



Complete guide for returning to India • Generated: 1/4/2026



RNOR Tax Shield

CRITICAL

12 months before

RNOR (Resident But Not Ordinarily Resident) status exempts your foreign income from Indian taxes for 1-3 years after return. You qualify if you were NRI in 9 out of 10 preceding financial years.

[Income Tax India: https://incometaxindia.gov.in](https://incometaxindia.gov.in)

6 months before

During RNOR period, all foreign-sourced income is tax-free in India. Keep records of US dividends, rental income, and capital gains.

6 months before

A qualified Chartered Accountant can help you maximize the tax benefits during your RNOR window (typically 1-3 years).

Within 30 days of return

RFC account lets you hold USD/GBP/EUR after becoming resident. Funds remain fully repatriable and bypass the \$250K LRS limit.

RBI FAQ on RFC: <https://rbi.org.in/scripts/FAQView.aspx?Id=52>

Before becoming resident

NRE account balance can be transferred to RFC. Interest on RFC is tax-free during RNOR period.

Ongoing

Keep funds in RFC for flexibility. You can convert to INR gradually based on exchange rates and needs.

FEMA Redesignation

CRITICAL

Within 30 days of return

FEMA requires you to notify your bank within 30-60 days of becoming Indian resident. Failure can result in penalties.

RBI FEMA Guidelines: <https://rbi.org.in/scripts/Fema.aspx>

Within 30 days

NRE account must be redesignated as regular resident savings account or RFC account upon becoming resident.

Within 30 days

NRO account also needs redesignation. The accumulated balance becomes part of your resident assets.

 Before leaving US

 You need 40 credits (typically 10 years of work) to be eligible for US Social Security benefits, which are payable in India.

 SSA.gov: <https://ssa.gov/myaccount>

 With annual ITR

 Section 89A allows you to defer Indian tax on 401(k) until actual withdrawal. Form 10-EE must be filed annually.

 Income Tax Portal: <https://incometax.gov.in>

 After establishing India residence

 After moving, file W-8BEN to claim treaty benefits and reduce US withholding on 401(k) withdrawals to 15-25%.

 During RNOR period

 Withdrawals during RNOR period are taxed only in the US (treaty rate), not India. Maximize withdrawals in this window.

 6 months before

 Consider renting initially as a trial period. Rental income is tax-free in India during RNOR. You retain option to return.

 Before return

 Capital gains on US property sale may be taxed in both countries after becoming ROR. Selling as NRI simplifies taxation.

 3 months before

 Set up a reliable property manager, automatic rent collection, and tax filing arrangement for US rental income.

 Within 30 days

 Your PAN must reflect resident status. This affects TDS rates and investment eligibility.

 UTIITSL PAN Services: <https://pan.utiitsl.com>

 Within 60 days

 Aadhaar is mandatory for banking, investments, and government services. Apply if you don't have one.

 UIDAI: <https://uidai.gov.in>

 Within 60 days

 PAN-Aadhaar linking is mandatory. Unlinked PAN becomes inoperative, blocking investments and transactions.

 Within 90 days

 Update your address, phone number, and status (NRI to Resident) across all financial institutions.

 3 months before

 You must have lived abroad for 2+ years to qualify for duty-free import of personal effects.

 3 months before

 Electronics like TVs (38.5% duty) and ACs may not be worth shipping. Focus on personal effects, books, kitchenware.

 2 months before

 20ft container: \$3,000-\$5,500, holds 1-2 BR apartment. 40ft container: \$5,000-\$8,500, holds 3-4 BR house.

 1 month before

 Book serviced apartment for 1-3 months while you find permanent housing. Budget \$1,500-\$3,000/month.



OBBA Tax Preparation

HIGH

Before Jan 1, 2026

OBBBA imposes 1% tax on outbound remittances from 2026. Execute major transfers before the deadline.

Before Jan 1, 2026

Bank wire transfers from BSA-regulated institutions are exempt. Avoid cash transfers and money orders.

Before Jan 1, 2026

Digital, bank-integrated platforms using ACH/debit are generally exempt from OBBBA tax.

Wise: <https://wise.com>

12 months before

- Three tests: Net worth $\geq \$2M$, OR avg tax liability $\geq \$201K/year$, OR failure to certify compliance. Any one triggers exit tax.

Before 8-year mark

- Long-Term Resident status (8+ years) triggers exit tax. Surrendering at year 6-7 avoids this.

12 months before

- Gift assets to US-citizen spouse or children to bring net worth below \$2M threshold.

Year of expatriation

- Failure to file 8854 automatically makes you a Covered Expatriate regardless of net worth.

IRS Form 8854: <https://irs.gov/forms-pubs/about-form-8854>

 Before leaving

-  Keep a US bank account for credit card payments, subscriptions, and any US-based transactions.

 Upon joining employer

-  Most employers require a specific bank. Popular options: HDFC, ICICI, SBI, Kotak.

 First 90 days

-  Credit history doesn't transfer. Start with secured cards or cards from your salary bank.

 First week

-  UPI (Google Pay, PhonePe, Paytm) is essential for daily transactions in India.

 NPCI UPI: <https://npci.org.in/what-we-do/upi/product-overview>

 Before return

 Indian mutual funds are PFICs for US tax purposes. Sell before losing US person status to avoid complex reporting.

 3 months before

 Many US brokerages restrict accounts for non-residents. Check policies of Fidelity, Schwab, Vanguard.

 First 30 days

 Zerodha, Groww, or ICICI Direct are popular options. Required for stocks, mutual funds, bonds.

 Zerodha: <https://zerodha.com>

 First 6 months

 GIFT City offers dollar-denominated investments with tax benefits. Good for USD diversification.



Housing Search HIGH

2 months before

Indian cities have severe traffic. Choose housing to minimize commute. 10km can take 1 hour in peak traffic.

1 month before

Book serviced apartment and schedule 5-6 property visits per day with brokers.

1 month before

Use NoBroker, 99acres, MagicBricks to find properties. Broker fee is typically 1 month rent.

NoBroker: <https://nobroker.in>

99acres: <https://99acres.com>

Before signing

Security deposits in Bangalore can be 10 months rent! Mumbai/Delhi typically 2-3 months.

⏰ Upon arrival

ℹ️ Don't buy immediately. Understand the city, neighborhoods, and market before committing.

⏰ Year 1-2

ℹ️ Indian rental yields are only 2-3%. Buying is primarily for appreciation, not income.

⏰ Before buying

ℹ️ RERA (Real Estate Regulatory Authority) registration is mandatory. Check project status before any booking.

🔗 RERA Maharashtra: <https://maharera.mahaonline.gov.in>



Health Insurance CRITICAL

3 years before

Pre-existing disease (PED) waiting periods are 2-4 years. Buy early to exhaust them before you need coverage.

3 years before

Private hospital costs (Apollo, Fortis, Max) are significant. Cardiac surgery can cost ₹10-15L.

3 years before

Check claim settlement ratio, network hospitals, and PED buyback options.

PolicyBazaar: <https://policybazaar.com>

2 years before

Parents above 60 have limited options. Consider dedicated senior citizen plans.

 1 month before

-  Document baseline health. Useful for insurance claims and continuity of care.

 1 month before

-  Get copies of prescriptions, lab results, imaging reports, and specialist notes.

 1 month before

-  Brand names differ in India. Bring enough medication while you find Indian equivalents.

 First week

-  Identify nearest emergency room, preferred hospital, and specialists before you need them.

 First week

-  Apollo 24/7, Practo, and mFine provide quick access to doctors. Great for non-emergencies.

 [Practo: https://practo.com](https://practo.com)



Job Search Preparation

CRITICAL

⌚ 9 months before

- ⓘ Indian hiring cycles are slower. Give yourself runway for multiple interview rounds.

⌚ 9 months before

- ⓘ Change location to target city, add "Open to Work", connect with India-based recruiters.

🔗 LinkedIn: <https://linkedin.com>

⌚ 6 months before

- ⓘ Naukri is the largest job portal. iimjobs is better for senior/premium roles.

🔗 Naukri: <https://naukri.com>

🔗 iimjobs: <https://iimjobs.com>

⌚ 6 months before

- ⓘ If your company has a Global Capability Center (GCC) in India, internal transfer is often the easiest path.

 During offers

-  Indian CTC includes PF, gratuity, variable pay. Actual take-home is only ~60% of CTC. Ask for in-hand breakdown.

 Before interviews

-  NRIs with 8-12 years experience typically get 25-40% premium over local candidates.

 AmbitionBox: <https://ambitionbox.com>

 During offers

-  Many companies offer relocation allowance, temporary housing, and signing bonuses for returning NRIs.

 During interviews

-  Interviewers worry you'll leave again. Prepare answers about permanent return reasons.



School Research

CRITICAL

12 months before

IB is smoothest transition from US. CBSE is best for Indian competitive exams (JEE/NEET). IGCSE is a middle ground.

12 months before

Top IB schools: DAIS (Mumbai), ASB (Mumbai), Indus (Bangalore), Pathways (Gurgaon). Get on waitlists early.

9 months before

Many schools admit only in April (Indian academic year start). Applications open 6-9 months before.

6 months before

Most good schools require entrance tests in English, Math. Some require interviews.

 3 months before

-  Indian schools require previous school records, including report cards and conduct certificates.

 With application

-  Non-refundable admission fees, development fees, and "donations" are common at top schools.

 During house hunting trip

-  Visit shortlisted schools, meet counselors, assess facilities and culture fit.

 12 months before

-  IEP/504 plans from US don't transfer. Research schools with SEN teams: BIS Bangalore, DAIS Mumbai.



GIFT City Investments

MEDIUM

First 6 months

- 100% tax exemption on income for 10 years. Capital gains exempt for Category III AIFs.

First year

- AIFs pool NRI money for Indian startups/markets. Good for USD diversification with India exposure.

IFSCA: <https://ifsc.gov.in>

First year

- Foreign currency deposits in IFSC Banking Units offer 100% tax-free interest in India.