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Personal Loan related queries:

Q: Where can I find the Personal Loan Policy, the Loan Application form, and what are the documents that need to be signed?

A: Personal Loan Policy is available on the Corporate Portal under Employee Services > Me at SAP > Benefits & Health > Benefits> Personal Loan

All Confirmed employees can avail an interest-free loan up to Rs. 75,000. This loan will be recovered from the employee's salary in 24 (maximum) equal monthly payments. The employee must pay all taxes, as applicable.

If the employee has already availed such a personal loan and is in the process of repaying it, a new personal loan can be obtained only after closing the existing loan.

- For obtaining the Loan, Employees can henceforth apply for the loan request online and not required to submit the hard copy of the form
- Employees personal details will be automatically extracted from the HR system (IPP)
- Employees have to enter only the loan amount and number of installments to recover the loan amount
- As soon as the employee clicks on apply, a workflow e-mail notification goes to his/her manager
- Manager can approve the same by the click of a button.
 1. After the manager approves the request, the same will reach to Finance Team.
 2. If the Manager rejects the request, a notification is sent to the employee immediately
- The Finance team on receiving the notification will ensure the loan disbursement happens to the employees bank account within one working day.
- On disbursement of the loan, the employee receives a e-mail notification from finance team
- Employee can check the loan status from the above link

For pre-closure of the loan, Employees can close their personal loan online by choosing any one out of three options.

Q: How is the Perquisite Value computed and is there any interest charged on Personal Loan?

A: 13% of the loan outstanding amount (based on monthly reducing value) will be added to your gross salary as perquisite value during the financial year. The tax on perquisite will be computed as per the applicable Income tax rate. Please refer to the [Loan Perquisite Computation](#) document on Portal.

The personal loan is interest free and does not attract any interest.

Tax Saving Investment Declaration and proofs related queries:

Q: Where can I find the link to update the Tax-saving Investments and what is the cutoff date to update the same?

A: The link can be found on the Corporate Portal under Employee Services > Me at SAP > Compensation & Equity > Compensation> Income Tax Savings Declaration & Claims Submission: 2011-12, or you could click here: https://ipp.wdf.sap.corp/sap/bc/gui/sap/its/zit_details?sap-language=en

The 20th of every month is the cut-off date during April-December. During January-March, an email communication will be sent to you announcing the cut-off dates.

Q: Where do I submit the Investment Proofs?

A: Investment Proofs to be scanned and uploaded on the corporate portal only during Jan, Feb and Mar.

Q: How do I know my investment proofs are accepted or rejected?

A: 2 working days after the date of submission, you can see the accepted or rejected investment proofs status on the Corporate Portal under Employee Services > Me at SAP > Compensation & Equity > Compensation> Income Tax Savings Declaration & Claims Submission: 2011-12, or you can click on https://ipp.wdf.sap.corp/sap/bc/gui/sap/its/zit_details?sap-language=en

Medical Reimbursement related queries:

Q: What is the maximum amount can be claimed under Medical Reimbursement? Can I submit my dependents medical bills?

A: The maximum amount of tax exemption for medical bills is Rs.15,000/- per financial year. To avail the tax exemption benefit, the medical allowance should be a part of your flexible compensation.

You can also submit your dependents' medical bills to claim for tax exemption.

Q: I had allocated medical reimbursement in my flexible compensation for Rs. xx, but I did not receive medical reimbursement along with my salary?

A: The amount allocated against medical reimbursement will be paid against submission of original bills. Un-claimed medical reimbursement amount will be paid to employee as a Taxable Allowance in March every year. Only for Spectacle/contact lens bills Power card or Doctor Prescription is required.

Tax benefit is provided only upon submission of original receipts/ bills for expenses incurred during the financial year. Bills can be submitted for medicines, doctor's fees as well as for medical checkups for you or your dependents. No bills for hospitalization expenses are eligible for submission. You can submit both hand written bills and computerised bills for medical reimbursement.

Telephone Reimbursement related queries:

Q: What is the maximum amount and process to avail tax benefit under Telephone Reimbursement?

A: Rs. 24000 per annum (Rs. 2000 per month) will be paid for telephone reimbursement.

Tax benefit is provided only on submission of receipts for expense incurred during the financial year.

Employees can claim this reimbursement for one Landline and one Mobile phone.

This reimbursement facility (landline and mobile) is not available for those who have a Company provided Land line (Data card) or Company Provided Mobile phone (including black berry).

Mobile phone should be in the name of employee only

Landline should be located in the city where the employee resides (basically where SAP offices are located)

Employee has to give a declaration stating that the phone has been used for official purposes also.

Leave Travel Allowance related queries:

Q: What is the maximum amount that can be declared for LTA? How many LTA Claims can be submitted in a year?

A: One can declare up to Rs.60,000 towards LTA under flexible compensation for one financial year. Tax benefit will be given for 2 journeys in the block of 4 years and one LTA claim can be claimed for one financial year.

Q: How the LTA claims will be calculated for tax exemptions?

A: The LTA amount declared under flexible compensation will be paid against submission of original bills. Tax benefit is provided only upon the expenses incurred during the calendar year. Un-claimed medical reimbursement amount will be paid to employee as a Taxable Allowance in March every year.

Q: I had submitted LTA claim for Rs. xx, but why only Rs. yy was considered for Tax exemption?

A: Only the bills related to travel are accepted for tax exemption, and hotel stay/ food bills are not accepted. Also, a journey is considered as one round trip, anywhere in India, starting from your work place. Original Tickets have to be submitted to claim the tax benefit.

The LTA exemption amount is shown in the payslip under “Sec 10 Exemptions”

Health Insurance Premium related queries:

Q: Why the HIP is deducted every month in my payslip? In how many months do you deduct HIP (Health Insurance Premium)?

HIP payable for your dependents will be deducted in 12 instalments from Jan to Dec. This benefit is given to the employees to pay the premium amount in instalments and if they are exit from the company inbetween the calendar year they need not pay for the remaining months.

Transport Exemption related queries:

Q: How is the Transport Allowance exemption calculated?

A: The transport allowance is eligible for those who commute to office using their own transport and not using Company shuttle services. Employees must declare this under their Flexible compensation at the beginning of the financial year.

Rs.800/- will be paid as transport allowance per month, exempt from tax, and is shown under “Sec 10 exemption” on your payslip.

Car-Lease related queries:

Q: What is the tax benefit I will get if I go for car lease?

A: If you are under the car lease policy, your portion of EMI (equated monthly installments) amount is reduced from your special allowance component and the same is exempt from tax.

Q: What is my Car-lease EMI & where can I see this in my payslip?

A: You must have received a communication from the fleet administrator for the lease deduction. You can also see this amount by using the lease calculator available in the Corporate Portal. For further clarifications on your car lease amount, please get in touch with [Savitha Gopi](#).

Q: What is that perquisite on car lease reflecting on my payslip?

Car Lease: Colleagues who have cars under the lease policy (owned / hired by the employer with running and maintenance costs borne by employer) would attract perquisite tax. The perquisite amount and its tax implications are mentioned below.

- If the cubic capacity (CC) of the engine is less than or equal to 1.6 liters (1600CC), the perquisite is valued at INR 1800/- per month. The effective tax on this amount is INR 556/- per month (1800*30.9%). This additional tax amount would be calculated and recovered from the employees' salary over a period of twelve months.
- If the cubic capacity (CC) of the engine is more than 1.6 liters (1600cc), the perquisite valued at INR 2400/- per month. The effective tax on this amount is INR 742/- per month (2400*30.9%), This additional tax amount would be calculated and recovered from the employees' salary over twelve months.

Racer policy:

- Employees who have cars under this policy, have the following perquisite tax implications.

- If the cubic capacity (CC) of the engine is less than or equal to 1.6 liters (1600cc), the perquisite valued at INR 600/- per month. The effective tax on this amount is INR 185/- per month ($600 \times 30.9\%$). This additional tax amount would be calculated and recovered from the employees' salary over twelve months.
- If the cubic capacity (CC) of the engine is more than 1.6 liters (1600cc), the perquisite is valued at INR 900/- per month. The effective tax on this amount is INR 278/- per month ($900 \times 30.9\%$). This additional tax amount would be calculated and recovered from the employees' salary over two months.

Form 16 related queries:

Q: Why the gross salary is not matching with offer letter?

A: Your offer letter includes your Basic Salary, Flexible Compensation, Benefit Allowance, Superannuation, Gratuity, Provident Fund and Variable pay as CTC, whereas, the Gross salary on your payslip only includes your Basic salary, Flexible compensation, Benefit allowance, Superannuation (if not opted as retirement benefit) and Fuel allowance (if opted for Company car lease), Perquisite value of personal loan (if personal loan is availed) and any other earnings, such as weekend/ shift allowance. Hence the gross salary does not include Provident Fund and Gratuity, as these are retirement benefits, and the variable pay which varies as per the performance bonus payout.

Note that medical, conveyance and car lease exemption amounts are directly reduced from the gross salary and appear in your payslip.

Q: When and how is the Form 16 issued?

A: Form 16 will be issued by 31st May of the subsequent financial year and will be sent to your mailbox through email.

Q: Why TDS deducted by my previous employer is not shown in form 16?

A: As the Tax has been paid by your previous employer, it will not reflect separately on the Form 16. However, this tax amount paid earlier is included in the total income tax paid in your form 16.

Q: Why does the form 16 sent through email contain no signatures?

A: The form 16 is digitally signed and verified by the Income Tax Department, and requires no additional signatures.

Income Tax Returns related queries:

Q: Do you arrange any agency for ITR (Income Tax Returns) filing?

A: Yes. An email communication with details of the Agency, Dates and Locations should reach you by end of June.

Q: When do I get tax returns confirmation from ITR filing agency? When do I get the ITR V acknowledgment from Income Tax Dept?

A: Employees must directly get in touch with the ITR filing agency. For more details, please refer to the communication sent by payroll team by end-June.

Tax Deduction related queries:

Q: Explain the complete income tax calculation shown in my payslip.

A: Gross Salary is the aggregate of all your earnings less medical, conveyance exemptions and car lease deduction, if any, during the financial year. You need to refer to the form 16 summary in your payslip for detailed tax calculations. You can also use the [tax calculator](#) available on the Portal.

Q: Why are the amounts of Investment made/ updated in portal and the ones shown on my payslips not matching?

A: It could be due to one or more of the following reasons:

- i) Maximum limit under Sec 80C is Rs.100,000/- only.
- ii) Acknowledgment copies submitted as investment proof will not be considered as those will be subjected to realization of cheques.
- iii) Investment made during the financial year only will be considered.
- iv) Rejections from payroll team due to clarifications.

Q: What is the Maximum amount on Housing Loan Interest? And what is the process to claim Housing Loan interest on more than one house?

A:

- I) As per Sec 24, the maximum limit for interest on housing loan for self occupied property is Rs.150,000, and there is no limit for claiming interest on housing loan on the let-out property.
- II) For let-out property, rent earned less municipal tax will be the net annual value, and on that 30% will be the deduction towards repairs & renewals. Net of this will be deducted from the Interest on housing loan. In both cases, ie, self occupied/ let-out property, the interest on housing loan can be claimed only after submitting the possession certificate (for the first year only if applicable) along with the provisional certificate from the Bank/Financial Institute.
- I) To claim the tax benefit on housing loan, you need to submit the Provisional Certificate from the Bank towards Home Loan. This needs to be submitted along with Form 12C duly signed by the Employee.
- II) Annex Form 12C is applicable where in, you have let out property for rental Income. Rental Income needs to be declared by the Employee. Copy of the rental agreement entered between employee and the tenant should be enclosed as a supporting document while declaring the Rental Income. Refer annexure [Form 12C](#) available on The Portal.
- III) If the Housing Loan is availed jointly, declaration has to be submitted by the other joint holder mentioning the % to avail the tax exemption and the employee has to attach the declaration along with the Form 12C. [Declaration on Housing Loan Format](#) is available on the Portal
- IV) Principal repayment amount can be claimed under Sec. 80C.

Q: What is the Maximum HRA (House Rent Allowance) that can be declared? How frequent the HRA can be changed? How the HRA exemption will be computed?

A: 40% of your basic salary can be declared as maximum HRA for availing tax benefit. (Please note that the employees who are staying at Delhi /Mumbai can keep their HRA maximum up to 50% of their Basic).

If there is any change in the rent amount during the financial year, HRA can be changed by sending an e mail to [Payroll Team](#) mentioning the rent amount and the applicable date.

The HRA exemption is calculated based on the below mentioned three conditions and the least of that will is considered:

- 1) The HRA for the tax benefit will be 40 %(For Metros 50%) of your Basic,
- 2) Actual HRA paid by company,
- 3) Actual Rent paid less 10% of your Basic.

To avail the tax benefit, you need to submit either copy of rent agreement or rent receipts attached with copy of rent agreement. [Rent receipt format](#) and [HRA exemption calculator](#) are available on the Portal.

Q: How the Income Tax can be saved by opting for Professional Development Allowance (PDA)?

A: The Professional Development Allowance can be used for course fees, books, CDs, memberships or certification courses. All these options need to be related to your job and require an approval from your manager. The amount will be paid directly to a vendor or institution.

Employee should allocate the total amount towards PDA for that financial year under flexible compensation; the amount will be deducted from your flexible compensation and kept separately. The tax exemption is available only when the employee utilizes the PDA amount. If an employee chooses the professional development allowance but is not able to utilize it, the amount will be returned to the employee in the March payroll as a taxable income.

To avail the PDA benefit, an email must be sent to [Payroll Team](#) mentioning the Beneficiary Name, amount, demand draft payable place along with manager's approval. Within 7 working days, the demand draft/ cheque will be prepared.

If the PDA amount is paid by you directly to the institute/ university/ book shops etc, you will not be eligible to avail the tax exemption.

The PDA policy is available on portal under Employee Services > Me at SAP > Compensation > Compensation > Flexible Compensation Plan> Professional development allowance

Q: What are the Income tax slab rates for FY 2009-10?

A:

Gross Taxable Income (GTI)	Income Tax
Less than Rs.180,000 (Rs. 190,000 for female tax payers)	Nil
Greater than Rs. 180,000 but less than Rs.500,000	10% of the amount by which Gross Taxable Income (GTI) exceeds Rs. 180,000
Greater than Rs. 500,000 but less than Rs. 800,000	Rs. 32,000 + 20% of the amount by which GTI exceeds Rs. 500,000(60000)
Greater than Rs. 800,000	Rs. 92,000 + 30% of the amount by which GTI exceeds Rs. 800,000

3% Educational Cess on the total tax also applicable for all individuals.

Quick links/ path for compensation and benefit related information on Portal:

ME AT SAP:

Path: Employee Services > Me at SAP > Overview Me at SAP

Link: <https://portal.wdf.sap.corp/irj/portal?NavigationTarget=navurl://4fe964c7915753311d14b7e97923cdd7>

BENEFITS - SAP LABS INDIA:

Path: Employee Services > Me at SAP > Benefits & Health > Benefits

Link: <https://portal.wdf.sap.corp/irj/portal?NavigationTarget=navurl://b45414c3f3df3fce412923547af69781>

COMPENSATION - SAP INDIA LABS:

Path: Employee Services > Me at SAP > Compensation & Equity > Compensation

Link: <https://portal.wdf.sap.corp/irj/portal?NavigationTarget=navurl://8a748c80852f4eecf9775f24ed26d461>

EMPLOYEE SERVICES – QUICK LINKS: (FBP Details, Income Tax Savings Declarations and Claims Submission, Bank Account Update, Online Payslip Etc)

Path: Employee Services > Me at SAP > Compensation & Equity > Compensation

Link: <https://portal.wdf.sap.corp/irj/portal?NavigationTarget=navurl://8a748c80852f4eecf9775f24ed26d461>

FORMS & POLICIES:

Path: Employee Services > Employee Services Overview

Link: <https://portal.wdf.sap.corp/irj/portal?NavigationTarget=navurl://cd1f670e76ee9524dc6fe510de90f6b1>

Forms:

<https://portal.wdf.sap.corp/irj/servlet/prt/portal/prtroot/com.sap.sen.wcms.Cockpit.Main?url=/Infocenters/Human%20Resources%20for%20SAP/Employee%20Services/Forms>

Policies:

<https://portal.wdf.sap.corp/irj/servlet/prt/portal/prtroot/com.sap.sen.wcms.Cockpit.Main?url=/Infocenters/Human%20Resources%20for%20SAP/Employee%20Services/Policies>

Note:

If your particular query is not answered here, you can please write to [Payroll Team](#)