

**THE ENGLISH AND FOREIGN LANGUAGES UNIVERSITY
HYDERABAD 500 007**

FINANCE AND ACCOUNTS WING

Circular No. EFLU/F&A/2021-21/

th October 2020

CIRCULAR

Sub: Income Tax TDS – Options for the FY 2020-21 and AY 2021-22 – Reg.

In view of the Finance Act 2020 announced in the Budget by the Finance Minister, Govt. of India, the Government (Teaching and Non-Teaching) employees who come under Income Tax purview will have to choose any one of the regimes (old or new) which is beneficial to them.

Therefore, kindly go through the examples given hereunder and exercise any one of the Options for calculating the Income Tax TDS for the Financial Year 2020-21 and Assessment Year 2021-22:

Option I – Old Regime []

The following table shows how no tax would be payable on gross salary of up to Rs 13.25 lakh if you avail the exemptions mentioned in the table:

Particulars	Amount (Rs)
Gross Salary	13,25,000
Less, Standard Deduction	-50000
Income under the head Salary	12,75,000
Less, interest on home loan	-3,50,000
Total Income	9,25,000
Less, deductions u/s 80C	-1,50,000
Less, deductions on health insurance u/s 80D	-75000
Less, int on auto loan for EV u/s 80EEB	-1,50,000
Less, NPS contribution u/s 80CCD (1B)	-50000
Taxable Income	5,00,000
Tax @ 0% on 2.5 lakh + 5% on Rs 2.5 lakh	12500
Less Tax Rebate	-12500
Tax Payable	Nil

Tax on salary of Rs 13.25 lakh after deductions under the old tax regime.

Option II – New Regime []

On the other hand, if the employee moves to new tax regime, without any deductions, he/she would have to pay Rs tax on his/her gross salary of Rs 13.25 lakh without even availing HRA benefits.

Tax calculation on Rs 13.25 lakh under new tax regime:

Income (Rs)	Tax rate (%)	Tax (Rs)
2,50,000	0	0
2,50,001 – 5,00,000	5	12,500
5,00,001 – 7,50,000	10	25,000
7,50,001 – 10,00,000	15	37,500
10,00,001 – 12,50,000	20	50,000
12,50,001 – 13,25,000	25	18,750
Total Tax		1,43,750
Health & Education Cess	4	5,750
Tax Payable		1,49,500

Tax on salary of Rs 13,25 lakh without any deductions under the new tax regime.

If any employee **not** exercised any Option, it will be assumed that his/her TDS calculations will be based on the **Old Regime**. Please tick ✓ your Option and write your name and designation in the line provided below and submit your Option in the **Finance and Accounts Wing** on or before **2nd November 2020**.

Name _____, Designation _____

Sd/-
FINANCE OFFICER i/c

All Notice Boards
All Teachers and Non-Teachers who come under Income Tax Purview