**Key Points for Investment Proof Submission 2020-2021**

Employee has option to choose tax regime – Old Regime OR New Regime

**Old Tax Regime:** There is no change in Income tax slab, standard deduction & exemption (U/s 10, Chapter VI & section 24) in old Regime.

**New Tax Regime**: Without allowing standard deduction, entertainment allowance and employment/professional tax u/s 16

**Deadline and mode of submission who has opted for OLD REGIME:**

Payroll for the months of January/February/March 2021 will be processed on actual and approved investment proofs only. Cut-off dates for having the impact of actual investment proofs in your Payroll/Pay Slips is as per below table:

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| --- | --- |
| **Investment Proofs submitted by employees in IT Declaration Application** | **Impact in Payroll** |
| Till 07th January 2021 | January 2021 |
| From 08th January 2021 till 15th February 2021 | February 2021 |
| From 16th February 2021 till 15th March 2021 | March 2021 |

**Note:** For FY 2020-21, IT declaration application will be closed w.e.f. 16th March 2021 and no further investment savings proofs can be submitted after cut-off date.

Update your investment details correctly and completely into IT Declaration utility.

* **Upload** scanned copies (PDF, JPG, JPEG formats only) of investments documents against each line of declaration made.
* Final Submission of actual proofs by clicking on **“submit to ES” button** at the bottom of the screen. Without this submit action record will not get submitted for ES action

**Employees transferred to onsite the during current financial year:** If you are at onsite you can update your proof directly in myhcl.com from your GEO location.

Investment proofs will be verified and approved by third party service provider and discrepancy if any will be informed to you by updating suitable remarks for correction in IT declaration itself which will be delivered to you for correction by auto mailer. **Please check your mail thoroughly upon receiving such auto mailer for any partial approval/disallowance and take suitable** **action immediately**. For example, if any additional document is asked please scan and upload the same. Upon approval of the proof you will get the status mail as “approved by ES” in the Actual Columns of IT Declaration utility.

**HARD COPIES ARE NOT TO BE SENT AND WILL NOT BE ACCEPTED/ ACKNOWLEDGED by ES.**

**Employees who have resigned and whose last working date falls in December 2020/January 2021:**

Employees whose last working day is in December or January are requested to submit their investment proofs at least one week before LWD by uploading scanned copies into IT Declaration Utility, so that there is time for getting the proofs approved before your last working day. In case it does not get approved before LWD please get in touch with your ES spoc for assistance.

**The following documents should be uploaded in IT Declaration Utility for claiming tax benefits:**

1. **Rent Receipts:**

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| **Rent Receipts** | Scanned copies of original rent receipts required to be uploaded into IT declaration tool. |
| **No. of Months for which receipt is required** | Any one month’s rent receipts for each quarter – total 3 receipts up to December 2020. |
| **Change in Rent/ House during the quarter** | One receipt for old rent/location and one receipt for new rent/location to substantiate the change within the quarter can be given. |

**Note:** Most important requirement: If your rent for the year exceeds Rs.1 Lac per annum or Rs.8,333/- PM, you will be required to submit the landlords PAN scan copy OR Land Lord Aadhar scan copy along with declaration (12 BB) signed from Landlord on non-availability of PAN, given in the Templates. The same available in Declaration TEMPLATES link in IT Declaration page itself.

**2) Investment Proofs under section 80 C:**

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| **Life Insurance Premium/ULIP premium** | Scanned copy of the premium receipts to be uploaded. The calculation of allowable(exempted) premium for tax deduction is automated in IT declaration. Please enter the required details carefully. **If you don’t enter full details, you will not get the correct exemption**. Details can be entered against one policy in one line for entire year including future unpaid premium if you are submitting proof in December/January. If you are submitting the details as and when you remit it, you need to enter details each payment as separate line item. **Take care to ensure that the total premium you fill up either in one line or multiple lines does not exceed actual premium paid till date of submission and premium due for rest of the financial year.**  1) ES is required to verify Sum assured, mode of premium, regular premium amount and date of commencement of the policy.  In case of receipts issued by Life Insurance Corporation of India above details are printed in the receipt itself, in such case there is no need for policy copy. If the details are not available in your receipt, then we need a copy of your policy also to validate the details so that allowable premium can be correctly calculated.  2) Please update your premium details carefully in the IT declaration. While saving softcopies for upload give easily identifiable names like Policy x quarter 1 to indicate that the receipt refers to first quarter premium of policy X. This will make it easy to verify attachments while approving.   1. For unpaid/pending premium due till March 2021 just fill the balance amount in “Premium to be paid” column. For unpaid premium declared now you need not submit premium receipt again in February or March 20. In case the policyholder is eligible for deduction under 80U/80DD, copy of the Doctor’s certificate with percentage of disability in form 10 IA is required to be uploaded apart from premium receipt. 2. **Please note that unpaid premium details need be filled only when final proof collection happens in December/January and not when you fill details on monthly basis.**   Below is the table of how allowable premium is calculated.   |  |  |  |  | | --- | --- | --- | --- | |  | | |  | | **S.No.** | **Condition** | **if physically disabled** | **Non-disabled** | | 1 | if policy issued before 1st April 2012 | 20% of sum assured | 20% of sum assured | | 2 | if policy issued during 2012-13 | 10% of sum assured | 10% of sum assured | | 3 | If policy issued on or after 1st April 2013 | 15% of sum assured | 10% of sum assured | |
| **If Insurance Policy in Spouse Name** | Scanned copy of declaration from spouse for non-availment of benefit (for template refer file named Templates for Declaration available in top corner of IT declaration). |
| **Premium falling due in January to March of the financial year** | Where any premium is to be paid in January, February or March, either pay it in advance or upload a photocopy of last year’s installment paid in above months. Enter this detail in premium to be paid column in IT declaration |
| **Who is considered dependent for LIC** | Policy has to be in the name of the employee, spouse or child only. Premium paid on policy in the name of parents, brother and sister cannot be considered as per income tax rules and guidelines in this regard |
| **Whether service tax/late fee on LIC policy is considered for exemption** | Our taxation team has advised that this should not be considered as part of premium so premium net of service tax/late fee only will be considered for exemption |
| **PPF (Public Provident Fund)** | Scanned copy of the pass book front page showing the name and account no and the transaction page showing date of deposit or scanned copy of payment challan showing employee’s name, date of payment and banks seal. Scanned copy of pass book is mandatory (showing credit of money in account) in case PPF is remitted through cheque. |
| **If PPF is in Spouse Name** | Scanned copy of declaration from spouse for non-availment of benefit (for template refer file named Declaration Templates available in IT utility)**.** |
| **Who is considered dependent for PPF** | Same as in LIC premium above |
| **Fi Bank Fixed Deposits (> 5years)** | Scanned copy of FDR (showing it is exempted us/ 80c). It should be an FD for minimum of 5 years and should specifically show that it is eligible for 80 C exemption, without that information it will not be considered for exemption. Date of investment should be after 1st April of current financial year. |
| **who is considered dependent for bank FD** | It can be made in the name of employee only |
| **Fresh NSC** | Scanned copy of NSC certificate invested on or after 1st April of current financial year. Enter the value of the certificate as invested amount |
| **Who is considered dependent for NSC** | investment can be made in the name of employee or minor child only |
| **Equity Linked Savings Scheme** | Scanned copy of Statement from Mutual Fund Company showing date of investment and scheme name. If you are investing through SIP (systematic investment plan) then complete statement showing dates of commencement or from 1stApril (whichever is later) till current date will be required. If it is made through online, then scanned copy of account showing complete transactions wherein details with name of employee should also be there for verification. |
| **Tuition Fees** | Scanned copy of receipt for maximum of two children and covering only tuition fees. Fees can be uploaded with child name as file name for easy reference. |
| **NSC Accrued Interest** | Scanned copy of old NSC certificates **[purchased before 1st Apr 20] in respect of which accrued interest is claimed.**  **Note:** NSC accrued interest amount will **get added as other income and tax will be deducted** on the same. Enter certificate details like amount invested, date of purchase etc. and system will calculate interest automatically. |
| **Principal Repayment on Housing Loan and Stamp Duty/Registration Charges** | Scanned copy of interest certificate from the bank certifying amount of principal repayment during the year and copy of receipt for stamp value paid to the registrar office or copy of agreement showing stamp value. **No Deduction of principal can be claimed for loan taken for purchase of vacant land.** **Also, if the house is not registered in the name of claimant, Principal repayment of home loan will not be allowed for deduction.** |
| **Sukanya Samridhi account** | Please submit copy of the first page of the pass book showing the girls name who is the beneficiary and also copy of the page showing the amount of deposit. Only amount deposited in account will be eligible for exemption. Fine/revival charges will not be considered for exemption. |

**2)** **Contribution to pension plan under 80 CCC:**

Employees contribution to pension plan is exempt under 80CCC up to maximum of 150,000(Max limit for exemption for 80C,80CCC and 80 CCD (1) put together is 150,000 only).

Premium paid in the name of employee is alone eligible for deduction. Document to be submitted is receipt from the insurer for premium remitted between 1st April to 31st March of current financial year. Where any premium is to be paid in January, February or March, either pay it in advance or upload a photocopy of last year’s installment paid in above months. While entering the date of payment in IT declaration enter the date as if it is paid in current year (i.e. date between April 2020 to March 2021) while you fill details of previous year payment.

**3) New Pension Scheme:**

80 CCD 1 and 80 CCD 1B (additional deduction of Rs.50000):

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| Only the employee’s contribution to Tier 1 Account will be considered for exemption. Please submit the copy of challan and the Tier 1 account statement showing the contribution to your account. Employees contribution during the year will be first allocated for exemption under 80 CCD 1B up to 50000 and the balance will be considered under 80 CCD 1. Please note that exemption under 80 CCD 1 is subject to a ceiling of 10% of basic. |
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**House Property:**

Benefit under Sec 24 can be claimed only if the property construction is completed and possession has been taken by the claimant. If it is under construction INTEREST benefit cannot be claimed, however you can claim the principal/registration/stamp duty irrelevant of the possession status. Benefits will be available only if you are sole/joint owner of the property (property registration should be in your name). No Deduction of interest or principal can be claimed for loan taken for purchase of vacant land.

**In case of Joint Ownership:**

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| If the ownership proportion is mentioned in the agreement | Tax exemption will be based on this proportion. |
| If the ownership proportion is not mentioned in the agreement | Equally split and only 50% will be allowed to the employee. |
| If the ownership proportion is not mentioned in the agreement and employee wants to claim in full or more than 50% | Scanned copy of declaration from other co-owner(s) stating very clearly that they will not claim the benefit in their assessment (Declaration Template available in IT declaration on top right corner). |

**Documents required for claiming tax benefits on housing loan:**

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| --- | --- |
| Registration /stamp charges | Scanned copy of receipt from registrar office if stamp duty is paid at registrar office or scanned copy of agreement showing stamp value in case stamp duty is paid by purchasing stamp paper. |
| Principal/Interest Paid | Scanned copy of interest certificate from bank. |
| Proof for Possession of House | Scanned copy of handing over document from builder or electricity/water bill or property tax receipt and sale deed copy (first few pages to verify your ownership is enough). This is required to check if property is in employee’s name and is fit for occupation. Even if you have submitted these documents last year, you need to submit this year also for audit verification as each year’s record is separately kept. |
| Statement of computation | If you have one property which is self-occupied, please fill self-occupied online template in IT declaration window.  If you have one /more property/ies which is let-out please fill rented property online template separately for each property. **Please provide the rent agreement copy for let-out property without which this will not be approved.**  If you have one self-occupied and one let-out please fill both templates.  While uploading scanned proof please name the proof like bank statement for self-occupied property as self-occupied bank stat to refer to bank statement for self-occupied property or bankstatrented1 to refer to bank statement for let out house 1 and so that it is easy to approve for the person verifying the proof. |
| Document for Pre Emi-interest claim | * Copy of interest certificate of the previous year for which PRE-EMI interest is being claimed in current year. (Pre Emi-Interest can be claimed from the year of possession at 20% every year for five years) |

In case the employee wants to avail self-occupied property benefit for more than one house the same can be claimed with IT department directly as HCL cannot grant you this benefit.

**4) Other Section 80 benefits:**

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| **Section** | **Nature** | **Documents Required** |
| **80CCG** | Rajiv Gandhi Equity Savings Scheme | We are not providing exemption in respect of this investment as per the advice from our taxation team. This can be claimed in your IT return. |
| **80 D** | Medical Insurance Premium | It can be claimed for self and family and also for parents even if they are not dependent.  A deduction of Rs. 25,000 under section 80D on insurance for self, spouse and dependent children. An additional deduction for insurance of parents is available up to Rs. 25,000, if they are less than 60 years of age. If the parents are aged above 60, the deduction amount is Rs 50,000.  In case, both taxpayer and parent(s) are 60 years or above, the maximum deduction available under this section is up to Rs.1 lakh.  Scanned copy of Insurance premium receipt plus first page of policy copy showing the beneficiaries name. Scanned copy of receipts and copy of test results if you are claiming Preventive Health Checkup. Limit for cumulative preventive health checkup is Rs. 5,000.  For this details like Doctor’s prescription for tests/medicines, bills for tests /medicines which are incurred after 1st April of current financial year will be considered. |
| **80 E** | Education Loan | Scanned copy of interest certificate from bank. If your bank gives till date interest only, then you can get one more certificate in March 21 with complete interest details for the year (and claim within the allotted cutoff date which will be announced for March), the difference interest in March 21. |
| **80EE** | i) Loan sanction date should be between 1st April 2016 to 31st March 2017  ii) Property acquired is used for residential purpose only  iii) Loan taken from bank or housing finance companies only (private individual loans not covered)  iv) Loan amount does not exceed 35 lacs  v) Cost of house does not exceed 50 lacs  vi) You do not own any house property on the date of sanction of loan  vii) Interest allowed under this section will be limited to 50,000. | |
| **80 G** | **HCL will not pass on 80 G benefits; you need to claim it in your individual income tax Returns.** | |
| **80 DD** | **Dependent disability** - Certificate in form 10 IA form prescribed medical authority with percentage of Disability. | |
| **80 DDB** | **Expenditure on medical treatment: HCL will not allow this. This has to be claimed in your IT return.** | |
| **80 U** | **Self-disability** - Certificate in **Form 10 IA** from prescribed medical authority with percentage of Disability. | |
| **80EEA** | i)Loan sanction date should be between 1st April 2019 to 31st March 2021  ii)The loan should be to buy self-occupied houses whose stamp value is up to Rs. 45 lakhs.  iii)The assesse should be first time home owner and Restriction based on square feet area and location of the property.  iv) Interest allowed under this section will be limited to Rs 1,50,000. | |
| **80EEB** | i) Loan sanction date should be between 1st April 2019 to 31st March 2023  ii) The assesse should not be owning any electric vehicle as on the date of sanction of the loan  iii) Interest allowed under this section will be limited to Rs 1,50,000. | |

**5) PAN:**

Please note that having PAN number is mandatory and anyone who has not applied for it so far has to apply compulsorily and update the same in ESS. Please note that wrong updation of your PAN will create problem for you while filing your Income tax returns as the ITO will not be able to match the tax deducted shown in your form 16 and HCL will not be able to help you in such circumstances. It may result in a situation that you will be asked to pay tax again with interest and penalty.

If you have already submitted your PAN no. to us, please validate the same on **www.myHCL.com -> Myprofile (ESS) -> My Information Account> PAN.** If there is any error in PAN details, please raise a correction request through ESS.

**6) Previous Employer’s Income and Taxation Details:**

If you want to submit previous employer’s income details, please submit duly filled up Form 12B (format available in top corner of IT declaration) and send the same to your respective ES location SPOC along with Form-16 or Provisional tax computation statement issued by your Previous Employer. **Don’t submit it with Investment Proofs**. Please mention HCL employee code on the face of Form 12B and on the document issued by your Previous Employer**, scan and send to your ES SPOC.**

**7) Verification Process:**

The documents submitted by you will be checked and verified by Third Party Service provider and the approved investment details will be get displayed in the I T Declaration Utility for your reference and you will also get a notification mailer to your HCL mail ID and your personal mail id if you have maintained it in IT Declaration Utility. Keep checking your HCL mail id at periodic intervals. Mails sent to your official id may get delivered in your junk folder. Keep a check on your junk folder also.

**Issue resolution:**

**In case of any clarification/discrepancy, please mail to helpdesk mail id created for this specific purpose. *The third party service provider does not have access to SSD system; hence please send your query to helpdesk email ONLY. These mail ids will be active only during proof drive period from December to March.***

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| **For all Employees:** | |
| NCR / Kolkata / Pune | [ITProofsNCR@hcl.com](mailto:ITProofsNCR@hcl.com%20) |
| Chennai/ Hyderabad / Mumbai /Madurai | [ITProofsChennai@hcl.com](mailto:ITProofsChennai@hcl.com %20) |
| Bangalore | [ITProofsBangalore@hcl.com](mailto:ITProofsBangalore@hcl.com) |
|  |  |

You will receive response against your queries within 3 working days from third party service provider.

**Effective January 2021, payroll tax computation will be based on your APPROVED ACTUAL PROOF SUBMITTED only.**

8) General Points:

* The IT Declaration Utility will be available throughout the month. You can keep submitting the proof. However, for provisional pay slip we will be released taking a cut off of declarations done till 07th January 2021.
* After the last date of 15th March 2021, no additional proof will be entertained, and any refund will need to be claimed from the Income Tax Department only.

**ALL OF YOU ARE REQUESTED TO CO-OPERATE WITH US IN CARRYING OUT THIS IT INVESTMENT PROOF VERIFICATION EXERCISE BY ADHERING TO THE GIVEN TIMELINES.**

**Thanks,**

**FSS - ES Team**