



Guidelines for Income Tax Declaration FY 2019-20

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I. General Guidelines Income tax declaration : -

1. You need to login to [Folklore Payroll](#) and click on Income tax declaration and click on **Create New Declaration**.
2. You need to enter the applicable declaration and submit it on or before the due date communicated. Your declaration will be downloaded and considered for income tax calculation.
3. If you need to modify your income tax declaration, you can do so every month between 10th and 20th every month (except for the month of Feb and March)
4. Your declaration should be realistic; income tax will be calculated based upon the declaration submitted. If you declare now and unable to submit the necessary proofs in January, tax will be recalculated and will be deducted in February and March.
5. **It is recommended that you exercise utmost care and caution while declaring your Income tax declaration, incorrect/false declaration will lead to incorrect deduction of income tax.**
6. Actual investment proofs needs to be submitted in January, for which detailed communication with process and steps will be sent in January.

II. House rent allowance (HRA): -

Guidelines for declaring the rent and the requisites to avail the HRA exemption.

1. You need to select your base office location i. e BBY, BLR, Chennai, HYD, under Location indicator.
2. Update the monthly rent. Total amount of rent paid will be shown under House Rent Paid (Annual Amount)
3. HRA exemption is allowed only for the rent paid by the member for the stay in a rented house, it is compulsory that rent receipts should be from the city in which you work.
4. For new joiners (joining CGI during the current financial year), rent paid or payable for the period prior to date of joining shall not be eligible for exemption.

Proofs required for availing the HRA exemption. (detailed communication will be sent in January)

5. Consolidated rent receipt generated from the IDF tool and signed by the land lord should be submitted in January as actual proof. Monthly rent receipt and rent receipt in any other format will not be considered.
6. Where monthly rent exceeds 8,300/-, following documents are mandatory:
 - a. Copy of the latest Rental Agreement renewed during the financial year need so to be submitted. If rental agreement was renewed during the year, you are required to submit copy of previous rental agreement as well.



- b. Rent receipts up to the date of submission of claim, if you are staying in the same house till March 2020, enter the rent amount till March 2020 while generating the rent receipt.
 - c. It is mandatory to submit the copy of PAN Card of the landlord. Where landlord does not have PAN, it is suggested to restrict the rent to Rs.8300. Declaration for non-submission of PAN will not be considered.
7. Where monthly rent is less than 8,300/- but greater than 3,000/-, following documents are mandatory:
 - a. Latest Rental Agreement renewed during the financial year. If rental agreement was renewed during the year, you are required to submit copy of previous rental agreement as well.
 - b. Rent receipts up to the date of submission of claim, if you are staying in the same house till March 2020, enter the rent amount till March 2020 while generating the rent receipt.
8. Where monthly rent is less 3,000/-, Members need to submit Rent receipts up to the date of submission of claim, if you are staying in the same house till March 2020, enter the rent amount till March 2020 while generating the rent receipt.
9. Rent agreement should be in standard format on the stamp paper/e-stamp paper franked and registered (*where applicable under state regulations*).
10. If rent agreement is only Rs. 2 stamp paper without franking done or on a plain paper or without adequate details or without signatures will not be considered for providing the HRA exemption.
11. If the rent agreement is altered or fabricated by converting word to PDF document, it will be considered incorrect document and the same will be rejected.
12. If the rental agreement is in multiple names it is required to submit the rent receipt applicable for your portion of rent paid only.
13. It is mandatory that rent agreement should be in the name of the member claiming the HRA exemption.
14. HRA exemption is not allowed if the residential accommodation is owned by the member, and does not actually incur expenditure on payment of rent.
15. Please ensure that you enter the HRA details and click on Update and Generate Rent receipt before you submit the IDF. Once you submit the IDF you will not be able to modify the details. Click on generate rent receipt to generate the rent receipt in PDF format, which should be signed by the landlord.
16. Amount paid to PG accommodation which does not conform to above requirements is not allowed for HRA exemption.



III. Process of declaration and proofs required for availing the deductions under Chapter VI A (Section 80C to 80U):

List of exemptions grouped under section 80C to 80CCC restricted to maximum of Rs.1.5 lakhs: (Including your Provident Fund Contribution)

You can find each of the categories below under income tax declaration where the annual amount payable needs to be declared.

1. Life insurance Premium:-

Eligibility: Life insurance premium paid for self, spouse and children is eligible for deduction. Late payment fee is not eligible for deduction. If any accidental insurance is paid for self and family, is not eligible for exemption.

Proofs required: Copy of premium paid certificate or premium paid receipt should be submitted. Proposal deposit receipt or submission of insurance bond as proof of payment will not be considered.

2. Public Provident Fund (PPF):-

Eligibility: PPF paid in the name of self, spouse and children are eligible for deduction.

Proofs required: Copy of updated passbook along with the first page of the passbook where the name and PPF account details are mentioned. In case of online PPF account, submit the PPF account statement or PPF e-receipt in which PPF account details clearly mentioned. Only submission of online statement or receipt without PPF account details will not be considered. If the PPF account is maintained with Post office, copy of the first page of the passbook with transactions made during the financial year needs to be submitted. Only copy of the paid challan will not be accepted as IT proof.

3. United Linked Insurance Plan (ULIP):-

Eligibility: ULIP paid in the name of self, spouse and children are eligible for deduction.

Proofs required: Copy of ULIP Statement, premium paid certificate should be submitted.

4. Deposit in National Saving Scheme (NSC) :-

Eligibility: Deposit in NSC should be in the name of the member only.

Proofs required: Copy of the NSC certificate with details of name and address duly signed and sealed by the post office.

5. Interest on NSC reinvested up to five completed years: -

Eligibility: NSC invested during the last five years only in the name of the member is allowed. Interest earned on NSC will be considered as other income for computation of tax and also for exemption under section 80C.



Proofs required: Copy of the NSC certificate with details of name and address duly signed and sealed by the post office.

6. Repayment of Housing Loan Principal:-

- Eligibility:**
1. Principal on housing loan is allowed only after the property is occupied.
 2. If the house property and loan is in joint name and principal is claimed by both, it is required to declare the amount claimed by you.
 3. HRA and principal cannot be claimed for the same property.
 4. HRA and principal cannot be claimed if the property is in the same city.
 5. Principal paid on housing loan taken for purchase of site/land is not eligible for deduction.

- Proofs required:**
1. It is preferred that copy of housing loan provisional certificate with seal & signature from the borrowing authority (bank or financial institution) is required.
 2. Provisional housing loan certificate downloaded online can also be submitted.
 3. It is mandatory to upload the scanned copy of sale deed if the housing loan or property is in joint name. It is applicable even if the co-applicant name is appearing in the interest certificate.
 4. If the property is occupied during the financial year, copy of the occupation certificate issued by the builder or municipal authority or electricity bill needs to be submitted.

7. Stamp duty and registration fees paid for house property :-

- Eligibility:**
1. Stamp duty and registration fees paid for transfer of house property.
 2. If the house property is registered during this FY stamp duty and registration fees paid can be claimed under section 80C.
 3. It is mandatory that registration fees paid receipt should be in the name of the member to claim the exemption. If it is in the name of the vendor or in any other name it will not be considered for providing the exemption.

Proofs required: For claiming the stamp duty and registration fees, copy of the sale deed wherein the stamp duty is mentioned along with the receipt for the stamp duty paid.

8. Fixed Deposits in scheduled bank:-

Eligibility: Fixed deposits made in the name of the member in scheduled banks are only allowed. Fixed deposit should be for a minimum period of five years under the tax saving scheme. In case of joint deposit the member has to be the first depositor for claiming the exemption.

Proofs required: Copy of the fixed deposit certificate duly sealed and signed by the bank. If the FD is made through online, copy of e-TDR Certificate or downloaded FD certificate is allowed in which it should be mentioned that it is eligible for tax exemption under 80C. If the FD is made online, only



snapshot of the payment or account statement will not be considered. Proper FD certificate with complete details should be submitted.

9. Tuition fees paid for children education:-

Eligibility: 1. Only tuition fees paid for the education for a maximum of two children are allowed. Development fees, donations, bus fees or payment of similar nature will be disallowed. The deduction is available for full time course only. Fees paid for private tuitions, coaching courses for admission to professional courses or any other type of courses are not allowed.

2. It is mandatory to enter the details of the children under Myinfo in Finance portal in order to select the children names in IDF.

Proofs required: Copy of the fees paid receipt with seal and signature from the school. If the fees are directly deposited in the bank, student copy of the counterfoil with seal and signature from the bank is required.

10. Mutual Funds/ Equity linked savings scheme (ELSS):-

Eligibility: Investments made only in the name of the member in mutual funds and ELSS are allowed. These are disallowed in case of lock in period having less than 3 years.

Proofs required: Copy of certificate or statement of mutual fund invested, qualifying for tax saving under section 80c are only allowed.

11. Fixed Deposits in Post office:-

Eligibility: Fixed deposits made in the name of the member in the post office are only allowed. Fixed deposit should be minimum for the period of five years under the tax saving scheme. In case of joint deposit the member has to be the first depositor. Monthly saving schemes or Recurring deposit (RD) in post office are not allowed.

Proofs required: Copy of the fixed deposit certificate duly sealed and signed by the bank. Mere counterfoil or deposit receipt will not be considered as proofs.

12. Sukanya Samriddhi Account Scheme :-

Eligibility: Amount deposited by the parent in a bank or Post office under the notified deposit scheme of *Sukanya Samriddhi Account Scheme* during the FY by the individual in the name of a girl child. Name of the member claiming the exemption should be appearing in the account statement for availing the deduction.

Proofs required: Copy of the account statement for the FY duly sealed and signed by the bank/post office. Statement should have complete details about the scheme and details of the girl child and member name who is claiming the exemptions should be mentioned. Mere counterfoil or deposit receipt will not be considered as proofs.



13. Contribution to pension fund (Section 80CCC):-

Eligibility: Amount invested in pension policy duly approved by IRDA is allowed. Amount invested in Atal Pension Yojana needs to be claimed under this section.

Proofs required: Copy of premium paid certificate or premium paid receipt are required.

14. National Pension Scheme (Section 80CCD) and Atal Pension Yojana:-

Eligibility: 1. 80 CCD (1) Eligible for tax deduction up to 10% of basic salary maximum of Rs.1,50,000 amount invested in National Pension Scheme duly approved by IRDA.

2. Additional deduction up to Rs.50,000 is allowed towards the contribution to NPS under section 80 CCD (1B).

3. Amount paid towards Atal Pension Yojana is eligible for exemption under this section up to Rs.50,000.

4. 80 CCD (2) Amount contributed by the employer towards NPS (declared under FBP declaration). If you have declared NPS under FBP declaration **no need to declare it under IDF or submit any proofs for the same**, it is already reduced from your taxable income for computation of income tax.

Proofs required: Copy of statement of voluntary contribution under National Pension Scheme received from the bank or downloaded from the online <https://cra-nsdl.com/CRA/> for the FY. Certificate should contain all the relevant details about the payment of NPS during the FY.

15. Medical Insurance premium (Section 80D):-

Eligibility: 1. Exemption is restricted to actual premium paid or Rs.25,000/- per annum whichever is less for self and family aged below 60 years.

2. Additional benefit of 25,000/- per annum is allowed in case of premium paid for the parents below 60 years and Rs.50,000/- per annum in case of parents above 60 years (Senior citizens).

3. If the medical insurance deducted through salary you can declare it under income tax declaration now, even if you do not declare, Payroll team will provide the exemption based upon the input received from Medical insurance team in February.

4. Premium paid for the medical insurance for in-laws are not allowed.

5. Premium paid by cash is not eligible for deduction.

6. An aggregate amount paid towards preventive health checkup for self, spouse, dependent children and parents is allowed as deduction up to maximum limit Rs.5000.

Proofs required: 1. Copy of medical insurance policy and premium paid receipt is required.

2. Proofs are not required if medical insurance for the parents facilitated by the company and premium is recovered from salary. Payroll Team will provide the exemption based upon the input received from Medical Insurance team.



3. For claiming deduction towards preventive health check original health checkup bills issued from medical institution having the names of the family members clearly mentioned in the bill should be submitted along with IDF.

16. Medical treatment of handicapped dependents (Section 80DD) :-

Eligibility: 1. Expenditures incurred for the medical treatment, training or rehabilitation, including amount spent for nursing of handicapped dependent qualify for a tax deduction.

2. Deduction is restricted to Rs.75000/- if the severity of the disability is less than or equal to 80%. If the severity of the disability is greater than 80% exemption amount is restricted to Rs.125000/-

3. Disability includes blindness and vision problems, leprosy-cured, hearing impairment, loco motor disability, mental retardation.

4. Deduction can be claimed for spouse, children, dependent parents, in case dependents have not claimed any deduction for their disability.

5. If the member is already receiving any reimbursement for the treatment from an insurance company, deduction cannot be claimed under this section. If the member is receiving partial reimbursement, only the balance can be claimed under this section.

Proofs required: 1. Form 10 – IA (specified format by the IT department) duly sealed and signed by the medical authority (i.e Govt Hospital or any hospital or institution specified by the notification by the appropriate Government for the purpose of the Persons with Disabilities), if the disability needs reassessment fresh certificate obtained in FY 2019-20 needs to be submitted.

2. It is mandatory certificate is complete in all respect, i.e it should have all the details like certificate no, name and age of the patient, type of disability along with the name, address, whether disability reassessment required or not, with clearly mentioning the percentage of disability, registration number & qualification and contact details of the specialist issuing the certificate should be mentioned in the Form 10 IA certificate. If the certificate is incomplete or any of the above information is missing deduction will be rejected.

17. Medical treatment of specified Disease (Section 80DDB):-

Eligibility: 1. Expenditures incurred for the medical treatment for specified diseases.

2. Deduction is restricted to Rs.40000/- in case of senior citizens Rs.60000/-

3. Expenditure incurred for medical treatment of self or dependent spouse, children, dependent parents. Original medical bills along with the copy of the prescription are to be submitted along with IDF to claim the tax benefit.

4. Deduction can be claimed for self, spouse, children, dependent parents and siblings in case dependents have not claimed any deduction for their disability.

5. If the medical expenditure incurred is covered by insurance company or reimbursed by Insurance company should be reduced for claiming under this section. i.e if you are already receiving any reimbursement for the treatment from your insurance company or employer, deductions cannot be claimed. If you are receiving partial reimbursement, the balance amount can be used for deduction.



6. It is mandatory certificate is complete in all respect, i.e it should have all the details like certificate no, name and age of the patient, type of ailment/disease along with the name, address, whether disease requires reassessment or not, registration number & qualification and contact details of the specialist issuing the certificate should be mentioned in the Form 10 IA or in the specified format or certificate. If the certificate is incomplete or any of the above information is missing deduction will be rejected.

5. Specified Diseases ailment under rule 11DD are i)Neurological diseases ii) Malignant Cancers iii) Full blown acquired immuno-deficiency syndrome iv)Chronic renal failure and v) Hematological disorder. Refer the drop down in IDF for details disease.

Proofs required: 1. Form 10 – IA (specified format by the IT department) duly sealed and signed by a competent medical authority in a Government Hospital or Central / State Government issued for the current financial year **2019-20**.

2. Original medical bills along with the copy of the prescription needs to be submitted along with IDF to get the tax benefit.

18. Interest on loan taken for higher education (Section 80E) :-

Eligibility: 1. Loan taken for the sole purpose of higher education for self, spouse and children.

2. “Higher education” means any course of study pursued after passing the Senior Secondary Examination or its equivalent from any school, board or university recognized by the Central Government or State Government or local authority or by any other authority authorized by the Central Government or State Government.

3. Education loans taken only for full time courses are allowed.

4. Education loan should have been availed by the member only.

5. Principal paid on education loan is not allowed.

6. Exemption is available for a total of 8 years starting from the year of loan availed.

Proofs required: 1. Copy interest paid certificate with clear bifurcation of interest and principal duly sealed and signed by the bank.

2. Interest certificate should reveal the purpose of loan as “Education Loan”.

3. Submitting only the bank statement as repayment of education loan will not be considered.

19. Deduction in respect of a person with disability (Section 80U) :-

Eligibility: 1. Member with disability will qualify for a tax deduction by submitting specified certificate from the competent medical authority.

2. Deduction is restricted to Rs.75000/- if the severity of the disability is less than or equal to 80%. If the severity of the disability is greater than 80% exemption amount is restricted to Rs.125000/-.

Proofs required: Form 10 – IA (specified format by the IT department rule 11 A(1)) duly sealed and signed by the competent medical authority in a Government Hospital or Central / State Government



Medical Board is required. In case of disability being temporary and requires a reassessment, a certificate issued for the FY 2019-20 should be submitted.

It is mandatory certificate is complete in all respect, i.e it should have all the details like certificate no, name and age of the member, type of disability along with the name, address, whether disability requires reassessment or not, registration number & qualification and contact details of the specialist issuing the certificate should be mentioned in the Form 10 IA or in the specified format or certificate. It is suggested to get fresh certificate for the FY 2019-20 if the existing certificate is very old which does not have the above information. If the certificate is incomplete or any of the above information is missing deduction will be rejected.

IV. Deduction under section 24 Income or loss from house property over all limit for the FY is Rs.200000/- :-

General points to be noted for claiming the Principal and interest on house property: -

1. It is mandatory that member should be the registered owner of the property.
2. It is mandatory that loan should be in the name of the member.
3. Either HRA or interest on self-occupied property will be allowed if the property is in the same city.
4. Only being a co-applicant of the loan will not suffice for claiming the exemption unless he/she is the registered co-owner of the property.
5. It is mandatory to upload the scanned copy of the registered sale deed if the housing loan or house property is in joint name. It is applicable even if the co-applicant name is appearing in the interest certificate.
6. In case joint owner of the property and loan taken jointly the ratio of claim has to be declared in the declaration.
7. Loan taken for the purchase of site/land are not allowed.

1. Interest paid on self-occupied property maximum of Rs.2,00,000/- (Section 24):-

Eligibility: 1. Interest on self-occupied property is allowed only if the property is occupied. Pre-EMI interest can be claimed, provided that house property is self-occupied during the financial year.

2. HRA and interest on self-occupied property cannot be claimed in the same city.

3. Interest on self-occupied property can be claimed for only one house property.

4. Pre-EMI interest can be claimed over a period of 5 years in equal installments starting from the year of occupation of the house property. Example: Pre EMI interest paid up to June 19 is Rs.200000 and house property is occupied in July 19. Total interest payable from July 19 to Mar 20 is Rs. 100000. You can divide Rs.200000 in five equal installments i.e Rs.40000 each installment and it can be claimed along with Rs.100000. You can claim Rs.100000 + Rs.40000 during the FY 2019-20.



5. If the house property and loan is in joint name (even the co-applicant name is mentioned in the housing loan certificate) and interest is claimed by both, it is required to declare only the amount claimed by you i.e amount which you are entitled to claim.

6. Interest paid on loan taken for purchase of site/land is not eligible for deduction.

Proofs required: 1. It is preferred that copy of housing loan provisional certificate with seal & signature from the borrowing authority (bank or financial institution) is required.

2. Provisional certificate downloaded online can also be submitted.

3. If you are claiming the pre EMI interest it is mandatory to submit the provisional interest certificates for the previous years as well. You can provide the calculation in a separate sheet which helps the auditors to validate the total amount claimed.

4. It is mandatory to upload the scanned copy of the registered sale deed if the housing loan or house property is in joint name. It is applicable even if the co-applicant name is appearing in the interest certificate. If the sale deed is more than eight pages, then upload the first four and last four pages of the sale deed.

5. If the property is occupied during the financial year, copy of the possession or occupation certificate issued by the builder or municipal authority or electricity bill or any other document is required to substantiate the possession of the house property.

2. Income or Loss from let out property maximum of Rs.2,00,000/- (Section 24) : -

Eligibility: 1. Effective from FY 2017-18 interest on let out property is restricted to Rs.200000 per annum, only if the property is occupied.

2. You can calculate the Income or Loss from let out property from the excel sheet available in folklore payroll before the declaration.

2. Pre-EMI interest can be claimed, provided that house property is self-occupied during the financial year. Pre-EMI interest can be claimed over a period of 5 years in equal installments starting from the year of occupation of the house property. Example: Pre EMI interest paid up to June 19 is Rs.200000 and house property is occupied in July 19. Total interest payable from July 19 to Mar 20 is Rs. 100000. You can divide Rs.200000 in five equal installments i.e Rs.40000 each installment and it can be claimed along with Rs.100000. You can claim Rs.100000 + Rs.40000 during the FY 19-20.

3. If you are claiming the pre EMI interest it is mandatory to submit the provisional interest certificates for the previous years as well. You can provide the calculation in a separate sheet which helps the auditors to validate the total amount claimed.

4. If the house property and loan is in joint name and interest is claimed by both, it is required to declare the amount claimed by you i.e amount which you are entitled to claim.

5. Rent declared should be in accordance with the fair rent in the municipal area where the house is located.



- Proofs required: 1. It is preferred that copy of housing loan provisional certificate with seal & signature from the borrowing authority (bank or financial institution) is required.
2. Provisional certificate is downloaded online can also be submitted.
3. It is mandatory to upload the scanned copy of the registered sale deed if the housing loan or house property is in joint name. It is applicable even if the co-applicant name is appearing in the interest certificate.
4. If the property is occupied during the financial year copy of the possession or occupation certificate issued by the builder or municipal authority or electricity bill is required or any other document to substantiate the possession of the house property.
5. It is mandatory to submit the scanned copy of the recent Rent agreement entered with the tenant of the let out property, failing which deduction will not be allowed.
6. It is mandatory submit the municipal tax paid receipt.

V. Previous employment income:-

- Applicability: - 1. Applicable for members who has joined after 1st of April 2019.
2. Members who had worked in previous organization and received income, needs to declare the income from the previous organization with CGI, by submitting the income tax statement or form 16 from the previous organization.
3. Member needs to update the total gross taxable income after Sec 10 exemption before the profession tax needs to be declared. Professional tax deducted by the previous employer, provident fund and income tax deducted needs to be declared. These details will be considered for computing the tax liability and tax will be deducted accordingly.
- Proofs required: 1. It is required to submit the form 16 or the signed Tax computation sheet from the previous employer.
2. All investment proofs submitted to previous employer is required to be resubmitted as per the process mentioned above.