

FREQUENTLY ASKED QUESTIONS (FAQs)

Tax deduction at source on BOB Staff Pension payments

1. Whether tax (TDS) will be deducted on monthly pension?

Ans:- Tax will be deducted from monthly pension on monthly prorata basis from FY 2016-17 onward if estimated total annual pension crosses the threshold limit of Tax after taking into account investments proof submitted by pensioners every year at pension paying branch. Bank will not consider any income other than BOB Staff pension of pensioners while computing TDS on pension.

(Note: Please see last page where the format is given in which investment proof is to be submitted to your pension paying branch)

2. At which rate TDS on Staff Pension payment will be deducted?

Ans:- TDS rates applicable for FY 2016-17 is as follows:-
(Care . Rates are subject to change)

Tax Rate Applicable	Individual (Less than 60 during the previous year)	Senior Citizen (More than 60 years but less than 80 years during the previous year)	Super Senior Citizen (More than 80 years during the previous year)
NIL	Upto Rs. 2,50,000/-	Upto Rs. 3,00,000/-	Upto Rs. 5,00,000/-
10%	From Rs. 2,50,001/- to Rs.5,00,000/-	From Rs. 3,00,001/- to Rs.5,00,000/-	N.A.
20%	From Rs. 5,00,001/- to Rs.10,00,000/-	From Rs. 5,00,001/- to Rs.10,00,000/-	From Rs. 5,00,001/- to Rs.10,00,000/-
30%	From Rs.10,00,001/- onwards	From Rs.10,00,001/- onwards	From Rs.10,00,001/- onwards

(Note : + Education Cess @ 2 % plus Secondary Education Cess @ 1 % on Income Tax amount)

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 so that the actual investment made by the pensioner is considered for rebate at the time of calculating his/her final Tax on Pension payment. If no proof of investment is given in any FY then no rebate in tax will be allowed in that FY.

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 every year as and when fresh investment is made in the current FY but before 31st December every year.

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

Ans:- While deducting TDS on monthly prorata basis we will presume that pensioners have invested 1.50 lacs in the Current running FY. However, every year by the end of December, pensioners are required to submit proof of his/her investment done in current FY to their pension paying branch. Therefore, tax from April to December every year will be deducted considering 1.50 lac investment made. But if no declaration is given by 31st December then monthly Tax will proportionately increase after December month or it can be said that from the month of January, TDS will be deducted on the basis of actual investment made by the pensioner. If no proof of investment is given, no rebate in tax will be allowed for the Current (running) FY.

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

Ans:- No. Submission of **investment proof** is a mandatory requirement for claiming Tax rebate.

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

Ans:- No. In cases where the total annual pension does not cross the threshold limit for different age group of pensioners, they need not submit the investment proof.

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

Ans:- No, so far tax on BOB Staff pension is concerned, Tax will be calculated only on pension amount paid during a financial year. Terminal benefit other than pension/salary arrears/ any other income will not 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 the Form 16 or how the pensioner will get TDS Certificate in Form 16.

Ans:- Form 16 will be uploaded from a central location at HO in payroll system by the end of May and the same will be generated & issued to the pensioners (Only to those pensioners whose tax has been deducted and PAN is available) by the pension paying branch in the month of May.

Important Note : All pensioners are requested to get their PAN fed in Pension SB A/C otherwise Form 16 will not be generated.

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

Ans:- No. Since family pension does not come under the definition of 'Salary' of I. Tax Rules, TDS is not applicable to it.

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. Bank is bound to deduct tax at source. Such request will not be entertained.

14. 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

Tel: 0265-2576409 /408

15. 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 return. You may also contact Staff Pension Department, Head office, Mandvi, Baroda with investment details to enable them to eliminate such situation in future.

Email: pension.ho@bankofbaroda.com

Tel: 0265-2576408 /409

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IMORTANT MESSAGE

Please see below the 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 : _____ PAN : _____

EC No. : _____ PPO No. : _____ FY : _____ (AY : _____)

Address : _____

Mobile No. : _____ Pension SB A/C No.: _____

	Amount of deduction claimed
(A) DEDUCTION UNDER CHAPTER -VIA	
U/S 80D Medical Insurance (Max Limit Rs. 25000/-)	
U/S 80D Med. Insurance for Sr. citizen (Max Limit Rs.30000/-)	
NPS Under Section 80CCD	
U/S 80DD maintenance of Handicap Dependent (Severe Disability Rs.75,000/- , Other Rs. 50,000/- ,Proof per sec 10-A recd)	
U/S 80DDB Medical Treatment on Specified Disease (Max Limit =SUP Sr. Citizen Rs.80000/-)	
U/S 80DDB Medical Treatment on Specified Disease (Max Limit =Sr. Citizen Rs.60000/-)	
U/S 80DDB Medical Treatment on Specified Disease (Max Limit =Others Rs.40000/-)	
U/S 80E higher education(Interest on Education Loan which has been served)	
U/S 80U Self Handicap (Severe Disability 1,25,000/-, Other 75,000/- Proof per sec 10-A recd b)	
Interest on Housing Loan	
Donation U/S 80 G - 100 % Scheme	
Donation U/S 80 G - 50 % Scheme	
(B) INVESTMENT UNDER SEC-80C	
	Amount of Investment made
Children Education Tuition Fee	
Infra Structure Bonds (U/S 80 CCF)	
Public Provident Fund (P.P.F.)	
Mutual Fund approved under the Act	
National Savings Scheme (N.S.S.)	
National Saving Certificate (N.S.C.)	
FD under Tax Savings scheme with scheduled bank (=>5 years)	
NSC Interest Reinvested	
Housing Loan Principal repaid	
Investment in any approved Pension scheme	
Life Insurance premium paid (prem. < than 20% of policy.amt.)	
ULIP Investment approved for Tax rebate	
Other Deduction U/S 80-C (pl specify)	

Encl : Proof of Investment & Certificate as applicable

Date :

Signature of Pensioner

_____ **For use of Branch / Office** _____

Entered by : Name : _____ Sign _____ Date _____