**LTA FAQ’s**

1. **Whether GST is mandatory to claim exemption?**

Yes, bills/invoices carrying 12% of GST or more than that can be claimed for exemption. Less than 12% of GST bills are not allowed to claim exemption.

1. **What do I have to do to claim this exemption?**

Please find the below points to be considered at the time of purchasing goods or availing services

1. Bill should be in the name of that particular individual
2. GST number of the supplier should be there in the bill
3. GST rate should be 12% or more
4. **I had made a trip in the FY 2020 -2021, shall I claim exemption for this? Or Exemption will be provided only for purchase or availing services under GST?**

Individuals can submit either travel bill **or** bill for purchasing goods / services under GST.

1. **Can I claim both Travel expenses and Purchase of Goods or Services for the current year?**

No, you can claim either Travel or Purchase Expenses.

1. **Can I submit Purchase bills from April 2020?**

No , you need to submit bills only from 12th Oct 2020.

1. **Is this LTA benefit applicable for new tax Regime?**

No , this benefit is not applicable for employees on New Tax Regime.

1. **What is the maximum amount can Employee Claim?**

To claim this benefit, employee will need to submit purchase invoice for a value 3 times to the LTA amount standing to his credit until March 2021. For Example if you allocate 2000 Rs. in December & until March 2021 your total LTA allocation will come up to Rs.8000 (Rs.2000 \*4) , hence your purchase invoice should be for a minimum Rs.24,000 (Inclusive of Applicable GST)

1. **What will be my tax benefit?**

Using the above example – If you submit bills for 100% of the 3 times eligibility ie Rs. 24,000 then Rs. 8000 would be paid as LTA nontaxable.

1. **What If I fail to produce bills worth 3 times of my LTA Credit?**

Using the same Example – Suppose you submit invoice for 20,000 then your LTA nontaxable amount will be Rs. 6667 (20000 / 3). The Difference of Rs. 8000 – Rs. 6667 = Rs. 1333 will be carried forward to the next financial year.

1. **Is this Special LTA process / benefit mandatory?**

No , this is optional & left to the discretion of the employee.

1. **What is the last date to submit the bills?**

The bill submission window will be enabled in January & will close during 2nd week of March 2021.

1. **When will the payout happen?**

The approved Payout will be paid in the monthly pay cycle.