

## FREQUENTLY ASKED QUESTIONS (FAQs)

### Tax Deduction at Source on BOB Staff Pension for FY 2017-18

**1. At which rate TDS on Staff Pension payment will be deducted for FY 2017-18?**

**Ans:-** RATE OF INCOME TAX FOR F. Y. 2017-18 (A.Y. 2018-19) IS AS UNDER

**(1) For Individuals of age below 60 years**

Slab	TOTAL INCOME	RATE	TAX CALCULATOR
I	Upto Rs. 2,50,000/-	0 %	NIL
II	From Rs. 2,50,001/- to Rs.3,50,000/-	5 %	(Total Income . 2,50,000) * 5% . 2,500
III	From Rs. 3,50,001/- to Rs.5,00,000/-	5 %	5,000 + (Total Income . 3,50,000) * 5% (Note : Rebate u/s 87A not available)
IV	From Rs.5,00,001/- to Rs.10,00,000/-	20 %	12,500 + (Total Income . 5,00,000) * 20%
V	Above Rs.10,00,000/-	30 %	1,12,500+( Total Income . 10,00,000) * 30%

**(2) For Senior Citizen of age 60 years & above but below 80 years**

Slab	TOTAL INCOME	RATE	TAX CALCULATOR
I	Upto Rs. 3,00,000/-	0 %	NIL
II	From Rs. 3,00,001/- to Rs. 3,50,000/-	5 %	NIL (Tax adjusted against the Rebate u/s 87A of Rs. 2,500/-)
III	From Rs. 3,50,001/- to Rs.5,00,000/-	5 %	2,500 + (Total Income . 3,50,000) * 5% (Note : Rebate u/s 87A not available)
IV	From Rs.5,00,001/- to Rs.10,00,000/-	20 %	10,000 + (Total Income . 5,00,000) * 20%
V	Above Rs.10,00,000/-	30 %	1,10,000 + ( Total Income . 10,00,000) * 30%

**(3) For Super Senior Citizen of age 80 years & above**

Slab	TOTAL INCOME	RATE	TAX CALCULATOR
I	Upto Rs. 5,00,000/-	0 %	NIL
II	From Rs. 5,00,001/- to Rs.10,00,000/-	20 %	(Total Income . 5,00,000) * 20 %
III	Above Rs.10,00,000/-	30 %	1,00,000 + (Total Income . 10,00,000) * 30 %

**Surcharge .**

Total Income upto Rs. 50 Lakhs	→ 0 %
Total Income above 50 Lakhs & upto 1 Crore	→ 10%
Total Income above 1 Crore	→ 15%

**Education Cess** → 3% of the Income Tax & Surcharge

**2. Whether tax (TDS) will be deducted every month on monthly pension?**

**Ans:-** Yes.

Tax will be deducted every month from monthly pension on monthly prorata basis from FY 2017-18 onward. It will be deducted if estimated gross pension in Financial Year goes above the exemption limit of Income Tax. The net taxable pension will be arrived at after taking into account declaration of eligible investments made & certificates for exemptions, if any, submitted by pensioners every year at pension paying branch in the beginning of the Financial Year but before end of 1<sup>st</sup> Quarter of the FY i.e by June . While computing TDS on pension, Bank will consider only pension income of the pensioner. NO OTHER INCOME OF THE PENSIONER WILL BE CONSIDERED FOR TDS.

**3. Is it necessary to submit proof of Investments made for availing Tax rebate & when?**

**Ans:-** Yes.

Proof of investments has to be submitted to the Pension paying branch every year as & when fresh investment in current FY is made so that the actual investment made by the pensioner is considered for allowing rebate at the time of calculating his/her final Tax on Pension payment. If no proof of investment is given, no rebate in tax will be allowed.

***(Note: Please see last page where the format is given in which investment DECLARATION /PROOF is to be submitted to your pension paying branch.)***

**4. When to submit the investment proof and to whom?**

**Ans:-** Proof of actual Investment made has to be submitted to the Pension paying branch as and when fresh investment is made in the current FY. In any case pensioner has to submit Proof of Investment latest by 15<sup>th</sup> of January.

**5. Till the time of submission of investment proof, how will be the tax liability calculated?**

**Ans:-** From April to June prorata tax will be calculated considering either the last year investment amount **or** the amount declared by submitting declaration form showing investment to be made in the current FY which is found entered in Payroll system till 15<sup>th</sup> of any month. Please note that for tax calculation, last year investment will be considered only upto June and thereafter from July to December it will be only on the basis of declaration. Declaration of Investment to be made, is to be submitted to the Pension paying branch from the start of first month of current FY. It is clarified that TDS will be calculated / deducted on the basis of declaration of Investment that is found available/entered in Payroll system on 15<sup>th</sup> of any month. **THIS WILL CONTINUE TILL DECEMBER.** Finally, Proof of Investment

has to be submitted in Pension Paying branch latest by 15<sup>th</sup> of January which the branch will have to enter in Payroll system.

**6. Whether submission of investment declaration will suffice for claiming Tax rebate?**

**Ans:-** No.

Investment declaration will be considered till December. Thereafter submission of **investment proof is** a mandatory requirement for claiming Tax rebate. Please note that Proof of Investment has to be submitted in Pension Paying branch by 15<sup>th</sup> of January.

***(SPECIAL ACTION FOR BRANCH: Branch has to ensure that entered declaration is removed from Payroll system in January and investment, supported by Proof, is entered in Payroll system)***

**7. Whether it is necessary to submit proof of Investment if the Total annual pension does not cross the exemption limit of income Tax for different age group of Individual?**

**Ans:-** No.

In cases where the total annual pension does not cross the exemption limit of income Tax for different age group of pensioners, they need not submit the investment proof because there will be no deduction of tax by the Bank on their pension income even if they do not make any investment.

**8. Whether terminal benefit on cessation / salary arrears etc received by pensioner during the financial year will be considered for Tax calculation on pension?**

**Ans:-** No.

So far tax on BOB Staff pension is concerned; Tax will be calculated only on pension amount paid during a financial year. No other income will be clubbed for calculating tax liability on pension.

**9. Can the BOB Staff pensioner request to stop deduction of Tax?**

**Ans:-** No.

It is mandatory for the Bank to deduct tax at source while paying pension to pensioners.

**10. Can the BOB Staff pensioner request for deduction of additional Tax?**

**Ans:-** No.

There is no provision to deduct additional tax.

**11. Who will issue Form 16 (Part A & Part B) and how the pensioner will get TDS Certificate in Form 16.**

**Ans:-** Form 16 (Part A & Part B) will be uploaded centrally in Payroll system by the end of May and the same could be generated and printed by any branch. Pensioners whose tax has been deducted or who has come out of tax purview due to investment so made, can approach any branch for generation of Form 16. It will also be sent by email to Pensioners whose email is available with the pension deptt. (Every pensioner is requested to get their email updated in their pension SB A/C at pension paying branch).

**NOTE :** Form 16 will not be generated for those pensioners whose Gross Taxable pension in the Financial Year is within the exemption limit of tax.

**12. In case of Family pensioner, whether the TDS will be applicable.**

**Ans:-** No.

**13. If pensioner has paid advance tax and requests the branch/bank not to deduct tax, whether bank will stop deducting tax on pension.**

**Ans: -** No.

It is mandatory for the Bank to deduct tax at source.

**14. What should be done in case excess tax is deducted from Pension even after submission of investment proofs?**

**Ans:-** Normally such situation will not arise, however, if excess tax is deducted even after submission of investment proofs, the pensioner may get the refund from Income Tax by filing annual personal return.

**15. What will be the point of contact for the Pensioner in case of queries?**

**Ans: -** Although pension paying branch will continue to be the point of contact for pensioners; for any further queries related to TDS on pension payments, pensioners can contact Staff Pension Department, Head office, Mandvi, Baroda or can send email to [pension.ho@bankofbaroda.com](mailto:pension.ho@bankofbaroda.com) (Tel: 0265-2576409 /408)

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Format in which investment proof is to be submitted to your pension paying branch

**INVESTMENT MADE PROOF/ DEDUCTION CLAIMED BY BOB PENSIONER FOR AVAILING INCOME TAX REBATE**

Name of BOB Pensioner: \_\_\_\_\_

EC No. : \_\_\_\_\_ PAN: \_\_\_\_\_

PPO No. : \_\_\_\_\_ FY: \_\_\_\_\_ (AY: \_\_\_\_\_)

Address \_\_\_\_\_

Mobile No. : \_\_\_\_\_ Pension SB A/C No.: \_\_\_\_\_

Head	Amount of Deduction claimed / Amount of Investment
Interest on Housing Loan Accrued During The Year (Max Limit Rs. 2,00,000/-)	
U/S 80e Higher Education ( Interest On Loan Which Has Been Served Only)	
80ccd(1b) Self Contribution to NPS before 60 years age ( Max Limit Rs.50,000/-)	
Us 80d Medical Insurance (Max Limit Rs. 25000/-)	
Us 80d Med. Insurance For Sr. Citizen (Max Limit Rs.30000/-)	
Us80dd Maintenance of Handicap Dependent (Severe Disability Rs.1,25,000/- ,Other Rs.75,000/- ,Proof Per Sec)	
Us 80ddb Medical Treatment on Specified Disease (Max Limit =>Sr. Citizen Rs.60000/-)	
Us 80ddb Medical Treatment on Specified Disease (Max Limit =>Other Rs.40000/-)	
U/S 80u Self Handicap (Severe Disability 1,25,000/-, Other 75,000/-),Proof Per Sec 10-A Received A)	
Children Education Tuition Fee	
P.P.F.	
Fixed Deposit Under Tax Saving Schemes Only	
Housing Loan Principal	
Life Insurance Premium paid (Prem. < Than 20% of Policy Amt.)	
Other Deduction Under 80-C	

Enclosure: Proof of Investment & Certificate as applicable

Date:

Signature of Pensioner

\_\_\_\_\_ For use of Branch / Office \_\_\_\_\_

Entered by: Name: \_\_\_\_\_ Sign \_\_\_\_\_ Date \_\_\_\_\_