

This is to keep you informed that as per the recent amendment in section 192A of the IT Act, 1961, income tax shall be deducted at the following rates if at the time of payment of the accumulated PF balance is more than or equal to Rs. 30000/-, with service less than 5 years:-

1. TDS will be deducted @ 10% provided the PAN card copy is submitted. In case the member submits Form 15G or 15H, then there would be no TDS deduction.
2. TDS will be deducted @ maximum marginal rate (i.e. 34.608%) if a member fails to submit PAN Card Copy (and no Form 15G or 15H)

Please note that TDS will not be deducted in the following cases:-

- Transfer of PF from one account to another.
- Termination of service due to ill health, discontinuation of business by the employer, completion of project or other cause beyond the control of the member.
- If withdrawal is post completion of 5 years of continuous service, including transfers.
- If payment of accumulation is less than Rs. 30000 and the member has served a total period of less than 5 years.
- If employee/member's service period is less than 5 years and the accumulation is more than Rs. 30000 but he/she submits Form 15G or 15H.

Form 15H is applicable for members who are older than 60 years, the Form 15G is applicable for others. These forms are used by individual tax payers, claiming certain receipts without deduction of tax.

Attached are the sample copies of both the Forms. Please note that the EPFO and regional offices would follow this rule/instruction starting the 1st of June 2015.

Hence, in case of all the applications coming in for PF withdrawal, where the service period is less than 5 years(including transfers) and the accumulation is more than Rs. 30000/, request you to enclose the form 15G/ 15H (which ever applicable) along with the PAN Card copy to process and submit the forms with the PF Office.

Appreciate your understanding. Do write back in case of any further queries.