

## FINANCE ACT, 2020

### New Section 115BAC and Income Tax Slabs

#### Option to employee – Old and New Tax Regime

New Section 115BAC has provided an option to the individual to opt for the new tax regime and forego their claim to several exemptions under Section 10 and Section 16, and deductions under Section 24 and Chapter VIA. This means that an individual can pick and choose between the two tax regimes every financial year, post analyzing which regime is more beneficial.

An employee intending to opt for the new tax regime may submit a declaration to the employer, basis which, the employer is required to compute his taxable income and TDS thereon, as per the provisions of Section 115BAC of the Act

In the absence of any declaration by the employee, TDS would be computed as per the existing old regime, basis the regular declaration of investments provided by the employee.

Tax Regime (New / Old), once opted by the employee is not liable to be modified during that year. However, the employee would be allowed to update or change the tax regime at the time of filing tax return in the prescribed manner.

Since the final option has to be exercised while filing the return of income, declaration to employer would not amount to exercising the option for the purposes of filing return of income and the option at the time of filing return can be different than the declaration made to the employer

### Comparative Income Tax Slabs

#### Basic Income Tax Slabs

| Income Slab from | Income Slab to | Old Tax Regime (%) | New Tax Regime (%) |
|------------------|----------------|--------------------|--------------------|
| 2,50,000         | 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      |                    | 20                 |
| 12,50,001        | 15,00,000      | 30                 | 25                 |
| Greater than     | 15,00,000      |                    | 30                 |

#### Surcharge is levied as below

| Annual Income                           | Rate of Surcharge % |
|-----------------------------------------|---------------------|
| upto Rs 50 lakhs                        | NIL                 |
| Above Rs 50 lakhs and upto Rs. 1 crore  | 10%                 |
| Above Rs 1 crore and upto Rs. 2 crores  | 15%                 |
| Above Rs 2 crores and upto Rs. 5 crores | 25%                 |
| Above Rs 5 crores                       | 37%                 |

#### Rebate Under Section 87A :

Individuals having income upto Rs. 5,00,000 shall be allowed a rebate of Rs.12,500 or tax payable whichever is lower.

#### Health and Education Cess :

4% of total tax payable including surcharge. Cess is payable at all levels of income.

### **Ineligible Exemptions / Deductions under New Tax Regime**

Once an individual opts to be assessed to tax as per the lower rates of tax under the New Regime, the following exemptions / deductions shall be withdrawn and added back to the Net Taxable income :

#### **Exemption U/s 10**

- Leave travel concession u/s 10(5);
- House rent allowance u/s 10(13A)
- Allowance u/s 10(14) like Children Education Allowance, Hostel Allowance, Uniform Allowance etc except those allowances granted to meet the expenditure in performance of duties of an office

#### **Deduction U/s 16 : Standard deduction and deduction for Professional tax**

#### **Deduction U/s 24 :**

- Interest on Loan in respect of self-occupied or vacant property
- Set-off of Loss under the head - Income from house property for let-out Property

#### **Any deduction under chapter VIA except 80CCD(2) i.e. Employer Contribution to NPS**

like section 80C, 80CCC, 80CCD, 80D, 80DD, 80DDB, 80E, 80EE, 80EEA, 80EEB, 80G, 80GG, 80GGA, 80GGC, 80IA, 80-IAB, 80-IAC, 80-IB, 80-IBA, etc

Chapter VIA deduction including your investment in PF, PPF, NSC, ELSS, Insurance Premium etc. are not eligible under the New Tax Regime

#### **Meal Card (Rule 3)**

Exemption in respect of free food and beverage through vouchers provided to the employee

### **Approach to New Declaration under Dual Tax Regime**

#### **Step 1 :**

Simulate Tax on the ESS, to review the impact of proposed tax investments and the resultant tax outgo under both the Old regime and the New Regime

**Click >>**      Main Menu : Tax Simulator  
                         Sub Menu : Simulate Tax

#### **Step 2 :**

Post review basis the Tax Simulator, submit your Option on the Online Regime Option Page

**Click >>**      Main Menu : Investment Declaration  
                         Sub Menu : Choose Tax Regime

*The Tax Simulation Page has a hyperlink to the Online Regime Option Page*

#### **Step 3 :**

In case, you have opted for the Old Regime, Tax Declaration for investments has to be submitted in the normal course

**Click >>**      Main Menu : Investment Declaration  
                         Sub Menu : Tax Declaration

## SCENARIOS

### Scenario – Case 1

|                                                                                                                      |  |  |                                                                                                                                                                                                                                        |  |  |
|----------------------------------------------------------------------------------------------------------------------|--|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| <b>Gross Salary :</b> 7,20,000<br><b>Proposed : Section 80C (PF Deduction)</b> 50,000<br><b>No Other Investments</b> |  |  | <b>Tax Outgo :</b><br>Current Tax Liability 37,440<br>Under Old Regime : No Additional Investments 37,440<br>Under New Regime : No Additional Investments 35,880<br><b>Recommended Regime :</b><br>New Tax Regime, with NIL Investment |  |  |
|----------------------------------------------------------------------------------------------------------------------|--|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|

| Particulars                               | Basis Last processed Salary | Revised Declaration | Tax Calculation                            | A. Basis last processed salary and tax declaration | B. Basis revised declaration under Old Regime | C. Basis revised declaration under New Regime                    |
|-------------------------------------------|-----------------------------|---------------------|--------------------------------------------|----------------------------------------------------|-----------------------------------------------|------------------------------------------------------------------|
| Housing Interest / Loss on House Property | -                           | -                   | Annual Gross Salary (including Perquisite) | 7,20,000                                           | 7,20,000                                      | 7,20,000                                                         |
| Investments - Section 80C                 | 50,000                      | 50,000              | Less : HRA Rebate                          | -                                                  | -                                             | Not Eligible for Exemption or Deduction under the New Tax Regime |
| Other Investments - Chapter VIA           | -                           | -                   | Less : Other Exemption                     | -                                                  | -                                             |                                                                  |
| Employer contribution to NPS              | -                           | -                   | Less : Standard Deduction                  | - 50,000                                           | - 50,000                                      |                                                                  |
| Total Rent for the year                   | -                           | -                   | Less : Profession Tax                      | - 2,500                                            | - 2,500                                       |                                                                  |
| Update Rent Location (Metro / Non-Metro)  |                             | Metro               | Less : Deduction : Housing Loss            | -                                                  | -                                             |                                                                  |
|                                           |                             |                     | Less : Investments - Section 80C           | - 50,000                                           | - 50,000                                      |                                                                  |
|                                           |                             |                     | Less : Other Investments - Chapter VIA     | -                                                  | -                                             |                                                                  |
|                                           |                             |                     | Less : Employer contribution to NPS        | -                                                  | -                                             | -                                                                |
|                                           |                             |                     | <b>Net Taxable Income</b>                  | <b>6,17,500</b>                                    | <b>6,17,500</b>                               | <b>7,20,000</b>                                                  |
|                                           |                             |                     | Tax On Net Salary Income                   | 36,000                                             | 36,000                                        | 34,500                                                           |
|                                           |                             |                     | Less : Tax Rebate U/S 87A                  | -                                                  | -                                             | -                                                                |
|                                           |                             |                     | Add : Surcharge                            | -                                                  | -                                             | -                                                                |
|                                           |                             |                     | Add : Education Cess @ 4%                  | 1,440                                              | 1,440                                         | 1,380                                                            |
|                                           |                             |                     | <b>Net Tax Payable</b>                     | <b>37,440</b>                                      | <b>37,440</b>                                 | <b>35,880</b>                                                    |
|                                           |                             |                     | Minimum Tax Payable (Least of A,B and C)   |                                                    |                                               | 35,880                                                           |
|                                           |                             |                     | Recommended Tax Regime Option to Employee  | New Regime                                         |                                               |                                                                  |

|                                            |          |   |                     |  |  |  |
|--------------------------------------------|----------|---|---------------------|--|--|--|
|                                            |          |   | <b>Add : Income</b> |  |  |  |
| Annual Gross Salary (including Perquisite) | 7,20,000 | - |                     |  |  |  |
| Exemption / Tax free Allowances            | -        | - |                     |  |  |  |

### Scenario – Case 2

|                                                                                                                                                                        |  |  |                                                                                                                                                                                                                                            |  |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| <b>Gross Salary :</b> 12,00,000<br><b>Proposed : Section 80C</b> 1,50,000<br><b>Proposed : Mediclaim</b> 25,000<br><b>Proposed : Interest on Housing Loan</b> 1,60,000 |  |  | <b>Tax Outgo :</b><br>Current Tax Liability 1,13,360<br>Under Old Regime : Proposed Investments 78,000<br>Under New Regime : Proposed Investments 1,19,600<br><b>Recommended Regime :</b><br>Old Tax Regime, with Proposed Investment Plan |  |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|

| Particulars                               | Basis Last processed Salary | Revised Declaration | Tax Calculation                            | A. Basis last processed salary and tax declaration | B. Basis revised declaration under Old Regime | C. Basis revised declaration under New Regime                    |
|-------------------------------------------|-----------------------------|---------------------|--------------------------------------------|----------------------------------------------------|-----------------------------------------------|------------------------------------------------------------------|
| Housing Interest / Loss on House Property | -                           | 1,60,000            | Annual Gross Salary (including Perquisite) | 12,00,000                                          | 12,00,000                                     | 12,00,000                                                        |
| Investments - Section 80C                 | 1,50,000                    | 1,50,000            | Less : HRA Rebate                          | -                                                  | -                                             | Not Eligible for Exemption or Deduction under the New Tax Regime |
| Other Investments - Chapter VIA           | 15,000                      | 25,000              | Less : Other Exemption                     | -                                                  | -                                             |                                                                  |
| Employer contribution to NPS              | -                           | -                   | Less : Standard Deduction                  | - 50,000                                           | - 50,000                                      |                                                                  |
| Total Rent for the year                   | -                           | -                   | Less : Profession Tax                      | - 2,500                                            | - 2,500                                       |                                                                  |
| Update Rent Location (Metro / Non-Metro)  |                             | Metro               | Less : Deduction : Housing Loss            | -                                                  | - 1,60,000                                    |                                                                  |
|                                           |                             |                     | Less : Investments - Section 80C           | - 1,50,000                                         | - 1,50,000                                    |                                                                  |
|                                           |                             |                     | Less : Other Investments - Chapter VIA     | - 15,000                                           | - 25,000                                      |                                                                  |
|                                           |                             |                     | Less : Employer contribution to NPS        | -                                                  | -                                             | -                                                                |
|                                           |                             |                     | <b>Net Taxable Income</b>                  | <b>9,82,500</b>                                    | <b>8,12,500</b>                               | <b>12,00,000</b>                                                 |
|                                           |                             |                     | Tax On Net Salary Income                   | 1,09,000                                           | 75,000                                        | 1,15,000                                                         |
|                                           |                             |                     | Less : Tax Rebate U/S 87A                  | -                                                  | -                                             | -                                                                |
|                                           |                             |                     | Add : Surcharge                            | -                                                  | -                                             | -                                                                |
|                                           |                             |                     | Add : Education Cess @ 4%                  | 4,360                                              | 3,000                                         | 4,600                                                            |
|                                           |                             |                     | <b>Net Tax Payable</b>                     | <b>1,13,360</b>                                    | <b>78,000</b>                                 | <b>1,19,600</b>                                                  |
|                                           |                             |                     | Minimum Tax Payable (Least of A,B and C)   |                                                    | 78,000                                        |                                                                  |
|                                           |                             |                     | Recommended Tax Regime Option to Employee  | Old Regime with Additional Declaration             |                                               |                                                                  |

|                                            |           |   |                     |  |  |  |
|--------------------------------------------|-----------|---|---------------------|--|--|--|
|                                            |           |   | <b>Add : Income</b> |  |  |  |
| Annual Gross Salary (including Perquisite) | 12,00,000 | - |                     |  |  |  |
| Exemption / Tax free Allowances            | -         | - |                     |  |  |  |

**Scenario – Case 3**

Gross Salary :20,00,000

Proposed : Section 80C1,50,000

Proposed : Mediclaim25,000

Tax Outgo :

Current Tax Liability3,61,140

Under Old Regime : Proposed Investments3,08,100

Under New Regime : Proposed Investments3,51,000

Recommended Regime :

Old Tax Regime, with Proposed Investment

| Particulars                                | Basis Last processed Salary | Revised Declaration |
|--------------------------------------------|-----------------------------|---------------------|
| Housing Interest / Loss on House Property  | -                           | -                   |
| Investments - Section 80C                  | 1,50,000                    | 1,50,000            |
| Other Investments - Chapter VIA            | 15,000                      | 25,000              |
| Employer contribution to NPS               | -                           | -                   |
| Total Rent for the year                    | -                           | 2,40,000            |
| Update Rent Location (Metro / Non-Metro)   |                             | Metro               |
|                                            |                             | Add : Income        |
| Annual Gross Salary (including Perquisite) | 20,00,000                   | -                   |
| Exemption / Tax free Allowances            | -                           | -                   |

| Tax Calculation                            | A. Basis last processed salary and tax declaration | B. Basis revised declaration under Old Regime | C. Basis revised declaration under New Regime                    |
|--------------------------------------------|----------------------------------------------------|-----------------------------------------------|------------------------------------------------------------------|
| Annual Gross Salary (including Perquisite) | 20,00,000                                          | 20,00,000                                     | 20,00,000                                                        |
| Less : HRA Rebate                          | -                                                  | - 1,60,000                                    | Not Eligible for Exemption or Deduction under the New Tax Regime |
| Less : Other Exemption                     | -                                                  | -                                             |                                                                  |
| Less : Standard Deduction                  | - 50,000                                           | - 50,000                                      |                                                                  |
| Less : Profession Tax                      | - 2,500                                            | - 2,500                                       |                                                                  |
| Less : Deduction : Housing Loss            | -                                                  | -                                             |                                                                  |
| Less : Investments - Section 80C           | - 1,50,000                                         | - 1,50,000                                    |                                                                  |
| Less : Other Investments - Chapter VIA     | - 15,000                                           | - 25,000                                      |                                                                  |
| Less : Employer contribution to NPS        | -                                                  | -                                             |                                                                  |
| Net Taxable Income                         | 17,82,500                                          | 16,12,500                                     |                                                                  |
| Tax On Net Salary Income                   | 3,47,250                                           | 2,96,250                                      |                                                                  |
| Less : Tax Rebate U/S 87A                  | -                                                  | -                                             | -                                                                |
| Add : Surcharge                            | -                                                  | -                                             | -                                                                |
| Add : Education Cess @ 4%                  | 13,890                                             | 11,850                                        | 13,500                                                           |
| Net Tax Payable                            | 3,61,140                                           | 3,08,100                                      | 3,51,000                                                         |
| Minimum Tax Payable (Least of A,B and C)   |                                                    | 3,08,100                                      |                                                                  |
| Recommended Tax Regime Option to Employee  | Old Regime with Additional Declaration             |                                               |                                                                  |

**Scenario – Case 4**

| <div>Gross Salary :30,00,000</div> <div>Proposed : Section 80C1,50,000</div> <div>Proposed : Mediclaim25,000</div> |                             |                     | <div>Tax Outgo :</div> <div>Current Tax Liability6,77,820</div> <div>Under Old Regime : Proposed Investments6,70,020</div> <div>Under New Regime : Proposed Investments6,63,000</div> <div>Recommended Regime :</div> <div>New Tax Regime, with Proposed Investment</div> |                                                    |                                               |                                                                  |           |
|--------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------------|------------------------------------------------------------------|-----------|
| Particulars                                                                                                        | Basis Last processed Salary | Revised Declaration | Tax Calculation                                                                                                                                                                                                                                                           | A. Basis last processed salary and tax declaration | B. Basis revised declaration under Old Regime | C. Basis revised declaration under New Regime                    |           |
| Housing Interest / Loss on House Property                                                                          | -                           | -                   | Annual Gross Salary (including Perquisite)                                                                                                                                                                                                                                | 30,00,000                                          | 30,00,000                                     | 30,00,000                                                        |           |
| Investments - Section 80C                                                                                          | 1,50,000                    | 1,50,000            | Less : HRA Rebate                                                                                                                                                                                                                                                         | -                                                  | -                                             | Not Eligible for Exemption or Deduction under the New Tax Regime |           |
| Other Investments - Chapter VIA                                                                                    | -                           | 25,000              | Less : Other Exemption                                                                                                                                                                                                                                                    | -                                                  | -                                             |                                                                  |           |
| Employer contribution to NPS                                                                                       | -                           | -                   | Less : Standard Deduction                                                                                                                                                                                                                                                 | - 50,000                                           | - 50,000                                      |                                                                  |           |
| Total Rent for the year                                                                                            | -                           | -                   | Less : Profession Tax                                                                                                                                                                                                                                                     | - 2,500                                            | - 2,500                                       |                                                                  |           |
| Update Rent Location (Metro / Non-Metro)                                                                           |                             | Metro               | Less : Deduction : Housing Loss                                                                                                                                                                                                                                           | -                                                  | -                                             |                                                                  |           |
|                                                                                                                    |                             |                     | Less : Investments - Section 80C                                                                                                                                                                                                                                          | - 1,50,000                                         | - 1,50,000                                    |                                                                  |           |
|                                                                                                                    |                             |                     | Less : Other Investments - Chapter VIA                                                                                                                                                                                                                                    | -                                                  | - 25,000                                      |                                                                  |           |
|                                                                                                                    |                             |                     | Less : Employer contribution to NPS                                                                                                                                                                                                                                       | -                                                  | -                                             |                                                                  |           |
|                                                                                                                    |                             |                     | Net Taxable Income                                                                                                                                                                                                                                                        | 27,97,500                                          | 27,72,500                                     |                                                                  | 30,00,000 |
|                                                                                                                    |                             |                     | Tax On Net Salary Income                                                                                                                                                                                                                                                  | 6,51,750                                           | 6,44,250                                      |                                                                  | 6,37,500  |
|                                                                                                                    |                             |                     | Less : Tax Rebate U/S 87A                                                                                                                                                                                                                                                 | -                                                  | -                                             | -                                                                |           |
|                                                                                                                    |                             |                     | Add : Surcharge                                                                                                                                                                                                                                                           | -                                                  | -                                             | -                                                                |           |
|                                                                                                                    |                             |                     | Add : Education Cess @ 4%                                                                                                                                                                                                                                                 | 26,070                                             | 25,770                                        | 25,500                                                           |           |
|                                                                                                                    |                             |                     | Net Tax Payable                                                                                                                                                                                                                                                           | 6,77,820                                           | 6,70,020                                      | 6,63,000                                                         |           |
|                                                                                                                    |                             |                     | Minimum Tax Payable (Least of A,B and C)                                                                                                                                                                                                                                  |                                                    |                                               | 6,63,000                                                         |           |
|                                                                                                                    |                             |                     | Recommended Tax Regime Option to Employee                                                                                                                                                                                                                                 | New Regime                                         |                                               |                                                                  |           |



## FAQ of New Tax Regime

**Q: What is the new Tax Regime?**

**A:** A new Section 115BAC has been inserted under the Finance Act, 2020 to provide an alternative to individuals to pay tax at lower concessional rates. Option under this scheme can be exercised by every individual. The income under this new scheme shall be computed without claiming any regular exemptions / deductions like HRA Rebate, Standard Deduction, investments under Section 80C etc.

**Q: What are the tax slabs under the New Tax Regime as compared to the Old Tax Regime?**

**A:** The concessional tax slabs under the New Personal Tax Regime (NPTR) are as below

| Range of Annual Net Taxable Income | Old Regime Tax Rate (%) | New Tax Regime Rate (%) |
|------------------------------------|-------------------------|-------------------------|
| On first Rs. 2,50,000              | 5                       | 5                       |
| Rs. 2,50,001 - Rs. 5,00,000        |                         | 5                       |
| Rs. 5,00,001 - Rs. 7,50,000        | 20                      | 10                      |
| Rs. 7,50,001 - Rs. 10,00,000       |                         | 15                      |
| Rs. 10,00,001 - Rs. 12,50,000      | 30                      | 20                      |
| Rs. 12,50,001 - Rs. 15,00,000      |                         | 25                      |
| Above Rs. 15,00,000                |                         | 30                      |

**Q: What is the impact of choosing / opting for the New Tax Regime?**





**A:** In case, you opt for the New Tax Regime, Tax on Salary shall be computed by applying the concessional rates of tax (NPTR) on the Net Taxable Income.

It is critical to note that, Net Taxable Income under the New Tax Regime is computed without considering any exemptions / deductions, as currently applicable under the Old Regime

- HRA Rebate
- LTA exemption
- Standard Deduction (up to Rs. 50,000)
- Profession Tax deduction
- Housing Benefit (Interest on Housing Loan / Loss on Let out Property)
- Investments U/s 80C and Chapter VIA (Mediclinic premium, Education Loan interest etc.)

**Q: Does this mean that the Net Taxable Income under the Old Regime is lower than the New Regime?**

**A:** Yes. The Old Regime provides an individual exemption in respect of HRA Rebate, LTA, Education allowance etc. and deductions like Standard deduction, Profession Tax, Housing Interest and investments U/s 80C and Chapter VIA. These deductions from Salary are not available under the New Tax Regime

| Particulars        | Old Regime                                                                               | New Regime                                                                                 |
|--------------------|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Net Taxable Income | Lower   | Higher  |
| Tax Slabs          | Higher  | Lower   |

**Q: How do I choose the Optimum Regime, basis my Salary Income and Proposed Investments?**

**A:** There is no standard rule to determine the optimum tax regime that is applicable to each individual. The Employee Self Service Link (ESS), provides a Basic Tax Simulator, which guides you to determine the impact of opting for a particular Tax Regime basis your planned investments.

**Q: I am a New Joiner, and having access to the ESS, but I am yet to receive my 1<sup>st</sup> month Salary. How will the Tax Simulator facilitate my tax calculation ?**

**A:** For a New Joiner, the Tax Simulator is only available post processing of your 1<sup>st</sup> monthly salary. Basis your earned income and projected salary, the Tax Simulator will appropriately guide you on the tax saving (if any) under the New Tax Regime

**Q: How do I communicate my option i.e. Old Tax Regime **OR** New Tax Regime, so that tax may be computed accordingly in my monthly salary?**

**A:** The Employee Self Service Link (ESS), provides a Regime Option Page, which allows you to choose a particular Tax Regime and submit the same to be considered in your monthly tax calculation.

**Q: For the purpose of monthly tax calculation, can I change my choice of Tax Regime, during the course of the year?**

**A:** You will have only one chance to choose and submit the Tax Regime during the year. Tax Regime (New / Old), once opted by you is not liable to be modified during that year.

**Q: How will my monthly tax be computed, in case, I fail to choose an appropriate Tax Regime on the ESS link?**

**A:** In the absence of any declaration by you, TDS would be computed as per the existing old regime, and considering your regular declaration of investments.

- Q: **Does this mean that I lose any benefit that is due to me under the optimum Tax Regime, in case, I have made a wrong option submission?**
- A: The Tax guidelines provide for an individual to update or change the tax regime at the time of filing tax return in the prescribed manner. Consequently, any excess tax recovered by the employer under an alternative regime can be claimed as a refund in your Personal Income Tax Return (ITR)
- Q: **Once I have intimated my choice of Tax Regime in the current year, am I supposed to retain the same regime in subsequent financial years?**
- A: Tax Regime (New / Old), once opted by you is not liable to be modified during that year. However, you are free to choose an alternative regime in the subsequent year/years.
- Q: **How do I submit details of my investments towards Insurance Premium, PPF and Rent for HRA Rebate?**
- A: You are required to submit details of your personal investments with respect to Section 24 (Housing Interest), Section 80C (Insurance Premium, PPF, NSC, ELSS etc.) and Others in the normal course on the Investment Declaration on the ESS link.  
Please note that these exemptions / deductions will not be considered for computation in case, you have opted for the New Tax Regime.
- Q: **I am a New Joiner, post April and I have already shared my choice with my previous employer. Do I need to submit the same to my current employer also?**
- A: Irrespective of any submission to your previous employer, you are mandated to provide a fresh declaration to your current employer towards the Regime opted by you. The same will be considered for calculation of tax liability on your consolidated salary income (including Gross Salary from previous employment, if any) as shared with your current employer.
- Q: **Under Flexi Benefit Scheme (FBP), I have blocked Tax-free entitlement towards LTA and Meal Coupons. Thereafter, I have opted for the New tax Regime, under which exemptions towards LTA and Meal Coupons is not available. How can I reverse my FBP Option?**
- A: Flexi Benefit Plan and tax-free entitlements opted by you, are not liable to be modified or reversed. You are requested to revalidate your FBP and tax plan, before you opt for the New Tax Regime. In such a scenario, the FBP entitlements towards LTA / Meal Card shall continue to be processed, as in the normal course, without any attached tax exemption.
- Q: **Is the Rebate u/s 87A applicable under New Regime also?**
- A: Yes, Rebate u/s 87A upto Rs. 12500 is also applicable under New Regime, if the Net taxable Income is less than Rs 5 Lakhs.
- Q: **I have made a contribution through a Salary deduction to the PM-CARES Fund. Will I be eligible to claim deduction U/s 80G under the New Regime also?**
- A: It is critical to note that, Net Taxable Income under the New Tax Regime is computed without considering any exemptions / deductions, as currently applicable under the Old Regime. Deduction under Section 80G will not be available, in case, you opt for the New tax Regime.