

Note on Finance Act, 2015

The Finance Act - 2015 has inserted a new section 192A regarding the payment of accumulated provident fund balance due to an employee. The Provision shall take an effect from 01st June 2015.

We have provided the provision rule below which would be followed to calculate TDS:

TDS will be applicable to the following categories employees:

- TDS will be deducted @ 10% for Employees who withdrawal PF amount which is equal or more than INR 30,000/- or whose service is below 5 years. Self-attested PAN should be submitted along with withdrawal form.

PF Accumulation (Contribution+Interest)	No. of PF service years	PAN submission	Form 15 G or Form 15H	TDS
>=30000	Within 5 years	PAN	No - Form 15G/15H	10%

- If employee fails to submit Self-attested PAN (and No- Form 15G/15H), TDS will be deducted at maximum marginal rate @ 34.608%

PF Accumulation (Contribution+Interest)	No. of PF service years	PAN submission	Form 15 G or Form 15H	TDS
>=30000	Within 5 years	No PAN	Form 15G/15H	34.61%
>=30000	Within 5 years	No PAN	No - Form 15G/15H	34.61%

TDS will be exempted for the following categories of employees:

- Transfer of PF from one account to another PF account
- If withdrawal PF amount is below INR 30,000/-
- If Employees PF service years is above 5 years
- Employee who do not have taxable income on **submission of Form 15 G & PAN**. (Note : This is on condition that the withdrawal amount is less than INR 250,000/-)
- Employee who is above 60 years of age on **submission of forms 15 H & PAN**. (Note: This is on condition that the withdrawal amount is less than INR 300,000/-)
- Termination of PF due to ill health of member, discontinuation/contraction of business by employer, completion of project or other cause beyond the control of the member