

11.06.2020

TO ALL OFFICES

**PF & PENSION FUND DEPTT. CIRCULAR NO. 5/2020**

**DEDUCTION OF INCOME TAX AT SOURCE (TDS) FROM PENSION INCOME OF STAFF PENSIONERS FOR FY 2020-21- SUBMISSION OF "INTIMATION AS PER FINANCE ACT 2020" IN HRMS.**

Attention is invited to our Circular No 13/2017 dated 22/11/2017 and 03/2019 dated 03/07/2019, wherein detailed guidelines for deduction of tax at source have been communicated.

Government of India has made certain changes / amendments in provisions relating to TDS on Salary/ Non Salary payments in the Finance Act 2020 and guidelines have been issued by HO Finance Division vide their **CIRCULAR NO HO/FD/13/ 2020** dated 23/04/2020 on "**Deduction of Income Tax at Source (TDS)-Amendments effected by Finance Act 2020 for FY 2020-21**".

As per extent guidelines, Government of India has introduced an "Optional Taxation Regime" in the case of Individual or HUF under section 115BAC of IT Act". Pursuant to that the Employees or Pensioners have to adopt any one regime i.e. existing or new regime under section 115BAC and TDS deduction needs to be made accordingly by the Employer.

Those employees or Pensioners, who intend to opt for the concessional rate under section 115BAC of the Act, have to intimate the employer of such intention for each financial year and upon such intimation, the employer shall compute employee's total income and make TDS thereon in accordance with the provisions of section 115BAC of the Act.

For this, the desired Pensioner have to submit an Intimation Letter for opting for new tax regime as per **Annexure-I**. The Pensioner may either submit his/her intimation letter to the Pension Paying Branch or nearest PNB branch or through "PNB PARIVAR APP". **It is also clarified that the Intimation so made, cannot be modified during the current financial year.**

To implement the above guidelines a new functionality has been developed in PNB HRMS as well as in "PNB PARIVAR APP (Android & iOS)", for entering the intimation of the pensioners in the system.



## **NAVIGATION FOR ENTERING THE TAX REGIME OPTION IN HRMS.**

**Main Menu →Terminal Benefits→Pensioner Information→Pensioners TDS details→New Tax Regime.**

All the Incumbents are advised to ensure that for the Intimation letter, submitted by the Pensioners in the Branch, an acknowledgement be given to the pensioner. Thereafter, all these Intimation Letters must be entered in HRMS immediately. The branch has to keep record of all such Intimation Letter, received from Pensioners, for Audit Purpose

All pensioners have been advised through SMS to submit his/her Intimation Letter as early as possible. It is reiterated that if such intimation is not submitted by the pensioner, the TDS under old tax regime shall be calculated & deducted from pensioners, if any.

Further, In case a Pensioner opts for deduction of tax under “Old Tax Regime”, the “Investment details” for the FY 2020-21 should also be submitted along with the Intimation Letter, to facilitate proportionally deduction tax of source.

For any query on the subject please contact the following officers at ours:-

Mr. Birendra Singh Rana, Sr. Manager - 09910091618

Mr. Muntiyaj Husain, Manager - 09599884190

All the Incumbents are advised to guide the pensioners and ensure that the above guidelines are meticulously complied with.

**(DINESH SAXENA)  
(GENERAL MANAGER)**

**ANNEXURE – I**

Name & Address of the Staff Pensioner	
PF No of the Staff Pensioner	
Account No of the Employee	
Financial_Year	<b>2020-21</b>

I,.....,son/daughter of.....do hereby exercise my option for TDS calculation for FY 2020-21 as under.

I wish to opt for new taxation regime under section 115BAC of IT act.  
 I clearly understand that once opted for new taxation regime can not be withdrawn in this financial year.

I wish to remain in the old taxation regime of IT act.  
 I clearly understand that once opted for old taxation regime can not be modified in this financial year.

Place.....

Date.....

(Signature of the employee)