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You can decide how you want the tax implications of exercises to be displayed for your employees.

- You can choose not to incorporate any tax calculations as part of the exercise workflow;
- You can enable a tax simulator that employees can use to calculate an illustrative and estimated tax liability, as shown below:

### Tax Simulator

**Note:** This is just the estimated tax amount (for view purpose only) and tax to be paid on exercise shall be calculated by the company and deducted from your payroll.

Please select tax rate applicable to you from the slider.

20

%

0%

100%

**Estimated tax payable based on tax% selected:**

FMV (Fair market value) per share **INR 66,740.79**

No. of options to exercise **100**

Estimated tax payable **INR 0.00**

[Hide tentative tax breakdown](#)

**Estimated Tax Breakdown**

<b>INR 1,000.00</b>	<b>INR 6,673,078.64</b>	<b>INR 0.00</b>
<b>Exercise Amount =</b> Exercise price per option * No of options exercised	<b>Taxable value =</b> (FMV per share - Exercise Price) * No of options	<b>Tax =</b> Taxable value * Tax%

Choose to include tax in total amount to be paid by employee to be visible to them, as illustrated below.

Exercise Summary ⓘ			
Options to Exercise	Exercise Amount	Tax Amount	Total Payable
100	INR 1,000	INR 1,868,462.02	INR 1,869,462.02

The changes you made in this setting is visible while the employee is trying to exercise their options. This setting will help employee to get a brief idea on tax payable to exercise the options granted.

Preferred Currency

To make change, select your preferred currency and configuration below:

← Exercise Configurations - Option Awards

Exercise WindowOption Holder DetailsSet DisclaimersTax

Display Currency

INR

Exercise and tax amount shall be displayed to the option grantee in the selected currency. Conversion, if any, shall be based on the exchange rate on the date of exercise.

Configuration for display of tax in exercise flow

☒ Do not display tax details

☐ Enable tax simulator

☐ Include tax in total amount to be paid

For the tax simulator, you will be asked to specify the following details:

\* Please select the default value for tax slider :

20

%

\* Please select the range to be displayed for tax slider:   :

0

%

100

%

Include Tax To be Paid by Employees

If you wish to include tax in the total amount to be paid for employees, you will need input the required numbers and tax rates as shown below:

Tax Settings

Configure Tax rates at

☒ Company Level

*Tax Heading	*Tax Rate - Active Grantee	*Tax Rate - Separated Grantee		
Country Federal Tax Rate	<div>20</div> <div>%</div>	<div>20</div> <div>%</div>	<div></div>	<div></div>
Country Social Tax Rate	<div>5</div> <div>%</div>	<div>5</div> <div>%</div>	<div></div>	<div></div>
State Tax Rate	<div>3</div> <div>%</div>	<div>3</div> <div>%</div>	<div></div>	<div></div>

Add more

Once you finalise the preferred configuration, click **Update**.

https://qapita-fintech.freshdesk.com/support/solutions/articles/72000543628-equity-award-tax-configuration

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