

## 47% Percent Perks What to opt & Income Tax Implications

**Please give options before 22<sup>nd</sup> November 10 otherwise you will not get perks in November salary.**

After Pay Revision All employees will get 47% of their Basic Salary as perks. Employees have already received perks up to October 2010 now employee has to submit option for perks for salary for the months November 2010 onwards. One can opt by logging in wevice website. Following image shows the interface to select option under Cafeteria Approach. Which shows description and Maximum percentage of basic employee can opt.

### Perquisites And Allowance

**CPF No :**  
**Name :**  
**Level :**

**As per cafeteria approach, employee may exercise opting of allowances out of following Perquisites and allowance.**

**Perquisites and allowance**

	Description of item	Maximum Percentage	Employee Perks Option (%)
<input type="checkbox"/>	LFA/Holiday Home	30	0
<input type="checkbox"/>	CEA-Tuition Fee-Perk	10	0
<input type="checkbox"/>	CEA-Hostel Fee-Perk	10	0
<input type="checkbox"/>	House Upkeep & Maint Allo	25	0
<input type="checkbox"/>	Self Dev Allowance Perk	15	0
<input type="checkbox"/>	Fitness Allowance	10	0
<input type="checkbox"/>	Spl. Pers. Allow	20	0
<input type="checkbox"/>	Transport Subsidy	5	0

Row 1 of 8

**Total :**  %

**Note :**

1. In cases employee drawing personal allowance(HRA Protection) , the differential amount of HRA being protected on monthly basis shall be included in the monthly ceiling of 47% of basic pay.
2. In cases employees drawing Incentive for adoption of small family norms, the amount of incentive being drawn shall be included in the ceiling of 47% of basic pay.
3. The Employees availing CMRE ; out of CMRE admissible , Rs 800 for car & Rs. 500 for two wheelers , shall be included in the ceiling of 47% of basic pay per month.
4. Employee can Exercise their option for Perquisites and allowance, only once in the beginning of Financial year. And can be revised only once during the financial year.

### **What one should opt and why.**

Employee can opt under any heading from one to maximum percentage allowed. For example first option LFA Holiday Home, one can give 1 to 30 percent option. Total of all options should be 47% and not more than that. Only difference is one can get Income Tax Rebate under i)LFA, ii) CEA, iii) CEA Hostel iv) Transport Subsidy

#### **LFA / Holiday Home**

As per income tax act for financial year 10-11 to 13-14 i.e. four years LFA is rebate is admissible two times. ( To & Fro expenditure will be counted as one)

Only train and Air ticket travel with in India is eligible for tax rebate. There is no maximum limit on the amount as per income tax act but it is admissible for self spouse and two children and dependents as per income tax act.

First you have to give option for LFA in percentages in webice. Then submit bills to PCS section. LFA expenditure will be deducted form taxable salary for income tax calculation.

If your income from percentage option for LFA is Rs 10000 and you submit bills for Rs.5000 you will get Rs,10000 under salary under heading LFA but LFA Income tax rebate will be calculated on Rs.5000 only.

#### **CEA-Tuition Fee-Perk**

As per income tax act Rs. 100 per child per month is admissible for income tax rebate.

As per income tax act one can claim for maximum two children

If your income from percentage option of CEA Tuition fee is Rs 5000 and you submit bill for 2400 only. CEA Income tax rebate will be calculated on Rs. 2400 only. CFA expenditure will be deducted form taxable salary for income tax calculation.

You have to submit bills to PCS for income tax rebate.

#### **CEA-Hostel Fee-Perk**

As per income tax act Rs. 300 per child per month is admissible for income tax rebate.

As per income tax act one can claim for maximum two children

If your income from percentage option of CEA Hostel Fee is Rs. 15000, and submit bills for Rs. 7200 you will get Hostel fee rebate Rs. 7200 only. CFA expenditure will be deducted form taxable salary for income tax calculation.

You have to submit bills to PCS for income tax rebate.

## **Transport Subsidy**

As per income tax act Rs. 800 per month is admissible for income tax rebate under head transport subsidy.

## **Income Tax assessment**

Income tax Department can ask for bills/ proof of expenditure for which you have claimed rebate.

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We are grateful to Chartered Accountants form Central Accountants Section for helping concise this information.

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Uniform reimbursement does not come under cafeteria approach. To get income tax rebate on the income under this head you have to submit a declaration to PCS section. If you have not given the declaration for current financial year please give the same at the earliest.

[Download Declaration Form](#)