

## **LTC - Frequently Asked Questions (FAQs)**

- **Whether the individual employee is required to take leave to avail this LTC - Cash Voucher Scheme? Whether an employee is required to undertake any travel?**  
An individual need not take leave for this purpose nor undertake any travel. This is a scheme in lieu of LTC travel.
- **If a particular LTC which is meant to be used for the scheme has been partially availed whether this scheme is available and to what extent?**  
This scheme is applicable to the LTC fare left unutilized during the block year (2018 to 2021)
- **Whether a single bill of purchase of goods or services is to be submitted or multiple bills can be submitted?**  
Both Single & Multiple bills are accepted. The purchase should have been done from the date of issue of the office memorandum dated 12<sup>th</sup> Oct 2020 to 31<sup>st</sup> Mar 2021 that is till the end of the current financial year. The purchase should carry a GST of 12% and above and payment should have been made to digital mode only.
- **Whether there is any prescribed format for applying for this scheme?**  
There is no prescribed format. A simple application conveying the desire of the employee for availing the scheme if advance is required for purpose the same is to be mentioned. We are working on the LTA scheme-based application on StoHRM/Hrberry/PowerHR Portal and will notify the changes once ready.
- **What are the items which will qualify for reimbursement under this scheme?**  
Any goods and services which attract GST of 12% and above would qualify. The invoice with GST details should be submitted and payment should have been made through digital mode only.
- **An employee incurs the expenditure on or before 31/03/2021 on the basis of invoice. Actual product or service received in April 2021.**  
The reimbursement is based on production of invoice with details of GST and the date of purchase should be before 31/03/2021. As far as possible, the claim should be made and settled well before March 31, 2021 to avoid any last-minute rush and resultant lapse.
- **For digital payment an employee uses credit card on his/her spouse or any family members?**  
It is clarified that the invoice which is being submitted for reimbursement under the scheme should be in the name of the employee who is availing the scheme.
- **Can services like interior decoration and phone bills be included?**  
Any service which is having a GST component of more than 12% is permissible.
- **Can Telephone bills or any other reimbursement be claimed in addition to new LTC scheme?**  
If your reimbursements are already being / will be submitted under other sections of Income Tax Act, same cannot be claimed again under this scheme.

- **Any limit on number of transactions?**

No limit to transactions for the claim however as far as possible, the number of transactions may be limited to a minimum extent to avoid any difficulty/delay.

- **Is it allowed to do purchase from e-commerce platform?**

Procurement from e-commerce platform is also permissible provided the relevant invoice/details are submitted.

- **Should you opt for this scheme?**

This income tax benefit may be considered as discount on expenditure, which employee has already planned to incur, instead of a reason to incur expenditure. The effective income tax benefit for employees may depend on the highest tax slab applicable to the employee.

- **Under which Tax Regime is the employee eligible for this LTC scheme?**

Employees who are under Old Tax regime are only eligible for this scheme.

- **Can I move back to Old Tax Regime to avail this benefit?**

As per current Income Tax Rules, an employee's tax is computed basis OLD Tax Regime unless he opts for a concessional Tax regime. Once opted for a new tax regime anytime during the year, the change is permitted only in the next financial year.

- **Can I still claim the benefit if I have already availed LTA twice in the block (2018-21)?**

If you have claimed LTA exemption twice in the current block (2018-21), you will not be eligible to opt for this scheme.