**Note on HRA claim**

**Conditions and documents to be provided for HRA exemption**

* Exemption can be availed if employee staying in a rented house.
* Original rental receipt needs to be submitted and the same should be signed by the Landlord for the period from 01st April 2022 to 31st March 2023. (One Consolidated rental receipt for entire year or Quarterly receipts or individual rental receipt for every month).
* Rental Agreement should be in the name of the employee and copy of Rental agreement to be submitted.
* PAN no. of the Land Lord to be provided in case of rent amount is more than Rs. 8,333/- per month or Rs.100,000/- per Year

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| **Sl No** | **Situation** | **Suitable treatment by Company** |
| ***1*** | ***Annual rent not exceeding Rs 100,000*** |  |
|  | 1. Rentals as per rent receipt and agreement are same | Actual rent receipt of the employee would have to be obtained.  PAN needs to be submitted if the rent amount exceeds Rs.8333/- per month or Rs.100,000/- per year |
|  | 1. Rentals as per agreement is higher than the actual rent receipts | If the actual rent receipts are not exceeding the limit of Rs 100,000 pa, then the exemption would be provided by the employer based on such receipts.  There is no requirement of furnishing the PAN of the landlord. |
|  | 1. Rentals as per agreement is lower than the actual rent receipts | If actual rent receipts do not exceed Rs 100,000, then PAN of the landlord would not be required.  On contrary, if it exceeds Rs 100,000 then the action mentioned in point (2) below would be applicable. |
| ***2*** | ***Annual rent exceeding Rs 100,000*** |  |
|  | a. Where PAN of the landlord is available and furnished | Based on the actual rent receipts, tax exemption under section 10(13A) of the Income tax Act, 1961 (“the Act”) will be allowed by the company. |
|  | b. Where PAN of the landlord is available but not furnished  d.(on refusal of providing PAN by the landlord) | Irrespective of other documents being in place or not, no exemption can be granted by the company to the employee towards HRA.  Entire HRA would be taxable in the hands of the employee.  However, employee could claim the exemption in the return of income and claim the refund to the extent of excess tax deducted by the company on HRA. |