 16(ia) & its proviso	Section 19(1), Table: Sl. No. 2
20	Section 16(ii)	—
21	Section 16(iii)	Section 19(1), Table: Sl. No. 1

SECTION 19: DEDUCTIONS FROM SALARIES

(continued)

Sl. No.	Nature of sum	Amount of deduction
A	B	C
1.	Sum paid by the assessee as a **tax on employment** as per article 276(2) of the Constitution, leviable by or under any law.	Entire amount. ***(₹2,500 per annum)***
2.	**Standard deduction.**	(a) Rs. 75000 or the salary, whichever is less, where income-tax is computed under section 202(1);
		(b) Rs. 50000 or the salary, whichever is less, in any other case.
3.	**Death-cum-retirement gratuity** received as referred to in sub-section (2)(g).	Entire amount. ***(Civil Servants, Sovereign Post Holders, Local Authority Employees)***
4.	Payment of **retiring gratuity** received under the Pension Code or Regulations applicable to the members of the **defence services**.	Entire amount. ***(Defence Personnel)***

SALARIES

(continued)

Sl. No.	Nature of sum	Amount of deduction
5.	Gratuity received under the Payment of Gratuity Act, 1972 (39 of 1972).	Amount received, as restricted to the amount calculated as per the provisions of section 4(2) and (3) of the said Act. ***Lower of:*** • **Actual receipt** • $\left(\textbf{Last Drawn Salary} \times \frac{15}{26}\right) \times$ **Number of completed years of service (or part thereof exceeding 6 months)** • **Rs 20 Lakhs**
6.	Any other gratuity received by an employee— (i) on his retirement; or (ii) on his becoming incapacitated before such retirement; or (iii) on termination of his employment.	Amount being minimum of— (a) actual gratuity received; (b) amount specified by the Central Government, by notification, having regard to the limit applicable in this behalf to the employees of the Central Government; and (c) half month's salary for each completed year of service, ***(Formula: A x B /2) (A= Avg. Salary for 10 month imm. Preceding the event, B= No. of completed years)***

SECTION 19: DEDUCTIONS FROM SALARIES

(continued)

Sl. No.	Nature of sum	Amount of deduction
8.	Payment in commutation of pension is received under any scheme from any other employer.	The commuted value shall be determined having regard to the age of the recipient, the state of his health, the rate of interest and officially recognised tables of mortality, and—
		(a) where the employee has received gratuity, the commuted value of one-third of the pension, which he is normally entitled to receive; and ***(33.33% of Total Pension)***
		(b) in any other case, the commuted value of one-half of such pension. ***(50% of Total Pension)***
9.	Payment in commutation of pension received from a fund as specified in Schedule VII (Table: Sl. No. 3).	Entire amount. ***(Sovereign Pension Funds, Government-Notified Schemes)***

SECTION 19: DEDUCTIONS FROM SALARIES

(continued)

Sl. No.	Nature of sum	Amount of deduction
10.	Compensation received by a workman at the time of his retrenchment—	Minimum of—
	(a) under the Industrial Disputes Act, 1947 (14 of 1947); or	(a) compensation received;
	(b) under any other Act or rules, orders or notifications issued thereunder; or (c) under any standing orders; or	(b) amount calculated as per provisions of section 25F(b) of the Industrial Disputes Act, 1947 (14 of 1947);
	(d) under any award, contract of service or other-wise.	(c) such amount, not being less than Rs. 50000, as may be notified by the Central Government.

SECTION 19: DEDUCTIONS FROM SALARIES

(continued)

Sl. No.	Nature of sum	Amount of deduction
11.	In case of compensation referred to in Sl. No. 10, where such compensation received is in accordance with any scheme which the Central Government may approve in this behalf, having regard to—	Compensation received.
	(a) the need for extending special protection to the workmen in the undertaking to which such scheme applies; and	
	(b) other relevant circum-stances.	
12.	Amount received or receivable on **voluntary retirement** or termination of service under a scheme or schemes of voluntary retirement, by an employee as referred to in sub-section (2)(h). **(VRS Schemes)**	Minimum of— (a) compensation received; and (b) Rs. 5,00,000.
13.	Payment received by an employee of the Central Government or a State Government as the cash equivalent of the leave salary in respect of the period of **earned leave** at his credit at the time of his retirement whether on superannuation or otherwise.	Entire amount.

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SECTION 19: DEDUCTIONS FROM SALARIES

(continued)

Sl. No.	Nature of sum	Amount of deduction
14.	Payment of the nature referred against serial number 13 received by an employee who is not a Central Government or State Government employee.	Amount being minimum as specified in the calculation Minimum of: • Cash Equivalent of Leave Salary for Earned Leave credited on retirement (Max 30 days per year of actual service) • 10 x B (B = Avg. monthly Salary for 10 months imm. preceding retirement) • Amount specified by CG • Actual payment received

SECTION 16 (ITA 2025) rwt RULE 279/ 280- ALLOWANCES

Allowances	Section	IT Rules 1962	IT Rules 2026
HRA — Least of following Actual HRA RP-10% of Salary 40%/50% of salary (qualifying cities)	~~Sec 10 (13A)~~ Sch III Sl 11 rw Rule 279	4 cities only	8 cities (+4 cities added- Hyderabad, Pune, Bangalore, Ahmedabad)
Children Education Allowance (2 children)	~~Sec 10(14)~~ Sec 16 Sl 7 Rule 280(2)	₹100 p.m. per child	₹3,000 p.m. per child
Hostel Expenditure Allowance (2 children)	~~Sec 10(14)~~ Sec 16 Sl 8 Rule 280(2)	₹300 p.m. per child	₹9,000 p.m. per child
Running Allowance (transport employees)	~~Sec 10(14)~~ Sec 16 Sl 6 Rule 280(2)	70% up to ₹10,000 p.m.	70% up to ₹25,000 p.m.
Transport Allowance (disabled person)	~~Sec 10(14)~~ Sec 16 Sl 10 Rule 280(2)	₹3,200 p.m. flat	Metro: ₹15,000 + DA / Others: ₹8,000 + DA

ALLOWANCES & DEDUCTIONS OLD vs NEW TAX REGIME

Particulars	Old Regime	New Regime (Sec. 202)
Standard Deduction	₹50,000	₹75,000
House Rent Allowance (HRA)	Available	Not Available
Leave Travel Concession (LTC/LTA)	Available	Not Available
Children Education Allowance	Available (subject to limits)	Not Available
Hostel Expenditure Allowance	Available (subject to limits)	Not Available
Uniform Allowance	Available to extent of expenditure	Not Available
Helper Allowance	Available to extent of expenditure	Not Available
Academic / Research Allowance	Available to extent of expenditure	Not Available
Conveyance Allowance (Official Duties)	Available to extent of expenditure	Available to extent of expenditure
Daily Allowance on Tour/Transfer	Available	Available to extent of expenditure
Transport Allowance (Disabled)	Available	Available (Metro Cities: ₹15,000 + DA; Others: ₹8,000 + DA

ALLOWANCES & DEDUCTIONS OLD vs NEW TAX REGIME

Particulars	Old Regime	New Regime (Sec. 202)
Entertainment Allowance Deduction	Government employees only	Not Available
Professional Tax Deduction	Available	Not Available
Deduction u/s 123 (80C)	Available	Not Available
Deduction u/s 124(1) [80CCD(1)]	Available	Not Available
Additional NPS Deduction u/s 124(2) [80CCD(1B)]	Available	Not Available
Employer's NPS Contribution Sec. 124 *(Old Sec. 80CCD(2))*	Available	Available (Up to 14% of salary)
Deduction u/s 126 [80D]	Available	Not Available
Deduction u/s 127 [Interest on Education Loan]	Available	Not Available
Deduction u/s 128 [Donations]	Available	Not Available

COMPUTATION OF SALARY

1	Basic Salary, Pension, Annuity, Bonus, Commission, Arrears of salary, Advance Salary		xxx
2	Add: Gross Amount/compensation received on account of		
	(a) Gratuity	xxx	
	(b) Leave encashment	xxx	
	(c) Commuted Pension	xxx	
	(d) Retrenchment compensation	xxx	
	(e) Compensation received on voluntary retirement	xxx	
	Total		xxx
3	Add: Value of perquisities and/or profits in addition to or in lieu of salary (Sec 17 & 18 respectively)		xxx
4	Gross Salary (1+2+3)		xxx
5	Less: Deductions allowed under section 19		
	(a) Employment tax (Section 19(1) Table Sl No 1)	xxx	
	(b) Standard deduction (Section 19(1) Table Sl No 2)	xxx	
	(c) Gratuity (Section 19(1) Table Sl No 3,4,5 and 6)	xxx	
	(d) Commuted pension (Section 19(1) Table Sl No 7,8 and 9)	xxx	
	(e) Retrenchment compensation (Section 19(1) Table Sl No 10 and 11)	xxx	
	(f) Voluntary retirement compensation (Section 19(1) Table Sl No 12)	xxx	
	(g) Voluntary retirement compensation (Section 19(1) Table Sl No 12)	xxx	
	Total		xxx
	Income Chargeable under the Head "Salaries" (4-5)		xxx

TDS & FORMS

New (Forms & Rules 2026)	Old (Forms & Rules 1962)	Flow	Key Change (Old → New)
Form 122 Rule 204	Form 12B Rule 26A	Employee → Employer Anticipated income statement	Scope significantly expanded. Earlier Form 12B mainly covered salary details from previous employer. New Form 122 additionally captures house property loss, other income, and consolidated TDS/TCS credits. Separate reporting introduced through Part C(1) – HP loss, Part C(2) – other income, and Part C(3)/(4) – TDS/TCS details.
Form 124 Rule 205	Form 12BB Rule 26C	Employee → Employer Tax saving investment details	Scope narrowed compared to old regime. HP loss and other income declarations shifted to Form 122. Form 124 now primarily covers salary deduction proofs such as HRA, LTA, housing loan interest, and deductions under Chapters VIII-A and VIII-B.
Form 123 Rule 204(2)	Form 12BA Rule 26	Employer → Employee Perquisites	Perquisite valuation framework revised under new Rule 15. Significant change in valuation of motor car perquisites effective from 1 April 2026. Mandatory issuance continues where salary exceeds ₹1.5 lakh.
Form 130 Rule 215(1)	Form 16 Rule 31	TRACES → Employee	Major procedural shift. Form 130 must now be downloaded compulsorily from TRACES/Income Tax portal. Employer-generated certificates outside the system become invalid from 1 April 2026. Issuance permitted only after processing of Form 138 by DGIT (Systems).

TDS & FORMS

New (Forms & Rules 2026)	Old (Forms & Rules 1962)	Flow	Key Change (Old → New)
Form 131 Rule 215(1)	Form 16A Rule 31A	TRACES → Deductee	Similar portal-based mandate introduced. TDS certificates for non-salary payments such as interest, rent, commission, and professional fees must be generated only through TRACES / Income Tax portal.
Form 138 Rule 219	Form 24Q Rule 31A	Employer → DGIT (Systems)	Salary TDS return filing mechanism shifted directly to DGIT (Systems) instead of NSDL/TIN-FC structure. Quarterly due dates remain unchanged: Q1 – 31 Jul, Q2 – 31 Oct, Q3 – 31 Jan, Q4 – 31 May.
Form 125 Rule 208	Form 15H Rule 29C	Senior Citizen → Bank	Declaration mechanism retained but compliance role of banks strengthened. Banks must file quarterly details and issue Form 130 on behalf of eligible senior citizens. Applicability linked to “specified bank” status under Section 402(35).
Form 128 Rule 213	Form 13 Rule 28	Deductee → Assessing Officer Lower/nil TDS/TCS certificate	Application mechanism for lower/nil deduction certificate retained under Section 395(1). Transitional relaxation provided — certificates issued in old Form 13 for TY 2026-27 continue to remain valid for payments after 1 April 2026.

THANK YOU

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