

INDIRA GANDHI DELHI TECHNICAL UNIVERSITY FOR WOMEN
KASHMERE GATE, DELHI-110006

CIRCULAR

Sub:- Deduction of Income Tax at source under Section 192 of Income Tax Act for the financial year 2020-21. The option form submitted latest by 20 July 2020

As per Income Tax Act, Income Tax is leviable annually for each financial year commencing on the 1st day of April and ending of the 31st March following. In the case of Salaries, payment of tax is effected by deducting at source. Under Section 192 of Income Tax Act, 1961, it is the duty of any person responsible for paying any income chargeable under the head 'Salaries' to deduct the tax at the rate appropriate to the estimated salary of the year after allowing the permissible deduction.

2 As per Sec 115BAC inserted by Finance Act, 2020, option has been given to pay tax as per new slab rates (Optional tax regime) on the total income computed without claiming any deduction/exemptions applicable from FY 2020-21 (AY 2021-22). Below table summarize tax rates as per optional tax regime Vs old rates:-

Total Income (Rs.)	Existing Tax Rate (%) [*]	New Tax Rates (Optional) (%) [*]
0 - 2,50,000	0%	0%
2,50,001 - 5,00,000	5%	5%
5,00,001 - 7,50,000	20%	10%
7,50,001 - 10,00,000	20%	15%
10,00,001 - 12,50,000	30%	20%
12,50,001 - 15,00,000	30%	25%
15,00,001 and above	30%	30%

*There is an additional 4% Health & Education Cess that needs to be paid on every front.

3. Further, the basic exemption limit for senior citizen remains unchanged at Rs. 3,00,000 together with rebate of income tax (i.e. up to Rs. 12,500 if total income does not exceed Rs. 5,00,000) and Health & Education Cess @4% also remains unchanged and equally applicable even if employee choose to opt for new tax regime (Optional). Some of the silent points of new tax regime (Optional) are mentioned below:


- At the start of each financial year, the employee will have to submit option to choose either the existing income tax regime or new tax regime (optional).
- Option once exercised cannot be modified during the year. However, it can modify at the start of the next financial year.
- All deductions allowed under Chapter VI-A (except the deduction under Section 80. CCD(2)) and deductions allowed under Section 10(13-A) HRA and under Section 24 (Interest on borrowed capital/income from House Property) etc. will have to forgo.
- Various allowances/investments will not be eligible for claiming deduction/exemption.

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4. It is also worthwhile to mention that in case Option form not received by the due date in respect of any employee, it shall be presumed that such employee is not willing to opt for new tax regime and Income tax will be deducted as per tax slab meant for existing Income tax regime.

5. Therefore, all Officers/Officials are requested to send their duly completed and verified option form (whichever beneficial) so as to reach the undersigned latest by 20th July 2020, enabling to deduct the tax from the monthly salary as per option exercised in proportion to the estimated salary of the year. Apart from above, it is also requested to submit their details of saving and investment, etc. if any, with the supporting documents in the prescribed form, who opted to continue with existing tax regime.

6. It is also mentioned that under Section 206-AA, it is compulsory for all to furnish PAN to the deductor even though the tax payable is NIL. Such employee, who have not yet obtained PAN should apply for it immediately and intimate same as early as possible. It may be noted that if an employee fails to furnish his/her PAN, TDS will be deducted at higher rate.


(MAQSOOD AHMED)
D.D.O./A.A.O., IGDTUW

Copy to:

1. PS to V C, IGDTUW.
2. PA to Registrar, IGDTUW.
3. All HODs/Deans/Dy. Deans/Branch In- Charge, IGDTUW.
- ✓ 4. System Analyst, IGDTUW.
5. Website of the University.

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Employee's Income Tax Declaration form for the Financial Year 2020-21

Name & Address :- _____ Pan No. :- _____
 Designation :- _____ Gender :- _____
 Aadhar No. :- _____ D.O.B:- _____
 Contact No. :- _____ Intercom No. :- _____

S.No.	Particulars	Amount
A	Particulars of Income from Sources other than salary (Attach Separate sheet for Details)	
B	Income from House Property (Separate sheet for calculation may attach)	
	Interest paid on Housing Loan for the Financial Year 2020-21	
	Interest paid for pre-construction period	
	Total Income from House Property	
C	House Rent paid per month (Please mention PAN of landlord as per Income Tax Rule)	
D	Investment U/S 80C, 80CC,80CD capped at Rs. 1.50 Lakh	
	Public Provident Fund (PPF)	
	Contribution to certain Pension Funds	
	Repayment of Housing Loan Principal (Payable In F.Y. 2020-21)	
	Insurance Premium	
	Terms Deposit with Schedules Bank	
	National Saving Scheme/ Certificate	
	Mutual fund	
	Children Education Expense/Tuition fees	
	Others (Pls. specify, if any)	
	E	Other Permitted Deductions
Medical Insurance Premium-80 D (Amidmum Rs.25000/-)		
Expenditure on Medical Treatment for specified disease-80 DDB		
Repayment of Interest on Education Loan-80 E		
Donations-80 G		
Rent paid but not received HRA-80 GG		
Permanent Physical Disability (Normal Rs. 75000/- and Severe Rs. 125000/-)		
Others (Pls. specify, if any)		
	Total Deductions	

I, do hereby declare that investment(s) declared above will be completed and proof submitted by 31.12.2020. Further, in case of any change in above declaration, I will inform to the Institute. I, Shall indemnify the Institute for all cost and consequences, if any information is found incorrect.

Signature of the Employee