**FAQ’s**

**Taxation**

* I am a new joiner, how my tax calculated if I have not declared any investment details in tax declaration page?

Default value of 1.5 lakhs will be considered under 80C exemption for new Joiners who have not submitted the tax declaration page for first month and the same will be removed in subsequent month.

* What is the maximum amount allowed u/s 80C for claiming tax benefit?  
  The maximum amount allowed u/s 80C for tax benefit is Rs.150000/- including the employee PF contribution.
* What components of my salary are taxable? What is the tax percentage?  
  Taxation is as per the IT act. Please refer to your Tax Computation sheet for detailed breakup and workings.
* Why my tax is high when compared to previous months?  
  You must have received some variable earnings like Bonus, Incentive, and Variable Pay etc. As per Company Policy, any extra payout other than the normal pay components needs to be taxed fully during the same month. Please refer the tax computation sheet for detailed workings.
* How HRA exemption calculated? Least of the following calculation will be considered as HRA exemption:
  + HRA paid to the employee.
  + Rent paid by the employee minus 10% of basic
  + 40/50% of basic based on working location – metro /non-metro cities
* I have declared my rent for this financial year. But I have not got exemption for the said month?  
  HRA exemption would be given only for the HRA received months. If you were on Loss of Pay during the particular month you will not be paid any HRA and ineligible for tax exemption. HRA Exemption will be provided for months that you have been employed with the current Employer.
* My Previous Employer has not issued a Form16. Is there any other option?   
  If your Previous Employer has not processed your Form16, you may produce a Full and Final Settlement Document and the Tax Computation sheet for the salaried months with the current employer so that the previous employment income will be considered for tax calculations.
* How do I declare my investments so that I can avail tax benefits?  
  You can declare your investments under “Tax Declaration” in the “Tax” tab. The page is open for declaration between 1st and 18th of every month till December.
* What is the exemption under Tuition Fees in 80C?  
  Any sum paid as tuition fees (not including any payment towards development fees / special fees / books / donation / payment of similar nature) whether at the time of admission or otherwise to any university / college / educational institution in India for full time Education. This fee is exempted under u/s 80C up to a limit of INR 150000 (max. of 2 children).
* Who can be declared as my Dependents? Medical Insurance/ LTA / 80DD / 80DDB:   
   Dependents means spouse, children, parents, brothers and sisters of the individual if they are wholly or mainly dependent on the individual.
* Can I declare the Loan repaid amount of my dependant’s higher education?  
   Interest amount paid for the educational loan for Spouse and Children who are wholly or mainly dependent on the individual is exempted u/s 80E.
* What is the limit for tax exemption on my education loan under 80E? There is no limit on education loan interest amount. Certificate issued by your banker on repayment of interest for the specified financial year should be submitted when required as a support to avail the tax benefitfor the respective Financial year
* Can I avail tax exemptions on my computer / car / personal loans?  
  No. The same will not have any tax benefits.
* I am doing a course on SAP / Computer Course for which I have taken a loan, Can I declare this amt for deductions?  
  No. Full time studies for any graduate or post-graduate course in engineering including technology and architecture, medicine, management or post graduate course in applied sciences or pure sciences including mathematics and statistics are eligible for deduction.
* Why is Sec 80G not considered despite providing relevant proofs?  
  Sec 80G is not considered through payroll. You may please claim for the same at the time of filing income tax returns.
* Is revenue stamp mandatory for claiming HRA?  
  No, if it is not supported by your state, revenue stamp can be excluded. (which states supports is to be included)
* When will I receive my Form 16?  
  As per the normal practice Form 16’s are issued in the month of June for the completed financial year.
* Can I claim the benefit of life insurance premium which falls due in January/February/March?  
  Yes, the benefit for premium payable in January/February/March will be given provided you declare it in the future declaration form and produce a copy of previous year’s receipt along with the future declaration form.
* Is late fee paid on premium eligible for tax deduction?

No, late fee is not eligible for tax deduction

* What are the documents that need to be submitted against Unit Linked Insurance Plan (ULIP) paid?  
  You can submit photocopy of current FY premium receipt or annual statement issued by your insurer. Investments made in the name of spouse/children will also be considered.
* Is the amount invested in mutual funds eligible for deduction u/s 80C?  
  All mutual funds investments are NOT eligible for tax benefits. Only investments in equity-linked saving schemes (ELSS) and pension plans get deduction u/s 80C within the overall limit of INR 150000 per year.
* What are the documents that need to be submitted against Public Provident Fund (PPF) paid?  
  You can submit current year investment receipt along with the photocopy of passbook covering page that displays your name, account no and transactions for the financial year. Investments made in the name of spouse/children will also be considered. The maximum amount allowed u/s 80C is INR 150000.
* Is Post office Recurring Deposit considered for tax exemption u/s 80C?  
  Post office Recurring Deposit is not considered for tax exemption
* What are the documents that need to be submitted as a proof against Medical Insurance?  
  You can submit copy of the premium receipt issued by the insurer. Note that only the actual premium paid will be considered for tax benefit. The premium amount paid on self/parents/spouse/children can be claimed deduction u/s 80D.
* Can one claim for handicapped Self/Father/Mother/ Brother/Sister u/s 80U and 80DD, if they are dependents?  
  Yes, one can claim by submitting Form 10 IA
* What are the relevant documents I need to submit for claiming 80DD tax benefits?  
  Certificate (Form 10 IA) from a Government recognized Doctor regarding the percentage of disability of the dependant and a declaration from the employee stating the relationship of the disabled should be submitted as proof for 80DD.
* Can one submit photocopy of the rent receipts as proof?  
  Original rent receipt is a must for claiming HRA exemption
* I am staying in hostel/PG. Can I submit hostel bill towards HRA the exemption?  
  Yes. You can submit the original hostel rent receipts to avail HRA exemption. Please note that only the amount paid towards the stay will be considered and not the one paid towards food and other services.
* What are the documents I need to submit in order to avail the tax benefits for housing loan?  
  You can submit attested loan certificate/statement issued by the financial institution with break-up of both interest and principal repayment for the financial year along with the Form Declaration of other income/loss and copy of the property deed clearly mentioning the ownership of the employee.
* Is it mandatory to submit the possession certificate for claiming exemption for housing loan interest?  
  Possession certificate is required only, if the interest on housing loan exemption is claimed for the first time.
* In tax declaration page what date should I enter against Loan Date and Possession Date?  
  Loan date is the date on which financial institution has disbursed full loan amount. Possession date is the date on which you have taken possession of the house from the builder after completion of construction.
* Is online soft copy of the housing loan repayment statement a valid proof?  
  Yes, online statement is accepted as a valid proof.
* What amount should be declared in the Form Declaration of other income/loss for housing loan?  
  The interest on housing loan is treated as loss from house property; the value should be entered in negative.
* What are the documents that need to be submitted towards tax proof towards previous employment?  
  You need to submit copy of the Form 16 or attested tax computation sheet issued by your previous employer along with Form - 12B (Form 12B is a declaration given by employee to present employer about his previous salary details in case he is not able to submit copy the form 16). Additionally you need to submit copy all the tax proofs even if you have submitted it to your previous organization to get tax exemption.
* Will tax be deducted if I declare the amount earned from the previous employer?  
  Tax Liability will be calculated after clubbing the income of the previous employer with the income earned in this company after reducing the tax deducted from previous employer, if any.
* Why should I declare my previous employer salary details?  
  Previous employer salary means gross salary earned during the tenure from 1st April to your last working day in your previous organization. Previous employer income is required to arrive at proper tax computation by considering the total salary earned as well as the total tax paid for the entire current financial year.
* What happens if I don’t provide the investment supporting proofs for tax before the cutoff date?  
  Tax will be calculated without considering the investment declared by you.
* Can I alter the declared column in tax declaration sheet at Pay roll site in December?   
  If you alter the declared column in the month of December, the same declaration will be taken into account for calculation of your income tax till December & from January to March it will be based on the proofs submitted.
* What are the details to be entered in the payroll site before submitting investment proofs?  
  The actual amount of proofs invested during the income tax financial year should be entered at Payroll site.
* How will I know that the supporting documents for investment proofs provided by me are considered fully or not?  
  Once the proofs are uploaded, it will be verified and updated at the “tax online submission” page under “Tax” tab. You are requested to check the payroll site using the Tax menu for discrepancies, if any. You will be communicated through mail once payroll site is updated