

South Eastern Railway

Office of the
Sr. Divl. Personnel Officer/Adra

No. SER/P-ADA/Ruling/Income Tax/Option/FY-2020-21

Dated 01.06.2020

To
The All Branch Officer, Adra Division,
All Officers/Unit-in-charges, Adra Division.

Sub: Declaration for selection of TDS to be deducted from
Salary under Old Tax Regime or New Tax Regime for
the FY 2020-21 (AY 2021-22).

Income Tax Department has introduced a new tax provision for individuals and HUF by inserting Section 115BAC in the Income Tax Act-1961. It will come into force from the Financial Year 2020-21. Under the provision of the Act an individual is required to exercise an option for deduction of TDS under the Old Tax Regime or New Tax Regime of taxation. These modalities for the purpose of deduction of TDS are available in IPAS. However, employee may file Income Tax Return either of these schemes.

As per Section 115BAC inserted by Finance Act-2020, opportunity has been given to opt to pay tax as per new slab rates (Optional Tax Regime) on total income computed without claiming any deduction/exemption applicable from FY 2020-21 (Assessment year 2021-22). Summarize tax rates are given in the table below as per Old Tax Rates and New Tax Regime (Optional):

Total Income (Rs.)	Existing Tax Rates (%)	New Tax Rates (Optional) (%)
0 – 2,50,000	0%	0%
2,50,001 – 5,00,000	5%	5%
5,00,001 – 7,50,000	20%	10%
7,50,001 – 10,00,000		15%
10,00,001 – 12,50,000	30%	20%
12,50,001 – 15,00,000		25%
15,00,001 and above		30%

Further, the basic exemption limit for senior citizen will remain unchanged as Rs. 3,00,000/- together with the rebate of Income Tax and Health & Education Cess @ 4% also remain unchanged and equally applicable even if employee choose to opt for New Tax Regime (Optional).

Salient features of New Tax Regime (Optional) are mentioned below:

1.	At the beginning of each financial year the employee will have to submit option to choose either the Existing Tax Regime or New Tax Regime (Optional).
2.	Option once exercised cannot be modified during that year. However, it can be modified at the beginning of the next financial year.
3.	The employee will have to give up all deductions allowed under Chapter VI-A (except the deduction U/S 80 CCD(2)) and deduction allowed U/S 10(13A) (HRA Property) etc.
4.	The employee will not be eligible for claiming deduction/exemption against various allowances/ investments.

Contd. toP/2

It is also worthwhile to mention that in case option form not received within the due date in respect of any employee, it shall be presumed that such employee is not willing to opt for New Tax Regime and Income Tax will be deducted as per Tax Slab of Old/Existing Tax Regime.

It has to be ensured that all employees under their Pay Bill Units submit the said declaration within the stipulated time. Action may also be taken to make entry regarding the options in the Service Records specially in case of staff due to retire in the current financial year.


Therefore, all Branch Officers/Unit in-charges are requested that contents of this may be disseminated to all concerned posted under their jurisdiction and send the option forms (whichever beneficial) in prescribed format (Annexure - 'A') duly completed and verified to their respective Bill Dealers latest by 15th June, 2020 enabling this office to deduct the tax from the monthly salary of the employees as per option exercised by them.

Apart from the above, it is also requested that employees who wish to continue with existing Tax Regime may be informed to submit their details of Tax Savings and Investment etc. if any, duly enclosed copies of supporting documents under prescribed format (Annexure-'B').

Last date of submission of option for Old Tax Regime or New Tax Regime: 15.06.2020.

This is available at Railway Website: ser.indianrailway.gov.in

Encl. Annexure - 'A' &
Annexure - 'B'.

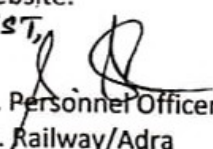

Sr. Divl. Personnel Officer
S.E. Railway/Adra

Copy to: PS to DRM/ADRA for information to DRM please.

Copy to: Steno to ADRM/ADRA for information to ADRM please.

Copy to: Ch.OS/Bill/Adra for wide circulation to the Division & upload in the Rly. Website.

Copy to: Divl.(Co)/SERMC, Representative/SERMU, Divl.Sec./AISC/ST,
OBE.


Sr. Divl. Personnel Officer
S. E. Railway/Adra

Format for declaration to be submitted to employer under the provisions of Section 115 BAC of the Income Tax Act-1961 for current Financial Year _____ (Assessment Year _____)

To
The Sr. Divl. Personnel Officer,
South Eastern Railway, Adra.

Through proper channel

Sub: Declaration for selection for TDS to be deducted from salary under Old Tax Regime or New Tax Regime.

Sir/Madam,

I do hereby declare that I understood the provisions of Section 115 BAC of Income Tax Act-1961 effective from FY 2020-21 that if I opt for TDS to be deducted as per New Tax Regime, I will not be able to claim any further deduction or exemption.

I also understood that once I select an option, i.e., Old Tax Regime or New Tax Regime, I shall not have any option to change the same during the year but I may file my Income Tax Return under any Scheme.

And I do hereby wish to opt for New Tax Regime / Old Tax Regime (please write "YES" and "NO" in appropriate box of choice):

New Tax Regime	Old Tax Regime

Confirmation: I have opted for my deduction of TDS for Income Tax for the current Financial Year _____ under _____ Tax Regime as indicated above. I understood that the option exercised is final and no change in this option is allowed under any circumstances. (Employee is to fill the blank in his own handwriting duly forwarded by Officer-in-Charge).

Yours faithfully,

Signature of the Employee :

Name of the Employee :

Designation :

Office/Station :

Employee Number :

Bill Unit Number :

Permanent Account Number :

Mobile Phone Number :

Date :

DECLARATION FOR SAVING OF INCOME TAX FOR THE FINANCIAL YEAR _____

1. I have the following Life Insurance Policies and paid the premium during Financial Year _____

Sl.No.	Name of LIC	Policy No.	Mode of payment	Premium Amount	Amount paid during FY _____

2. I have the following NSC:

Sl.No.	Name of Post Office	NSC No.	Date of purchase	Amount	Total

3. I have the following School/Tuition Fee:

Sl.No.	Month	Receipt No.	Tuition Fee Amount	Amount	Total

4. I have purchased the following ULIP/PPF/Others:

Sl.No.	Name of Company	Date of purchase	Amount	Total

5. I have paid following housing loan towards principal and interest amount:

Name of the Bank/Company	Principal Amount	Interest Amount	Permission letter obtained from Rly. authority to be mentioned/attached	BANK PAN

6. Quarter Rent paid from _____ to _____ Rs. _____ per month.
PAN of Landlord: _____

- NOTE: 1. As per Section 10(13A) it is important to note that where rent paid is 10% or less than 10% of Salary (Basic Pay + DA), no exemption will be admissible. Again, exemption is denied where an employee lives in his/her own house, or in a house for which he/she does not pay rent.
2. For claiming House Rent Allowance Exemption from Income Tax under Section 10(13A) of Income Tax Act-1961, the following valid documents are required along with claim:
- Valid Rent Agreement between the Renter and the Landlord. The Rent Agreement must mention all the relevant details such as amount of monthly rent, time period of rent agreement, any utility bill to be paid by the Renter etc.
 - Valid Rent Receipt.
3. The CTBT has made it mandatory to declare the Landlord's PAN detail if the annual rent paid exceeds Rs. 1,00,000/- or Rs. 8333/- per month. Hence, if claim of exemption is of rent paid more than Rs. 1,00,000/-, the PAN detail of Landlord is mandatory.

The particulars mentioned above are true to the best of my knowledge and belief.

Signature of the Employee : _____

Name of the Employee : _____

Designation : _____

Office/Station : _____

Employee Number : _____

Bill Unit Number : _____

Permanent Account Number : _____

Mobile Phone Number : _____

Date : _____