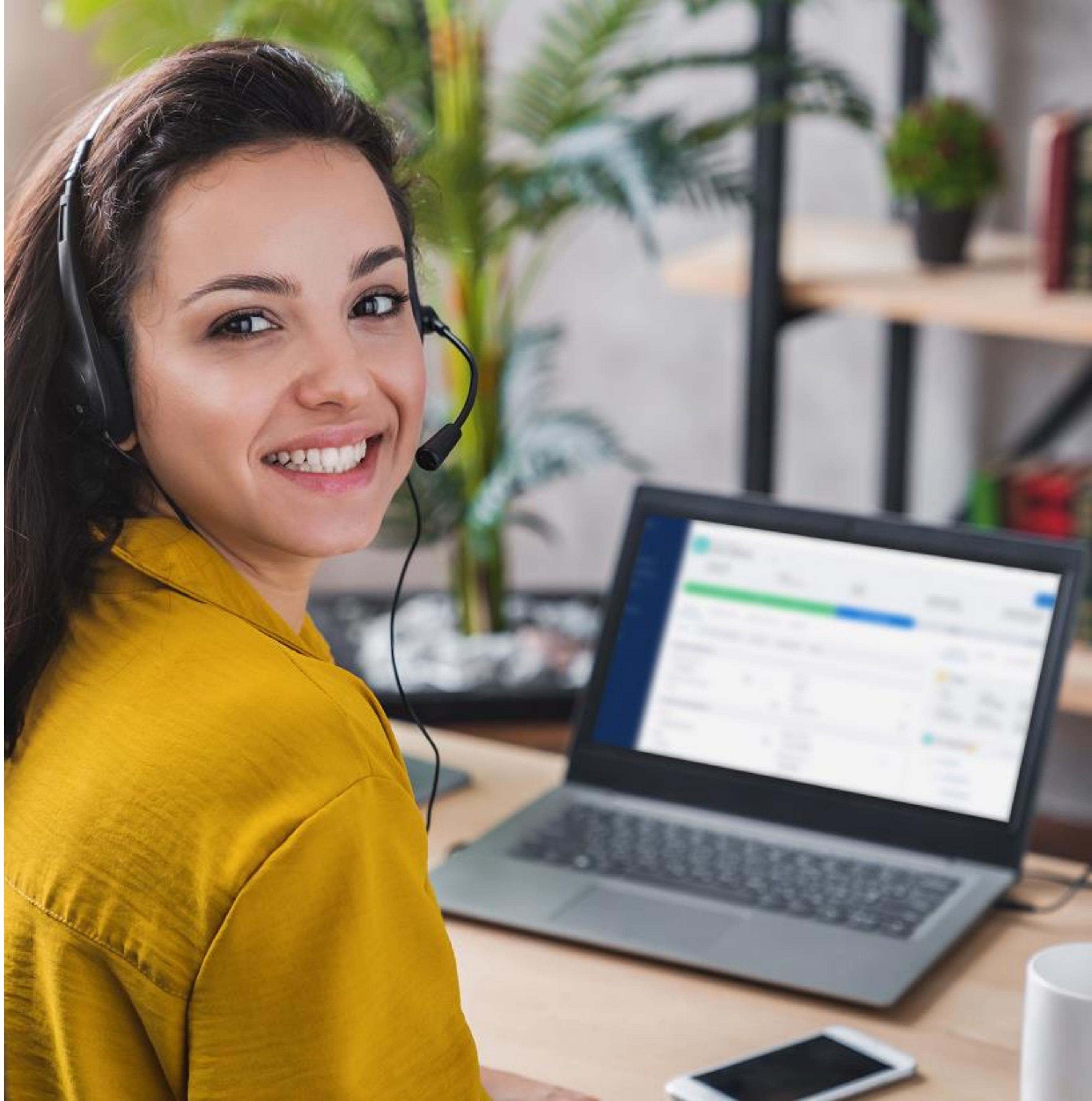
Optum

Tax Proof Submission Guideline

FY 2022-2023



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Tax Slabs and Exemptions / Deductions

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Rate of Tax		
Annual Taxable Income	**Old Regime**	**New Regime**
Up to INR 2.50,000	0%	0%
INR 250,001 – INR 500,000	5%	5%
INR 500,001 – INR 750,000	20%	10%
INR 750,001 – INR 1,000,000	20%	15%
INR 1,000,001 – INR 1,250.000	30%	20%
INR 1,250,001 – INR 1,500,000	30%	25%
More than INR 1,500,000	30%	30%

Surcharge & Education Cess	
Annual Taxable Income	**Surcharge**
Up to INR 50 Lakhs	0%
INR 50 Lakhs – INR 1 Crore	10%
INR 1 Crore – INR 2 Crores	15%
INR 2 Crores – INR 5 Crores	25%
More than INR 5 Crores	37%
• **Health & Education Cess will be charged at the rate of 4% on tax liability and surcharge**	

Particulars	Description
Rebate u/s 87A	• Tax rebate of up to INR 12,500 is available for taxable income up to INR 5 lakhs. Therefore, if taxable income is less than or equal to INR 5 lakhs, net tax liability for the year will be NIL. • Rebate under Sec 87A is available under both Old and New Tax Rate Regime.
Exemptions/ Deductions	• Maximum eligible deduction u/s 80C, 80CCC & 80CCD(1) is INR 150,000/-. Employee contribution to Provident Fund (PF) and Voluntary Provident Fund (VPF) is part of this limit. • In addition to above, you can also claim deduction under Sec 80CCD(1B), Sec 80D, Sec 80DD, Sec 80DDB, Sec 80E and Sec 80U subject to fulfillment of eligibility criteria defined for each of these deductions. Refer details in following pages. • You are not required to submit any proof document for deductions made through salary like PF, VPF, NPS, Mediclaim Top-Up Premium, etc. • As per the Income Tax Act, tax deduction under Section 80G for donation to eligible charitable organization/s can not be provided by the employer. However, you can claim the deduction in your personal tax return.

New Tax Rate Regime (Optional)

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- The Finance Act, 2020, introduced a new optional tax rate regime wherein a taxpayer, being an individual or a Hindu Undivided Family (HUF), could pay taxes at a concessional rate if they forego specified exemptions/deductions and set-off of losses.
- Exemptions/deductions and set-off of losses which one need to forego to opt for new tax regime include INR 50K Standard Deduction, HRA Exemption, LTA Exemption, Sodexo Meal Voucher Exemption, INR 150K deduction under Sec 80C, most of the other Chapter VIA deductions and set-off of Loss from House Property with salary income.
- The new tax rate regime provides for concessional tax rate vis-à-vis tax rates in existing or old tax rate regime. Further, as most of the exemptions and deductions are not available, the documentation requirement is lesser and tax filing is simpler.
- At the beginning of each financial year, employees are required to decide which tax rate regime they would like to follow and declare the same on payroll self-service portal. Accordingly, tax will be computed and deducted from salary month on month.
- New tax rate regime may not always be beneficial due to exclusion of exemptions/deductions. Therefore, you should carefully evaluate which option is beneficial for you. Tax comparison utility is available on payroll self-service portal. Also available on official website of Income Tax Department.
- Option to change the tax rate regime in between the financial year is not available. Which means if you have opted for New Tax Rate Regime in the beginning of the year, you will not be able to change it to Old Tax Rate Regime later and vice versa. However, you will have the option to change it at the time of filling of your personal tax return.

If you have opted for tax deduction under New Tax Rate Regime, you are not eligible to claim any such exemption/deduction from tax which require submission of investment detail and proof documents to employer. You are only required to submit details of previous employment income in case you have joined UHG/Optum during current financial year.

Following pages in this document, except Page# 8, is relevant only for those who opted for Old Tax Rate Regime in the beginning of the financial year.

General Guidelines

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Tax Computation & Deduction in Payroll

- During the first TEN months of the financial year, i.e., April to January, income tax liability is computed basis the investment declaration you submit on Payroll Self-Service Portal.
- Declaration should be made basis estimated amount of investment you plan to make during the year. One should avoid making false declaration to defer the tax deduction to later part of the year.
- During the months of December/January we conduct “Tax Proof Submission & validation” activity. This is the time to prove that you made those promised investments.
- Tax computation in February & March month payroll is done basis actual investments made by you and tax is deducted from salary accordingly. If you do not submit the require proof documents for declared investments, higher tax will be deducted from your salary during these months.

Tax Proof Submission

- Read the guidelines and communications carefully to gain understanding of exemptions/deductions available to you and documents required to be submitted to claim those exemptions/deductions.
- Do not wait till last date of the submission activity. Submit your actual investment detail and proof documents early on Payroll Self-Service Portal to avoid last minute rush.
- Ensure that all required documents are submitted to avoid rejections.
- Submit your investment details and proof documents within the window provided for this activity.
- Retain a copy of all tax proof documents with you for future reference.

Disclaimer: Definition, eligibility and other details for exemptions/deductions available as per various sections of The Income Tax Act, 1961 has been explained in this document basis our understanding and interpretation of the act. Purpose of this document is to help you with basic terms and conditions to be eligible to claim these exemptions/deductions and to share list of documents required to be submitted to claim these exemptions/deductions as per the company policy/rule. Please consult your personal tax advisor before making any investment decision.

Tax Proof Document Collection and Validation Process

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- **Tax proof collection activity will start in the beginning of December month and employees will be given four weeks time to submit actual investment detail and supporting documents required to claim the same on Payroll Self Service Portal. Plan your actual investment accordingly.**

- Carefully read the guidelines and take note of documents required for each type of expenditure /investment eligible for deduction from tax. Helpdesk module on Payroll Self Service Portal will be available for entire duration of tax proof submission activity. If you have any query/concern, get it clarified before submitting the documents.

- **Last date for tax proof submission activity will not be extended for any reason.** This is to ensure adequate time for validation of claims submitted. New joiners of the months of January and February will be able to submit their investment details in their month of joining. All new joiners of March month may not get this opportunity; however, they can claim exemption/deduction at the time of filing their tax return.

- Before deduction of tax in February payroll, basis actual investment made by the employee, provisional tax slip will be made available on Payroll Self Service Portal. Employees will also be able to see which of their claims have been approved or rejected and for what reason.

- One week time will be provided to employees to review their provisional tax slip and raise query/concern, if any. **If claim made by the employee was rejected for non-submission of required document or the document submitted was not appropriate, such employees may not get another opportunity to submit additional documents or revise their submission.** However, they will be able to claim such exemption/ deduction at the time of filing of their personal income tax return.

- **Another round of validation will be done independent of the validation done by the payroll service provider. Any incomplete or incorrect claim will be rejected, though approved earlier.**

Submission of fake/fraudulent documents may lead to disciplinary action, including but not limited to termination of employment and financial penalty in case tax and/or other concerned authorities impose any penalty on UHG due to fake/fraudulent claim submitted by you.

Previous Employment Income

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Overview	It is mandatory for every new hire during the current financial year to provide details of previous employment income to his/her current employer. This is to enable current employer to compute accurate tax liability and withhold tax accordingly from salary income.

Guidelines	• You are mandatorily required to submit Previous Employment Income, if during the current financial year (April – March)
	    • You were employed by any other organization before joining UHG/Optum; and
	    • You have been transferred to an UHG entity in India from any other UHG entity outside India
	• During current financial year, if you were not employed before joining UHG/Optum OR you have not earned any income, please submit Form 12B with NIL income. Tax computation sheet is not required in this case.
	• **In case tax regime selected by you at Optum/ UHG is not same as tax regime exercised during your previous employment, we will change your tax regime to same as tax regime exercised during your previous employment and tax proof documents will be validated accordingly.**
	• **In case you have not submitted previous employment income detail along with required documents, none of the other tax exemption or deduction will be considered in your case, including Standard Deduction of INR 50K.**

Documents Required	• Dully filled and signed **Form 12B**. • **Tax Computation Statement** received from previous employer along with full & final settlement.

Sec 10(13A): House Rent Allowance (HRA) Exemption

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Overview	• HRA Exemption is available to an employee, if he/she has actually incurred expenditure on payment of rent for residential accommodation occupied by him/her.
	• As per the Income Tax Rules, HRA exemption will be the least of the below:
	  ▪ Actual HRA received
	  ▪ Rent paid in excess of 10% of Basic Salary
	  ▪ 50% (Metro Cities) OR 40% (Other Cities) of Basic Salary

Guidelines	• Rent receipt should mandatorily have details like (a) Name of Tenant; (b) Address of House; (c) Rent Amount; (d) Period for which rent is paid; (e) PAN of landlord & (f) Signature of landlord. • Revenue stamp should be affixed on all rent receipts (Except Karnataka state) • Rent agreement should be in the name of the employee. • Rent agreement should necessarily cover the period for which exemption is being claimed. • If rent and maintenance is mentioned separately in the agreement, only rent will be considered for HRA exemption. • Rent should be paid in any mode other than cash. Cash payment is not eligible for exemption. • Employee is liable to withhold tax @ 5% if monthly rent is more than INR 50,000 and remit the same to the concerned authority. Employer will not be responsible for any non-compliance to this rule.
Documents Required	• Duly executed **lease agreement** for the period exemption is being claimed • **Rent receipts** for the period exemption is being claimed • **PAN card copy** of the house owner/s if monthly rent is INR 8,333 or more • If you are claiming both HRA Exemption and Loss from Self-Occupied House Property, submit declaration for the same. Self-occupied house property should not be in the city of your work. • **If asked for, you will be required to submit documentary evidence to prove that rent was paid using a mode other than cash.**

Sec 24: Deductions From Income From House Property

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Overview	• Below deductions are allowed from income chargeable under the head "Income From House Property" : I. Standard Deduction @ 30% of Net Annual Value (Annual Rent *minus* Municipal Taxes Paid) II. Interest payable on loan taken for purchase/construction/renovation of the house property • **You must be the <u>owner of the house property</u> and the <u>borrower of the loan</u> for the said property. You can not claim this benefit if you are only the owner or the borrower. You may be a co-owner or a co-borrower.** • The joint owners, who are also co-borrowers, can claim the deduction in ratio of their share in the property. • If you own more than one self-occupied house property, maximum TWO house properties will be considered as Self-Occupied and remaining houses will be considered as Let-Out for the purpose of Income Tax.
Guidelines	• Deduction for the interest paid on housing loan during the financial year can be claimed only **after taking possession OR completion of construction of property**. • Interest paid on housing loan for the period prior to the financial year in which the housing property has been acquired or constructed, can be claimed as deduction in FIVE immediately succeeding financial years in equal installments starting from the financial year in which house property was acquired or constructed. • **Self-Occupied House Property:** ➢ Maximum INR 200,000 can be claimed as deduction for interest paid on home loan during a financial year, subject to fulfillment of below three conditions: I. Loan was borrowed for the purpose of purchase/construction of new house property. II. Loan was borrowed on or after 1st day of April,1999. III. Purchase or construction of the property was completed within 5 years from the end of the financial year in which loan was borrowed. ➢ If any of the above conditions stands unsatisfied, deduction on interest is limited to INR 30,000

Sec 24: Deductions From Income From House Property

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Guidelines	• **Let-Out House Property:** ➢ Actual amount of interest paid during the year can be claimed as deduction. However, set-off of loss from house property with salary income has been restricted to INR 2 lakhs during one financial year. ➢ Balance amount of loss from let-out house property can be carried forward to eight succeeding years and can be set-off against income of those years. • Above limits are inclusive of one-fifth of the pre-construction period interest claimed during current year. • In case of self-occupied house, the annual rental value is NIL. Therefore, any municipal taxes paid will not be allowed & standard deduction will also be NIL. • Limit of INR 2 Lakh for set-off of loss from house property with salary income is the annual limit for all house properties (self-occupied & let-out) owned by an individual.
Documents Required	• **Provisional Certificate** issued by the lender of home loan, giving break up of Principal Repayment and Interest payment during the current financial year. **Provisional certificate should not be more than 30 days old from the start date of Investment Proof Collection activity.** • **Proof of Possession:** Copy of possession letter /registration document / utility bills /house tax receipt. **Utility bill (electricity & water bill only) should not be more than 3 months old i.e., bill date should not be prior to 1st Sep 2022 and house tax receipt should not be more than one year old.** • **Loan Sanction Letter** clearly specifying the name of barrower/s, address of the property, loan sanction date and the amount of loan sanctioned. • **Declaration:** In case house is jointly owned by two or more person and you are claiming deduction for more than your share in the property, declaration stating how much deduction which owner is claiming. Note that this declaration will be considered a valid document only if joint owner is spouse, children or parents. Note that deduction should be claimed in the proportion in which loan has been repaid by the joint owners.

Sec 80EE: Deduction for Interest Paid on Home Loan

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Overview	• In addition to the deduction of interest available under Section 24 *(see page 10 for details)*, Sec 80EE provides for additional deduction from tax for interest paid on home loan to first time home buyers. • Deduction under Sec 80EE can only be claimed for interest paid on loan taken for **purchase of a Residential House Property**. Deduction is not available for interest paid on loan taken for construction of a residential house property or for purchase/construction of a commercial property. • Deduction is allowed up to INR 50,000 per year until the loan is repaid. In case of joint property, all house owners can claim additional deduction of INR 50,000 each.
Guidelines	• To be eligible to claim deduction under Sec 80EE, taxpayer should satisfy below conditions: I. Loan should have been taken from a financial institution (Bank or Housing Finance Company) II. Loan was taken for the purpose of purchase of a residential house property III. The stamp duty value of the house property does not exceed INR 50 lakhs IV. Loan was sanctioned during the period from 1st April 2016 till 31st March 2017 V. Amount of loan sanctioned does not exceed INR 35 lakhs VI. The taxpayer does not own any other residential house property as on the date of sanction of loan. • If you satisfy the above conditions, you can claim deduction on account of interest paid on housing loan under Sec 24 and Sec 80EE both. First, exhaust your deductible limit under Sec 24 which is INR 2 lakhs. Then claim the balance amount of interest under Sec 80EE up to maximum limit of INR 50,000/-
Documents Required	• All documents required to be submitted to claim deduction under Sec 24 *(see page 11 for details)* • Copy of the **stamp duty and registration document** of the house property • **Declaration** stating that loan was taken for the purpose of purchase of a residential house property, and you do not own any other residential house property as on the date of sanction of the loan.

Sec 80EEA: Deduction for Interest on Loan for Affordable House Property

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Overview	• In addition to deduction of interest available under Section 24 *(see page 10 for details)*, Sec 80EEA provides for additional deduction from tax for interest paid on home loan to first time home buyers. • Deduction under Sec 80EEA can only be claimed for interest paid on loan taken for **purchase of a Residential House Property**. Deduction is not available for interest paid on loan taken for construction of a residential house property or for purchase/construction of a commercial property. • Deduction is allowed up to INR 150,000 per year until the loan is repaid. In case of joint property, all house owners can claim additional deduction of INR 150,000 each.
Guidelines	• To be eligible to claim deduction under Sec 80EEA, taxpayer should satisfy below conditions: I. The taxpayer is not claiming deduction under Sec 80EE II. Loan should have been taken from a financial institution III. Loan was taken for the purpose of purchase of a residential house property IV. The stamp duty value of the house property does not exceed INR 45 lakhs V. Loan was sanctioned during the period from 1st April 2019 till 31st March 2022 VI. Taxpayer does not own any other residential house property on the loan sanction date • Additional conditions with respect to the Carpet Area of the house property (applicable for affordable real estate projects approved on or after 1st Sep 2019) I. Carpet area of house should not exceed 60 square meter (645 square feet) in metropolitan cities of Bengaluru, Chennai, Delhi NCR, Hyderabad, Kolkata & Mumbai (Mumbai Metropolitan Region) II. Carpet area should not exceed 90 square meter (968 square feet) in any other cities/towns • If you satisfy the above conditions, you can claim deduction on account of interest paid on housing loan under Sec 24 and Sec 80EEA both. First, exhaust your deductible limit under Sec 24 which is INR 2 lakhs. Then claim the balance amount of interest under Sec 80EEA up to maximum limit of INR 150,000/-
Documents Required	• All documents required to be submitted to claim deduction under Sec 24 *(see page 11 for details)* • Copy of the **stamp duty and registration document** of the house property • **Declaration** stating that loan was taken for the purpose of purchase of a residential house property, and you do not own any other residential house property as on the date of sanction of the loan.

Sec 80C: Life Insurance Premium

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Overview	• Under section 80C, deduction is allowed in respect of premium paid for the life insurance policy taken in the name of employee and/or spouse & children of the employee. • No deduction is allowed for the premium paid in respect of life insurance policy in the name of parents or any other family member.
Guidelines	• Policy was issued on or before 31st March, 2012, annual premium should not exceed 20% of the sum insured. • Policy was issued on or after 1st April, 2012, annual premium should not exceed 10% of the sum insured. • In case of a person with disability as per Sec 80U or a person suffering from any ailment as per Sec 80DDB, if policy was taken on or after 1st April, 2013, annual premium should not exceed 15% of the sum insured. • Deduction can be claimed only for the premium actually paid during the current financial year. Deduction can not be claimed basis due date of the premium payment, if due date was on/before document submission date. • In case of delay in payment of premium, deduction can be claimed only for the premium amount paid. No deduction is allowed for late payment fees.
Documents Required	• Copy of life insurance **premium payment receipt** • Copy of life insurance **policy certificate/schedule**, if Name of the Policy Holder, Policy Issue Date & Sum Insured is not mentioned on the premium payment receipt • If you are submitting a combined premium payment certificate for more than one policy, ensure sum insured for each policy is mentioned in the premium payment certificate • In case the insurance policy is in the name of your spouse/children, submit **Joint Investment Declaration**. Note that deduction should only be claimed by the person making the premium payment from his/her taxable earnings. • If premium is due after closure of tax proof submission activity, submit premium receipt of previous year for the same period along with all receipts for premium paid for the same policy during the current year, if any.

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Sec 80C: Public Provident Fund (PPF)

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Overview	• Public Provident Fund (PPF) scheme is a long-term investment option backed by Government of India which offers safety with attractive interest rate and return on investment is fully exempted from Tax. • Investors can get the facilities such as loan, withdrawal and extension of account. • Under section 80C deduction is allowed in respect of amount deposited in Public Provident Fund (PPF) during the current financial year. • Investment can be made in the name of employee and his/her spouse & children
Guidelines	• Only a resident individual can invest in Public Provident Fund (PPF) • **Amount of Investment:** Minimum INR 500 and maximum INR 150,000 during a year • **Lock-In Period:** The PPF account matures after 15 years, but part of money can be withdrawn after 5 years subject to fulfillment of withdrawal conditions • Deduction will not be allowed basis declaration for payment on a future date.
Documents Required	• Copy of the **Passbook /Account Statement** along with the cover page showing investor's name. • **Joint Investment Declaration** if account is in name of spouse or children. Note that deduction should only be claimed by the person making the payment from his/her taxable earnings.

Sec 80C: Sukanya Samriddhi Yojna (SSY)

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Overview	• Sukanya Samriddhi Yojna is a saving scheme for parents of girl children. The scheme encourages parents to build a fund for the future education and marriage expenses for their female child • The account can be opened anytime between the birth of a girl child and the time she attains 10 years age by the parent/guardian. Only one account is allowed per child. Parents can open a maximum of two accounts for each of their children (exception allowed for twins and triplets). • Under section 80C deduction is allowed in respect of amount deposited in Sukanya Samriddhi Yojna (SSY) during the current financial year.
Guidelines	• Only a resident individual can invest in Sukanya Samriddhi Yojna (SSY) • **Amount of Investment:** Minimum INR 250 and maximum INR 150,000 during a year • **Lock-In Period:** The account allows 50% withdrawal at the age of 18 for higher education purposes. The account reaches maturity after time period of 21 years from date of opening it. Deposits in the account can be made till the completion of 15 years, from the date of the opening of the account. Pre-closure is also permitted in case of marriage of the girl child. • Deduction will not be allowed basis declaration for payment on a future date.
Documents Required	• Copy of the **Passbook /Account Statement** along with the cover page showing investor's name.

Sec 80C: Equity Linked Saving Scheme (ELSS) / Mutual Funds

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Overview]	• Equity linked saving scheme or ELSS funds is an open ended equity mutual fund that helps you save tax and provide an opportunity to grow money. These mutual funds are also known as Tax Saving Mutual Funds. • Amount invested in units of UTI or mutual funds specified under section 10(23D) of Income Tax Act, 1961 are eligible for deduction from tax under section 80C.
Guidelines	• Investment in any mutual fund scheme will not be eligible for deduction from tax u/s 80C. Deduction is available only for tax saving scheme of mutual funds. • Investment made in the name of Spouse /Child /Parents are not eligible for deduction from tax. • Tax saving mutual funds have a lock-in period of 3 years from the date of investment of each installment. • Minimum investment amount is INR 500 for a year and there is no maximum limit defined. • Deduction can be claimed only for the amount paid during the current financial year. However, in case of monthly /quarterly /half-yearly payment frequency, deduction can be claimed for contribution which is due after tax proof submission date.
Documents Required	• Copy of the **payment acknowledgement /challan /receipt** for the money invested in tax saving mutual fund. • Copy of the **mutual fund statement**. If mutual fund statement is not available, submit bank statement extract as proof of payment. • Electronic statement will be considered only if it contains details like – name of the investor, mutual fund company name, scheme name and folio number.

Sec 80C: 5 Year Tax Saving Fixed Deposit

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Overview	• Fixed Deposit is a popular investment option, in which you can deposit fixed amount of money for a specific period of time for a fixed rate of interest. • Deduction from tax is available under section 80C on 5 year fixed deposit done with bank or post office.
Guidelines	• The investment made is locked for 5 years and can't be withdrawn before the maturity date. If you break the fixed deposit before completion of the lock-in period then deduction taken will be added back to your income. • Investment made in the name of spouse/child/parents/others are not eligible for deduction from tax. • Deduction will not be allowed basis declaration for payment on a future date.
Documents Required	• Copy of **Fixed Deposit (FD) Certificate**; OR • Copy of the **Payment Challan duly acknowledged by the Bank**. • If payment is made by cheque, provide copy of bank statement showing debit of the same amount in your bank account. • FD Certificate and/or Payment Challan should clearly specify that this investment is eligible for tax benefit under section 80C of the Income Tax Act, 1961.

Sec 80C: Unit Linked Insurance Plan (ULIP)

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Overview	• Contribution for participation in Unit Linked Insurance Plan of UTI or contribution to notified Unit Linked Insurance Plan of LIC Mutual Fund is eligible for deduction from tax under section80C. • Unit Linked Insurance Plan (ULIP) is a life insurance policy cum investment option. ULIP provides risk cover along with investment options in large number of qualified investments such as stocks, mutual funds or bonds. • In most ULIPs, minimum life cover offered is 10 times of annual premium with an option to select higher cover.
Guidelines	• Investment can be made in the name of self, spouse and children. • There is no minimum or maximum limit for making investment in ULIP but the premium should not be more than 10% of the sum insured to claim the tax benefit. • Investment in ULIP has a lock-in period of 5 years. • Tax benefit is not available for payment of late fees.
Documents Required	• Copy of **premium payment receipt** • Copy of **policy certificate/schedule or account statement**, if name of the policy holder and Sum Insured is not mentioned on the premium payment receipt • In case the insurance is in the name of your spouse/children, please submit **Joint Investment Declaration**. Note that deduction should only be claimed by the person making the premium payment from his/her taxable earnings. • If premium is due after closure of tax proof submission activity, submit premium receipt of previous year for the same period along with all receipts for premium paid for the same policy during the current year, if any.

Sec 80C: Children's Tuition Fees

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Overview	• Under section 80C you can claim deduction for the payment of tuition fees of your children to any university, college, school or any other educational institution situated within India for the purpose of education. • However, the deduction would not be allowed for payment towards development fees or donation or payment of similar nature.
Guidelines	• Deduction is available for maximum up to TWO children • Deduction is available only for expenditure on full-time education of the children • Tuition Fees should have been paid to any university, college, school or any other educational institution situated within India. • Tuition fees or any other amount paid to play school or any other institution which is not for regular education, will not qualify for tax deduction. • Deduction can be claimed only for the actual amount paid during the year. • Tuition fees should be paid in any mode other than cash. Cash payment is not eligible for tax deduction.
Documents Required	• Copy of the payment receipt issued by the educational institution • Payment receipt should mandatorily have details like **Name & Address of the Educational Institute**, **Name & Class of the Student** and **Receipt No. & Date of Payment** • If claim is being submitted for tuition fees due on a future date within the current financial year, submit a declaration stating payment will be made on/before the due date. • A declaration stating your spouse is not claiming deduction for tuition fees for same children in his/her tax return. • **If asked for, you will be required to submit documentary evidence to prove that tuition fees was paid using any mode other than cash.**

Sec 80C: National Saving Certificate (NSC)

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Overview	• NSC is one of the tax-saving investment options available under Section 80C of the Income Tax Act. • NSC is a fixed income investment scheme that an Individual Indian citizen can purchase from any post office within the country. Foreign nationals or HUF can not buy NSC. • Only NSC VIII Issue is open for subscription currently. Government discontinued NSC IX issue in Dec 2015.
Guidelines	• You can invest as low as INR 1000 and there is no maximum limit for purchase of NSCs • NSCs comes with a lock-in period of 5 years and premature withdrawal is allowed in exceptional cases only • Investment made in the name of spouse/children/parents are not eligible for deduction • Interest earned on NSC during the year gets compounded and reinvested by default and hence eligible for deduction under section 80C. However, interest earned on NSC should be offered to tax and hence reported as “Income from Other Sources”. • Declaration for investment on a future date will not be considered as valid proof of investment.
Documents Required	• Copy of the National Saving Certificates (NSCs). Details like Name of the Investor, Certificate Number, Purchase Date and Certificate Value should be clearly visible in the copy of NSCs. • If you are claiming deduction for reinvestment of interest earned during current year on NSCs purchased during the previous years, submit copy of such NSCs purchased during previous years along with calculation of interest earned during the current financial year. • Declare the interest earned during the year under section “Income From Other Sources” in the tax proof submission page, if you are claiming deduction for interest reinvestment.

Sec 80C: Principal Repayment of Housing Loan

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Overview	• Deduction under Sec 80C is available for principal amount repaid during the current financial year. • Deduction shall be allowed only for the repayment of loan borrowed for the purpose of purchase or construction of house property. Principal repayment of loan borrowed for the purpose of alteration, renovation or repair doesn't qualify for claiming deduction under Section 80C. • Stamp duty and registration charges paid for house property can be claimed as deduction in the year of payment, irrespective of the fact whether any loan has been taken for this payment or not.
Guidelines	• You must be **the owner of the house property** and **the borrower of the loan** for the said property. You can not claim this benefit if you are only the owner or the borrower. You may be a co-owner or a co-borrower. • Deduction for repayment of principal can be claimed only **after the completion of construction of property**. • Loan should be taken from **financial institution** only as defined by the income tax Act, 1961. Repayment of loans borrowed from individuals doesn't qualify for deduction under 80C. • Property should not be sold before the end of 5 years from the date of possession. Otherwise, the aggregate amount of deduction till date, shall be added back in the income of the year of sale of house.
Documents Required	• **Provisional certificate** from the financial institution giving the break-up of Principal Repayment and Interest payment during the current financial year. **Provisional certificate should not be more than 30 days old from the start date of Investment Proof Collection activity.** • **Proof of Possession:** Copy of possession letter /registration document / utility bills /house tax receipt. **Utility bill (electricity & water only) should not be more than 3 months old i.e., bill generation date should not be prior to 1st Sep 2022 and house tax receipt should not be more than one year old.** • Employee name and address of the house property should be clearly visible on both the above documents. • In case house is jointly owned by two or more person and if you are claiming deduction for more than your share in the property, **declaration** stating how much deduction which owner is claiming. • If you are claiming deduction for payment of stamp duty and registration charges, **proof of payment**.

Sec 80CCC: Contribution to Pension Funds

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Overview	• Under Section 80CCC, a taxpayer can claim deduction for monetary contribution in specified pension funds. • Pension funds can be defined as an investment product that provides regular income after retirement. • These funds include the annuity plans of LIC and other funds specified u/s 10(23AAB) of the Income Tax Act.
Guidelines	• Only an individual (resident or non-resident) can claim deduction from tax under section 80CCC. • Deduction can be claimed only if the policy is in the name of the concerned individual. • Tax benefit can be availed only if you invest the money in specified funds during the relevant financial year. • Deduction can be claimed only for the investment actually made during the current financial year. • The investment must be done out of your taxable income and should not be done from any other source. • In case of delay in payment of contribution, no deduction is allowed for late payment fees.
Documents Required	• Copy of **payment receipt** for investment made in specified funds • Copy of **policy certificate/schedule**, if Name of the Policy Holder and Policy Issue Date is not mentioned on the payment receipt • If any contribution is due after closure of tax proof submission activity, submit receipt of previous year for the same period along with all receipts for contributions paid for the same policy during the current year, if any.

Sec 80CCD(1) & 80CCD(1B): Contribution to National Pension Scheme (NPS)

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Overview	• **Sec 80CCD(1):** Employee contribution in the National Pension Scheme (NPS) or the Atal Pension Yojna (APY) are allowed as deduction under Sec 80CCD(1). However total amount of deduction under Sect 80C, 80CCC & 80CCD(1) cannot exceed INR 1.5 lakhs. • **Sec 80CCD(1B):** An additional deduction of INR 50,000 can be claimed for employee contribution to National Pension Scheme under section 80CCD(1B). However, additional deduction of INR 50,000 will not be allowed in respect of same contribution which has already been considered for deduction under section 80CCD(1).
Guidelines	• Contribution to NPS can be done till the individual attains 60 years of age. • Maximum deduction allowed under section 80CCD(1) is limited to 10% of basic salary. • Contributions made in Tier I account of NPS is eligible for deduction from tax. • Contributions made in Tier II account of the NPS is not eligible for deduction from tax. • Minimum annual contribution is INR 1,000 for NPS Tier I account. There is no higher limit defined. Minimum amount per contribution is INR 500 and multiple contribution during the year is possible. • **No need to submit any declaration or proof document to claim tax deduction for contribution made through salary deduction. Deduction from tax will be provided as and when contribution is made.** • Deduction can be claimed only for actual amount already contributed in NPS Tier 1 account during the current financial year. Declaration of contribution is not sufficient. • Contributions made in name of spouse, children or any other person will not qualify for deduction from tax.
Documents Required	• Copy of **PRAN (Permanent Retirement Account Number) card** • Copy of **payment receipt** issued by the bank/post office or intermediary if contribution is paid through them. • Name, PRAN, Date of Payment & Contribution Amount should be clearly visible.

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Sec 80D: Medical Insurance & Expenditure; Preventive Health Check-Up

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Overview	• Section 80D gives you the tax benefit on the premium paid for expenditure on medical insurance policies, preventive health check-up and medical expenditure (in case of senior citizens). • Deduction amount depends on type of expense and age of the person for whom expenditure has been done.
Guidelines	• Deduction of up to INR 25000 can be claimed for medical insurance premium paid for self & family (spouse & dependent children). If any one of them is a senior citizen, maximum limit is INR 50000/- • Additional deduction of up to INR 25000 can be claimed for medical insurance premium paid for parents (dependent or not). If any of the parent is a senior citizen, maximum limit is INR 50000/- • Additional deduction of INR 5000 can be claimed for expenditure on preventive health check-up of self, spouse, dependent children and parents. However, this is a combined limit for all family members and part of overall deduction limit of INR 25000 or INR 50000, as the case may be. • If any of the eligible family member and/or parent is a senior citizen (aged 60 years or more) and no premium has been paid for health insurance plan for that individual, medical expenditure in respect of such individual can be claimed as deduction up to max limit of INR 50000 within overall limit of INR 50000 for senior citizens. • If single premium has been paid for more than one year, prorated amount for one year should be claimed. Proration should be done basis number of financial years covered during the policy period. • Expenditure needs to be made in any mode other than cash. However, payment for preventive health checkup can be made in cash. • Medical insurance premium and other eligible expenses should have been paid by the taxpayer from his/her income chargeable to tax. • Employee must be the proposer of the policy to be eligible to claim deduction.
Documents Required	• Copy of **premium payment receipt** • Copy of **policy document** if name and Date of Birth or Age of all insured member is not mentioned on receipt. • Copy of **bill/receipt** for preventive health check-up and/or medical expenditure, if claiming deduction for the same.

Sec 80DD: Medical Treatment of Disabled Dependent

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Overview	• Sec 80DD provides for deduction for medical treatment of a dependent, who is a person with disability. • The taxpayer should have incurred expenditure on the medical treatment (including nursing), training and rehabilitation of disabled dependent; And/Or • Deposited amount under a scheme approved by CBDT, framed in this behalf by the LIC, UTI or any other insurance company giving policy specifically meant for taking care of the disabled dependent.
Guidelines	• Only resident individuals can claim deduction for medical treatment of disabled dependent (spouse, children, parents & siblings). • Disability includes Mental Illness, Mental Retardation, Autism, Blindness, Cerebral Palsy, Hearing Impairment, Leprosy-Cured, Locomotor Disability, Low Vision, etc. Refer to Person With Disabilities Act, 1995 for details. • A "person with disability" is a person having minimum 40% suffering as certified by a medical authority. • Fixed amount of deduction is allowed under this section, irrespective of the actual expenditure: i. Normal Disability (40% - 80%): INR 75000/- ii. Severe Disability (80% or more): INR 125,000/- • If the validity of the certificate expires in any financial year, deduction for that financial year can be claimed using the expired certificate, but not after that. Applicable if Form 10-IA has an expiry date. • Disability certificate should have been issued by a competent authority. I. Civil Surgeon or Chief Medical Officer of any government hospital. II. Neurologist having a degree of MD in Neurology or Pediatric Neurologist with similar degree. • If the disabled dependent is claiming deduction under Section 80U, taxpayer cannot claim deduction under Sec 80DD for the same disabled dependent.
Documents Required	• Copy of the **disability certificate** in Form 10-IA which authenticates the disability of the dependent. • Copy of **bills/receipts** for the money spent on medical treatment, training and rehabilitation. • Copy of **premium receipt** of the insurance policy meant for taking care of the disabled dependent. • Copy of policy, if name of proposer and beneficiary is not mentioned on the premium receipt.

Sec 80DDB: Medical Treatment of Specified Diseases

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Overview	• Deduction under Section 80DDB can be claimed for expenditure on medical treatment of specified diseases for self, spouse, children, parents, brothers and sisters who are wholly or partly dependent on such taxpayer. • Deduction can only be claimed be a resident individual. NRIs are not eligible for this deduction. • Refer to Rule 11DD of the Income Tax Rules for complete list of specified diseases and ailments for the purpose of deduction under section 80DDB.
Guidelines	• No deduction shall be allowed unless the assessee obtains prescription for such medical treatment from a neurologist, an oncologist, a urologist, a haematologist, an immunologist or such other specialist, as may be prescribed. The medical prescription issued by the concerned authority must include I. Name, Age & Disease of the Patient; II. Name, Address, Qualification & Registration Number of the Specialist Doctor; III. Name & Address of the Hospital if patient is receiving treatment in a government hospital. • Lower of following amount is allowed as deduction under Section 80DDB: i. Actual amount of expenditure on medical treatment of specified ailment. ii. A sum of INR 40,000/- OR INR 100,000/- if patient is a senior citizen. • If such dependent is insured by any insurer or company and some payment is received either from the insurer or by way of reimbursement from employer, that amount must be subtracted from the deduction allowable. For example, if you are eligible to claim INR 100,000 and you have received INR 40,000 from the insurance company, then you are eligible to claim deduction of only INR 60,000 under this section.
Documents Required	• Copy of **Prescription for medical treatment** issued by a competent medical authority. • Copy of **Discharge Summary Report** issued by the hospital, if patient was hospitalization for the treatment. • Copy of **bills/receipts** for the expenditure on medical treatment. • **Declaration** giving details of money received from insurance company for the said treatment. If no money received from any insurance company, declaration stating the same.

Sec 80E: Interest Repayment on Education Loan

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Overview	• Deduction under Section 80E can be claimed for interest paid on education loan taken from any financial institution or approved charitable institution for higher education of Self, Spouse and Children or the student for whom assessee is the legal guardian. • Education loan for all the courses that are taken after successful completion of 12th Standard, or its equivalent is eligible for deduction. • Education loan taken for higher studies in India or overseas both are eligible for deduction under this section.
Guidelines	• The deduction is allowed for eight consecutive financial years starting from the financial year in which assessee starts paying the interest on loan or until the interest is paid in full, whichever is earlier. • There is no maximum or minimum deduction limit specified under Section 80E. Full amount of interest on education loan paid during the current financial year is eligible for deduction. • To be eligible to claim the deduction, interest on loan should have paid by the assessee from his/her own income chargeable to tax. Which means if your parents or someone else is paying part of the EMI, you should claim deduction for only the portion of interest you have paid from your own income.
Documents Required	• Copy of **loan sanction letter** issued by the concerned financial institution. • Copy of **Provisional Certificate** issued by the concerned financial /charitable institution. • Provisional certificate should not be more than 30 days old from the start date of Investment Proof Collection activity. • Provisional certificate should have clear bifurcation of principal and interest amount repaid during the year.

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Sec 80EEB: Deduction of Interest on Loan for Purchase of Electric Vehicle

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Overview	• Under Sec 80EEB, a deduction of up to INR 150,000 can be claimed for interest paid on loan taken from any financial institution for purchase of electric vehicle. • Deduction under this section is available only to individuals. Which means that deduction can not be claimed for vehicle purchased under company car lease scheme, which is registered in the name of the company. • “Electric vehicle" means a vehicle which is powered exclusively by an electric motor whose traction energy is supplied exclusively by traction battery installed in the vehicle and has such electric regenerative braking system, which during braking provides for the conversion of vehicle kinetic energy into electrical energy;
Guidelines	• To be eligible to claim deduction under Sec 80EEB, taxpayer should satisfy below conditions: I. Loan should have been taken from a financial institution II. Loan was taken for the purpose of purchase of an electric vehicle III. Loan was sanctioned anytime during the period starting from 1st April 2019 till 31st March 2023 IV. Such electric vehicle should be registered in the name of the employee • If you satisfy the above conditions, you can claim deduction on account of interest paid on auto loan taken for purchase of an electric vehicle under Sec 80EEB. • You can claim deduction of up to INR 150,000 under Sec 80EEB.
Documents Required	• **Repayment Statement (Provisional Certificate)** issued by the financial institution, giving break up of Principal Repayment and Interest payment during the current financial year. • **Registration Certificate (RC)** copy. Ownership and vehicle detail should be clearly visible on RC copy. • **Loan Sanction Letter** clearly specifying name of barrower and loan sanction date.

Sec 80U: Deduction for a Person with Disability

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Overview	• Section 80U provides for tax deduction to the person with disability on the basis of severity of disability. • Resident individuals, who at any time during the financial year, certified by the medical authority to be a person with disability can claim this deduction for self only.
Guidelines	• Resident Individual (Indian and foreign citizen both) can claim this deduction. • A "person with disability" implies a person having minimum 40% suffering as certified by a medical authority. • Disability includes Mental Illness, Mental Retardation, Autism, Blindness, Cerebral Palsy, Hearing Impairment, Leprosy-Cured, Locomotor Disability, Low Vision, etc. Refer to Person With Disabilities Act, 1995 for details. • Fixed amount of deduction is allowed under this section basis severity of disability: i. Normal Disability (40% - 80%): INR 75000/- ii. Severe Disability (80% or more): INR 125,000/- • If the disability certificate has a specified validity and validity of the certificate expires during any financial year, deduction for that financial year can be claimed using the expired certificate, but not after that. • Disability certificate should have been issued by a competent authority. I. A Civil Surgeon or Chief Medical Officer of any government hospital. II. A neurologist having a degree of MD in Neurology.
Documents Required	• Copy of the **disability certificate in Form 10-IA** which authenticates the disability of the individual. • **Ensure you have submitted declaration in Global Self Service (GSS) providing detail of your disability.**