

Webinar on Payroll & Taxation Related Updates

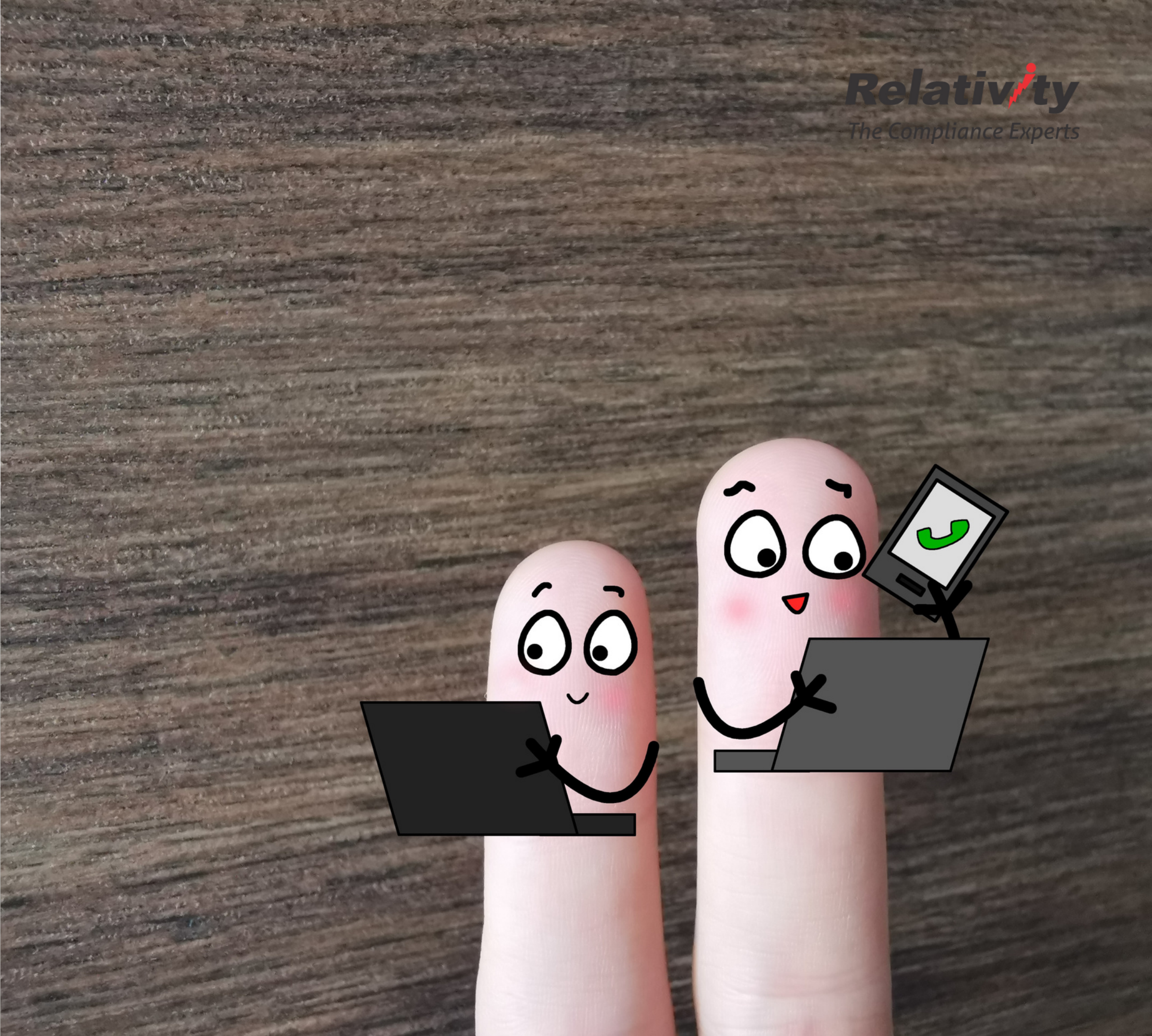
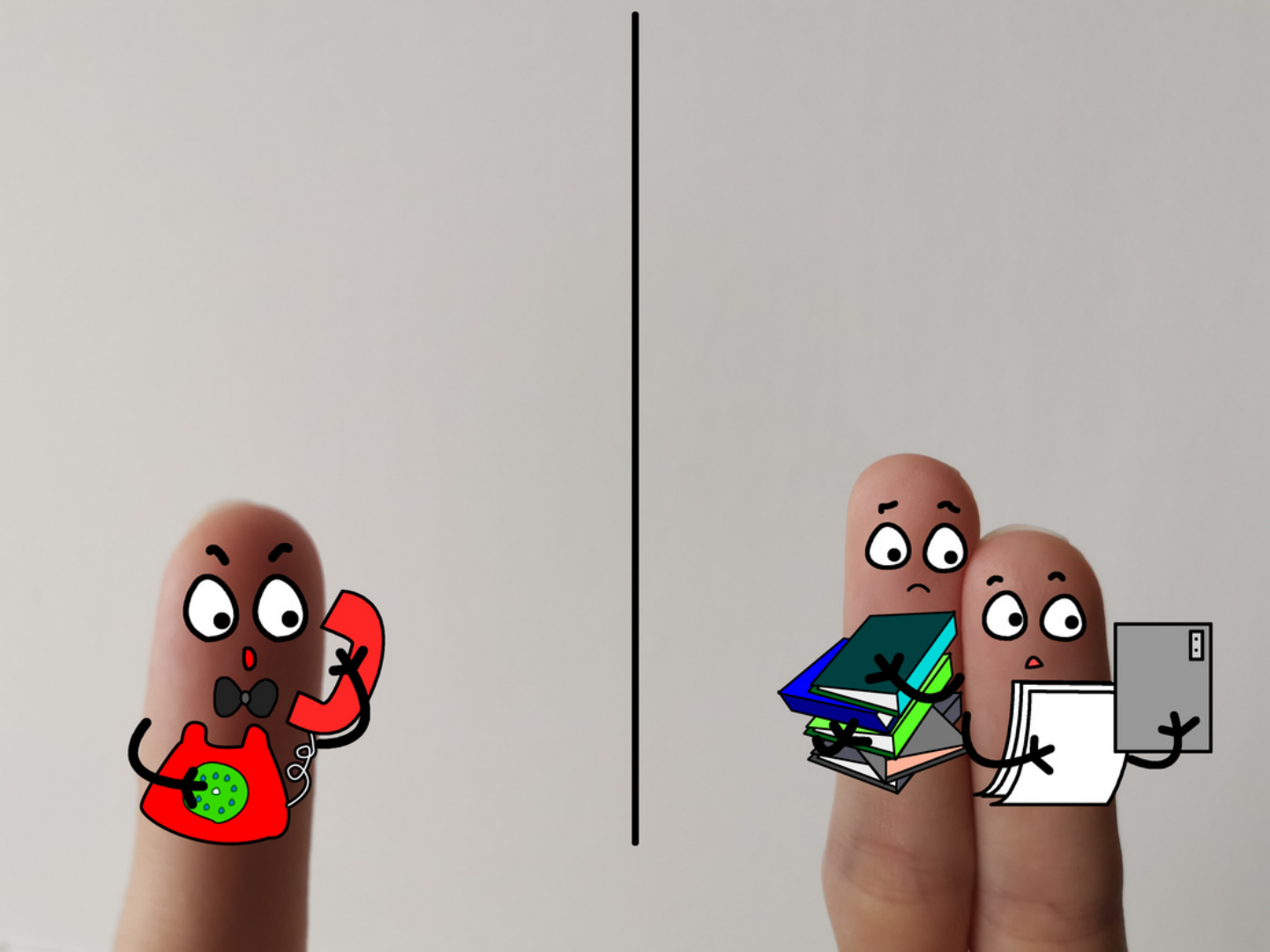
13 - April - 2022

Akash Mahagaonkar, CFP, CPA

Co-Founder & Director

Relativity
The Compliance Experts





Relativity
The Compliance Experts

Q #1

**What is the % of interest announced in March 2022
by the EPFO**

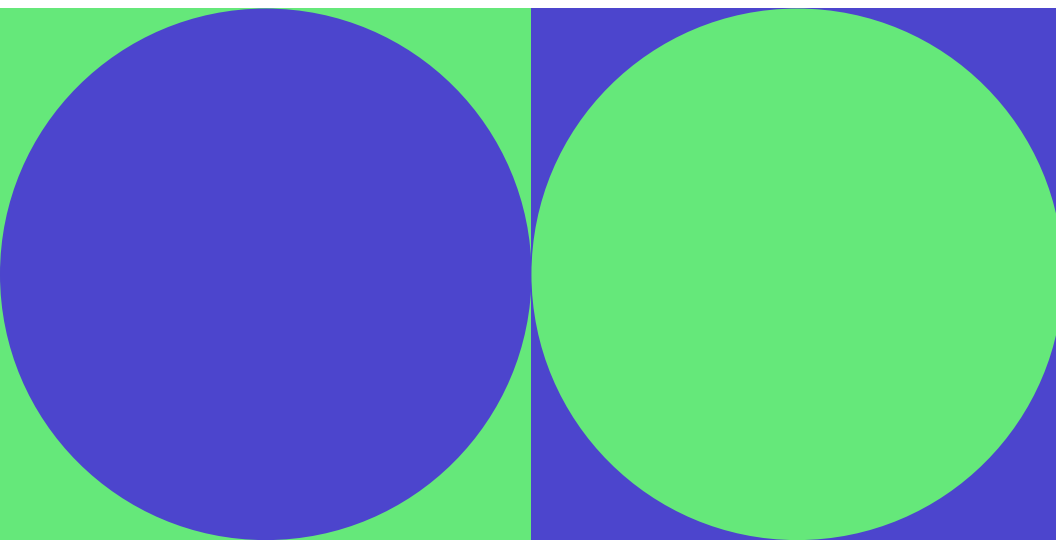
a) 8.10%

OR

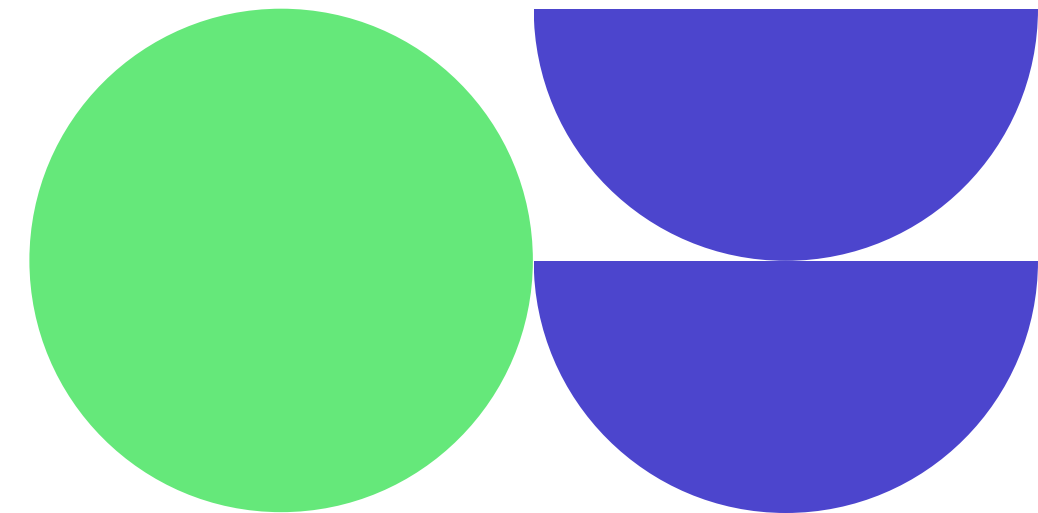
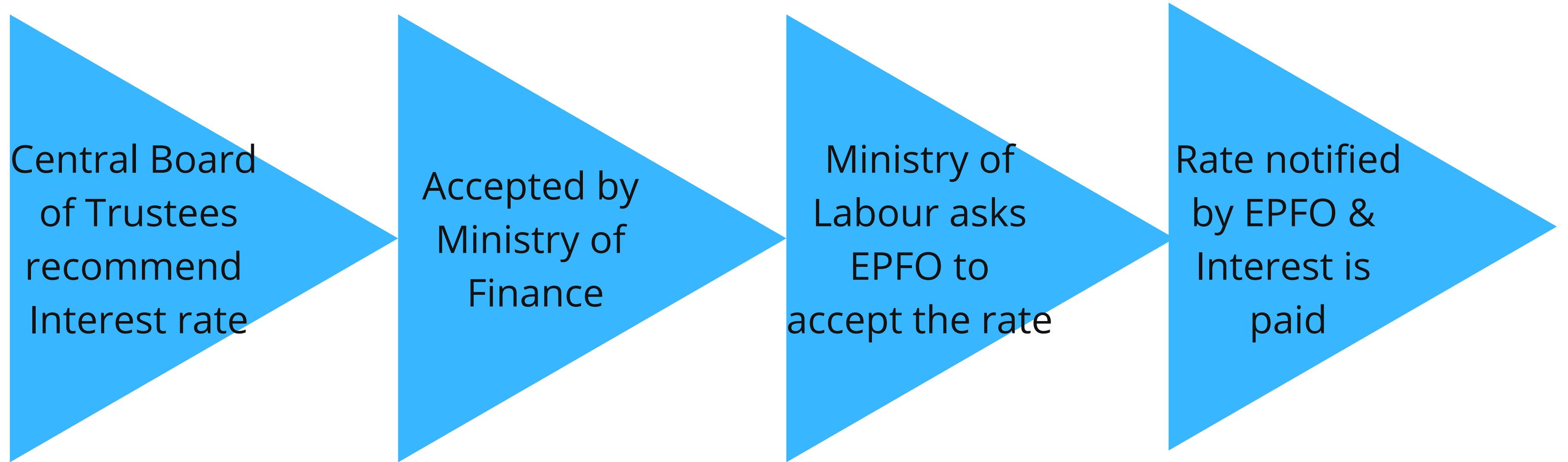
b) 8.50%

OR

c) Not information yet



Answer

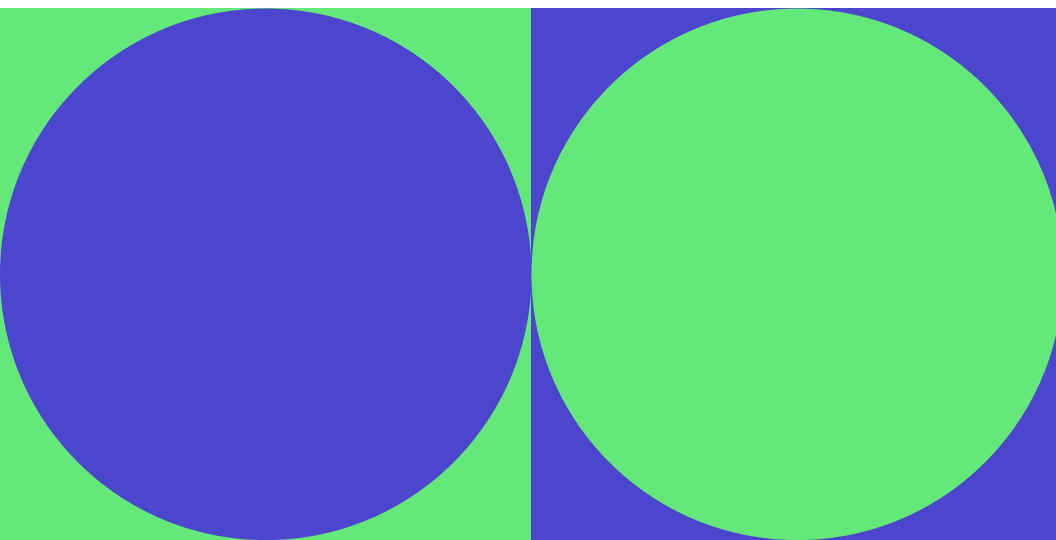


Q #2

Income Tax act has decided to tax interest on contributions in excess of Rs.2.5 Lakhs. Will the INTEREST on closing balance as on 31.03.2021 be subject to such tax and TDS?

A) Yes

B) No



Answer

Madam/Sir,

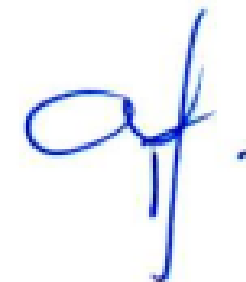
In pursuance of the notification issued by Department of Revenue (CBDT) dated 31st August 2021, the interest relating to contribution in a Provident Fund, exceeding specified limit of Rs. 2.5 Lakh shall be part of taxable income of the subscriber.

(2) Relevant provisions of Law:

The relevant para of the notification under reference is reproduced as under:-

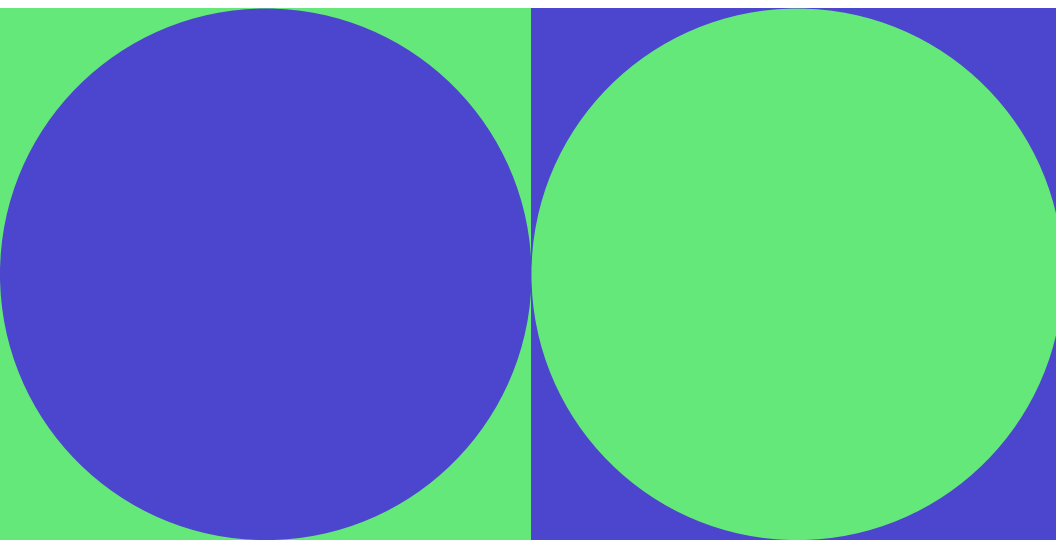
"Explanation: For the purposes of this rule—

- (a)** Non-taxable contribution account shall be the aggregate of the following, namely:
- (i) Closing balance in the account as on 31st day of March 2021;
 - (ii) Any contribution made by the person in the account during the previous year 2021—2022 and subsequent previous years, which is not included in the taxable contribution account; and
 - (iii) Interest accrued on sub— clause (i) and sub— clause (ii), as reduced by the withdrawal, if any, from such account;
- (b)** Taxable contribution account shall be the aggregate of the following, namely:



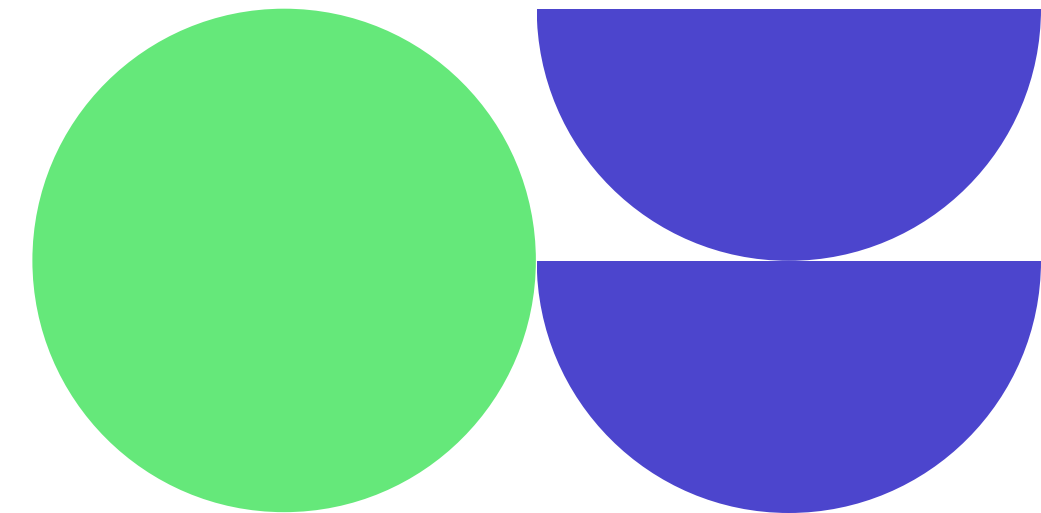
Q #3

ULIPS were non taxable under Section 10(10D) until 01.02.2021. Which of this is FALSE?



Options

- a) ULIPS taken before 01.02.2021 remain non-taxable irrespective of the Premium paid or Maturity Value**
- b) ULIPS taken on or after 01.02.2021 will be taxable irrespective of the premium paid**
- c) ULIPS taken on or after 01.02.2021 will be taxable if the Total Premium paid exceeds Rs.2,50,000 P.A**



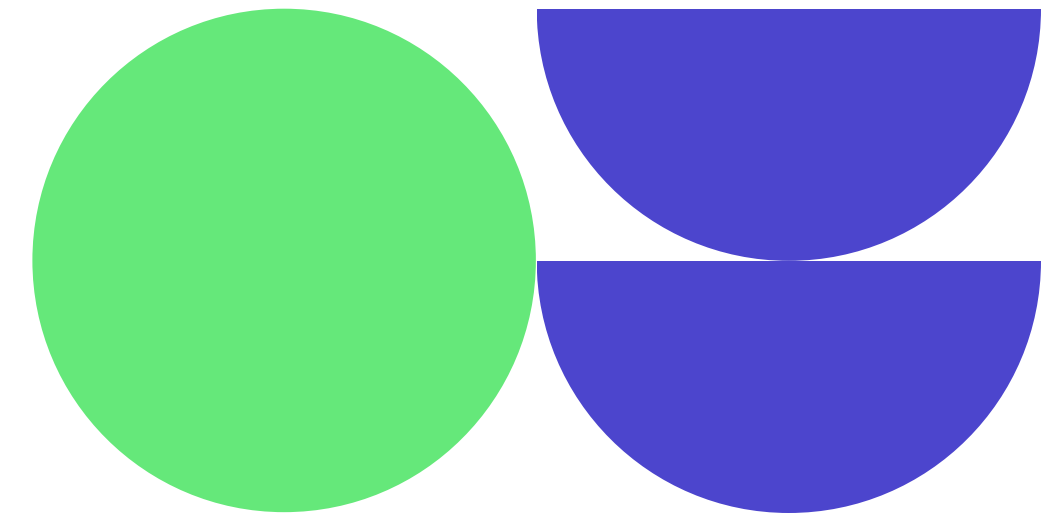
Answers

a) ULIPS taken before 01.02.2021 remain non-taxable irrespective of the Premium paid or Maturity Value

b) ULIPS taken on or after 01.02.2021 will be taxable irrespective of the premium paid

c) ULIPS taken on or after 01.02.2021 will be taxable if the Total Premium paid exceeds Rs.2,50,000 P.A

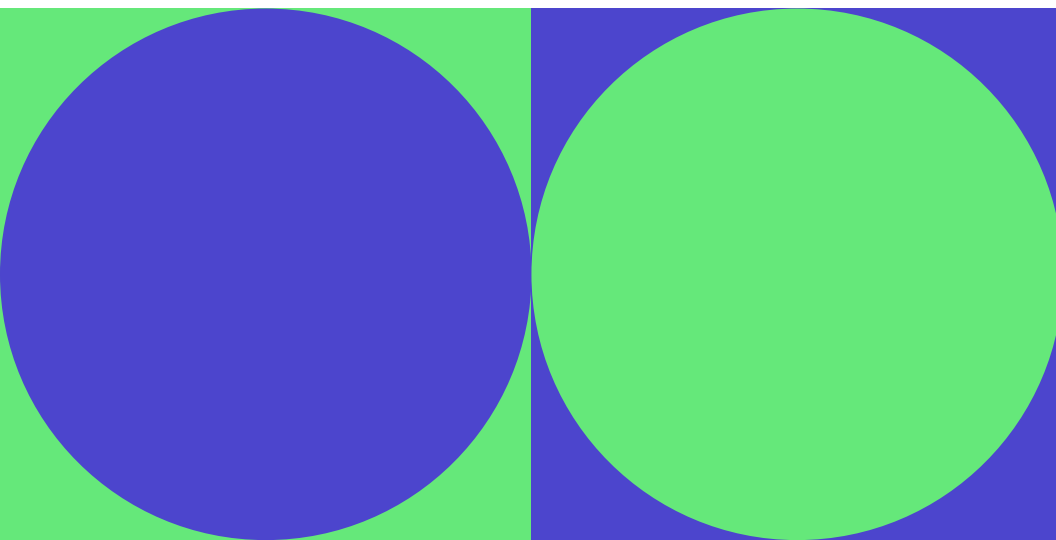
circular-2-2022.pdf



Q #4

Is GST Applicable on Transport Facility provided by the Employer to the Employee?

**Yes
or
No**

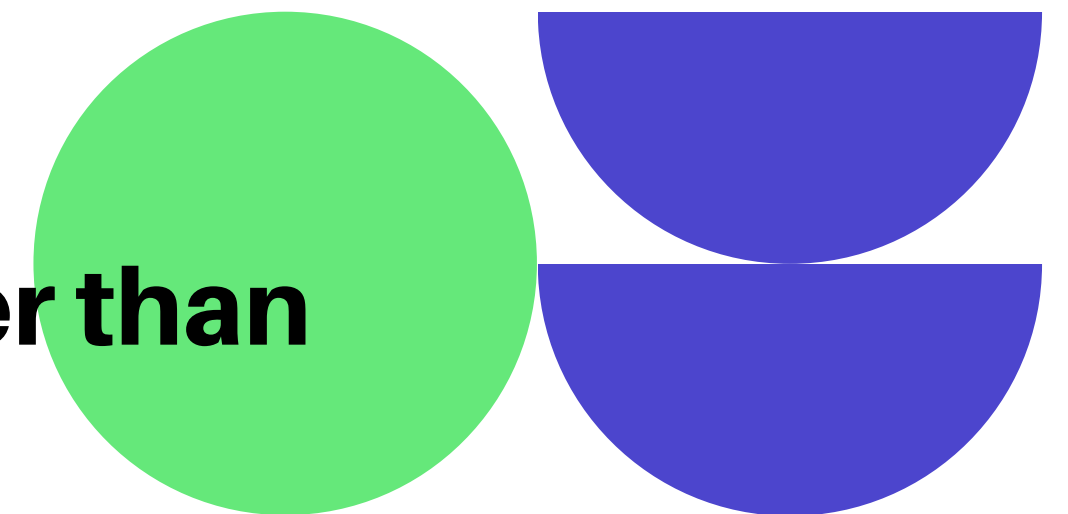


AAAR Ruling

It has said that Transport Facility is not a "Contractual Obligation" between an Employer and an Employee on account of employment and hence the service is "Taxable"

If no recovery or Nominal recovery is made from the employee, the valuation of services for GST shall be in accordance with Section 15 of the CGST/HGST Act

In Summary, the ruling says taxable value greater than 50000 P.A is taxable & GST

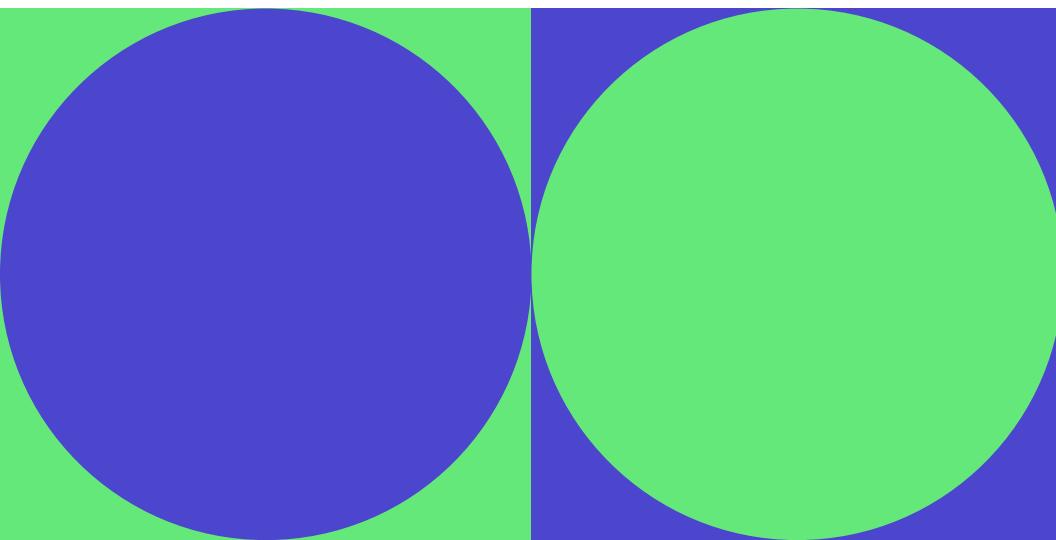


Q #5

Whether Sec 115BAC rates are applicable on the income from Business & Profession or rates are applicable only for salary income?

A) All Income

B) Only Salary Income

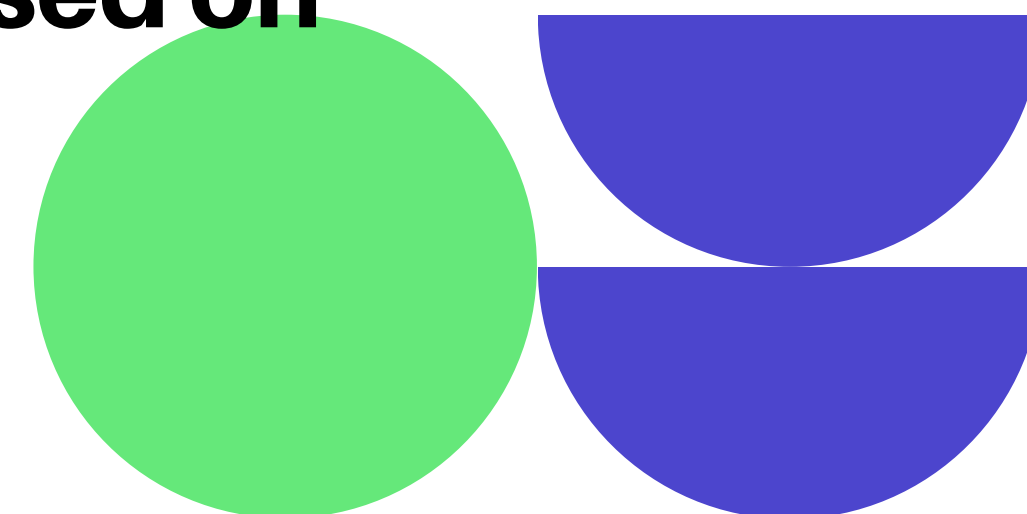


Answers

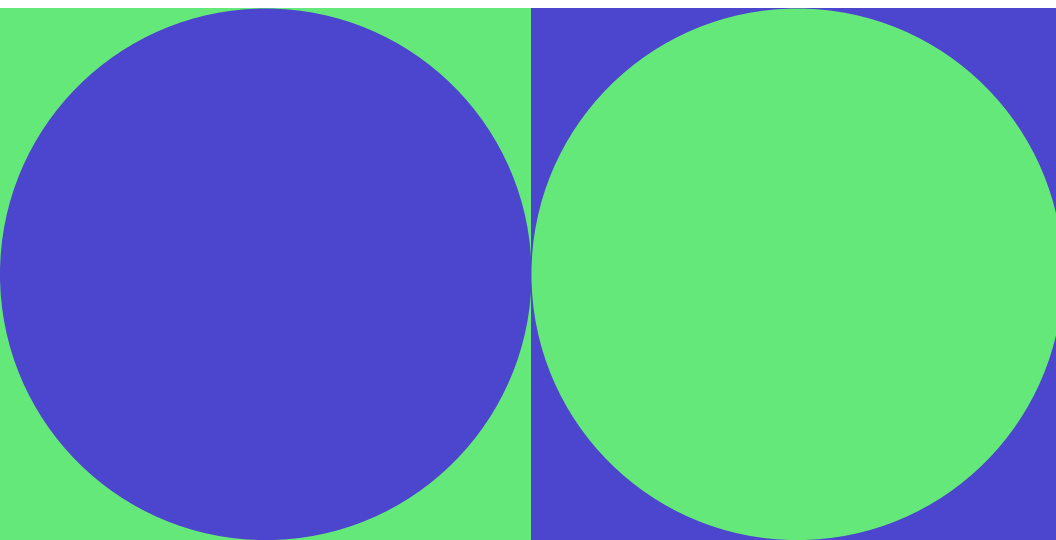
Section 115BAC is applicable on 1) Income from Salary, 2) Income from House Property, 3) Income from Business/Profession

some new joiners may not declare/choose New Tax Regime and by default Old tax regime applies for them. Later at the time of filing ITR, they can again choose Old or New tax regime based on

- (1) their previous year choice**
- (2) Opt out option, if available.**

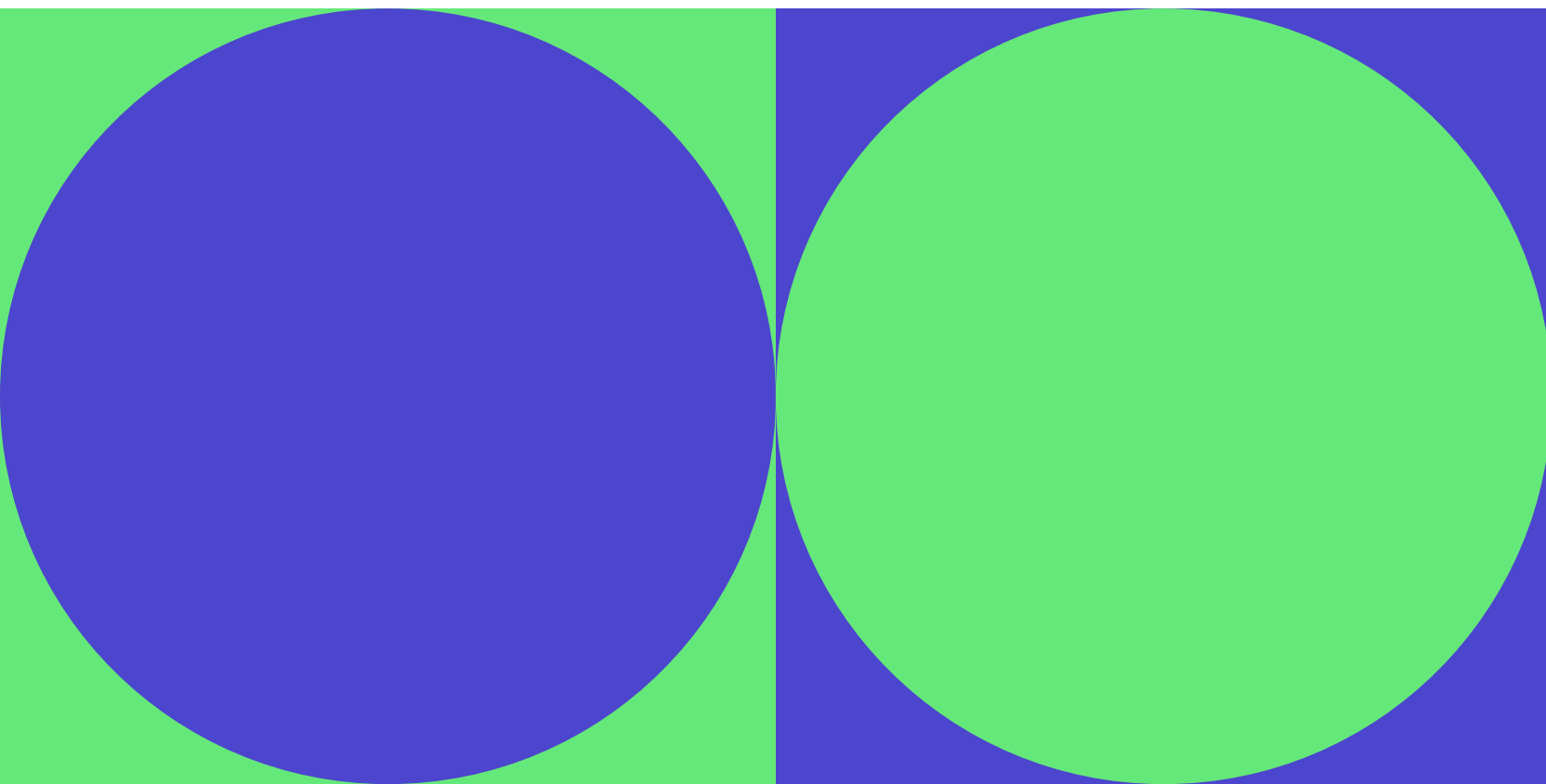


Who are the high scorers?



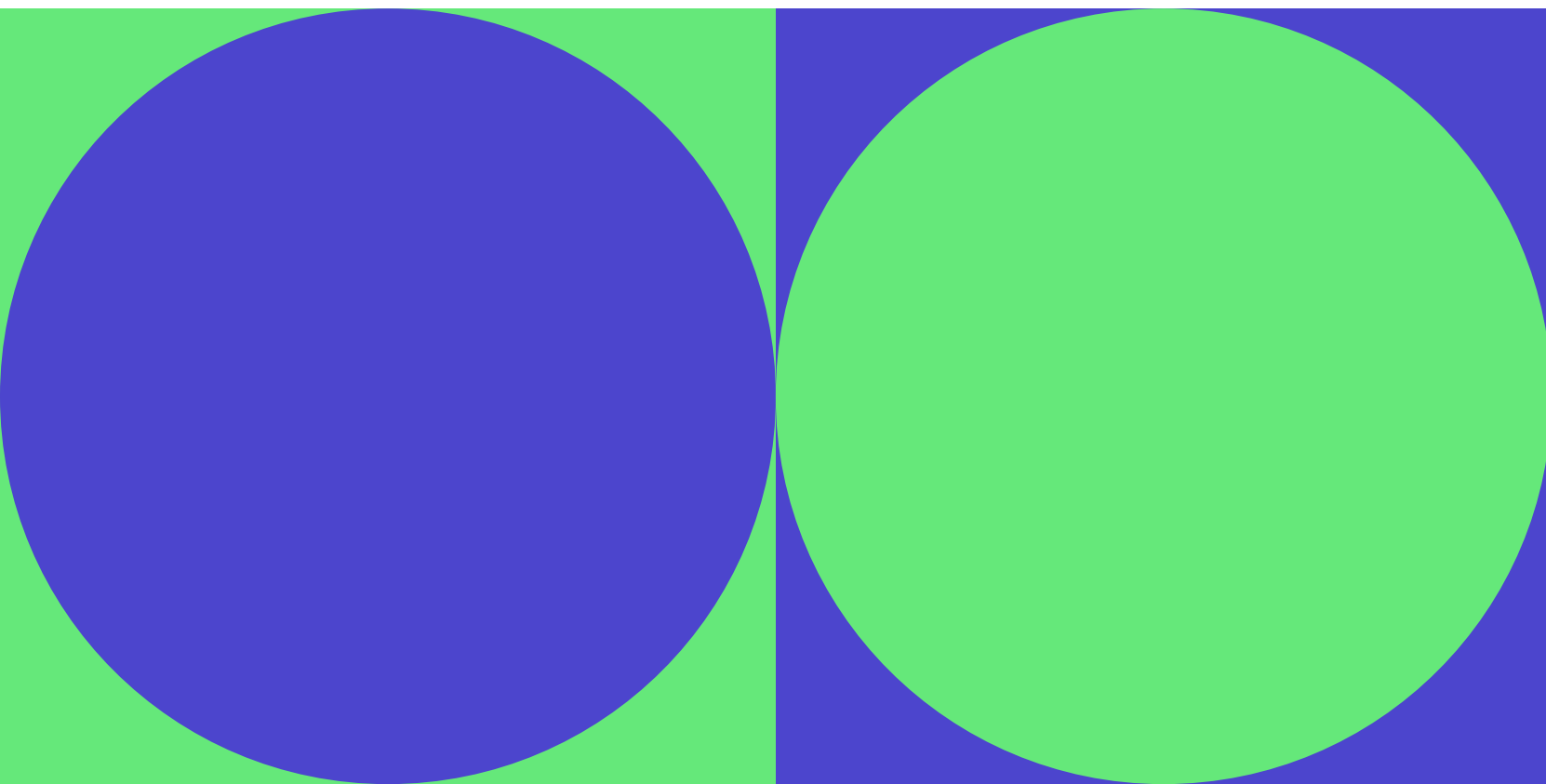
Update # 1

- LONG-AWAITED FOUR LABOUR CODES MAY NOT COME UP BEFORE JUNE-END
- 7 States yet to frame rules under various labour codes



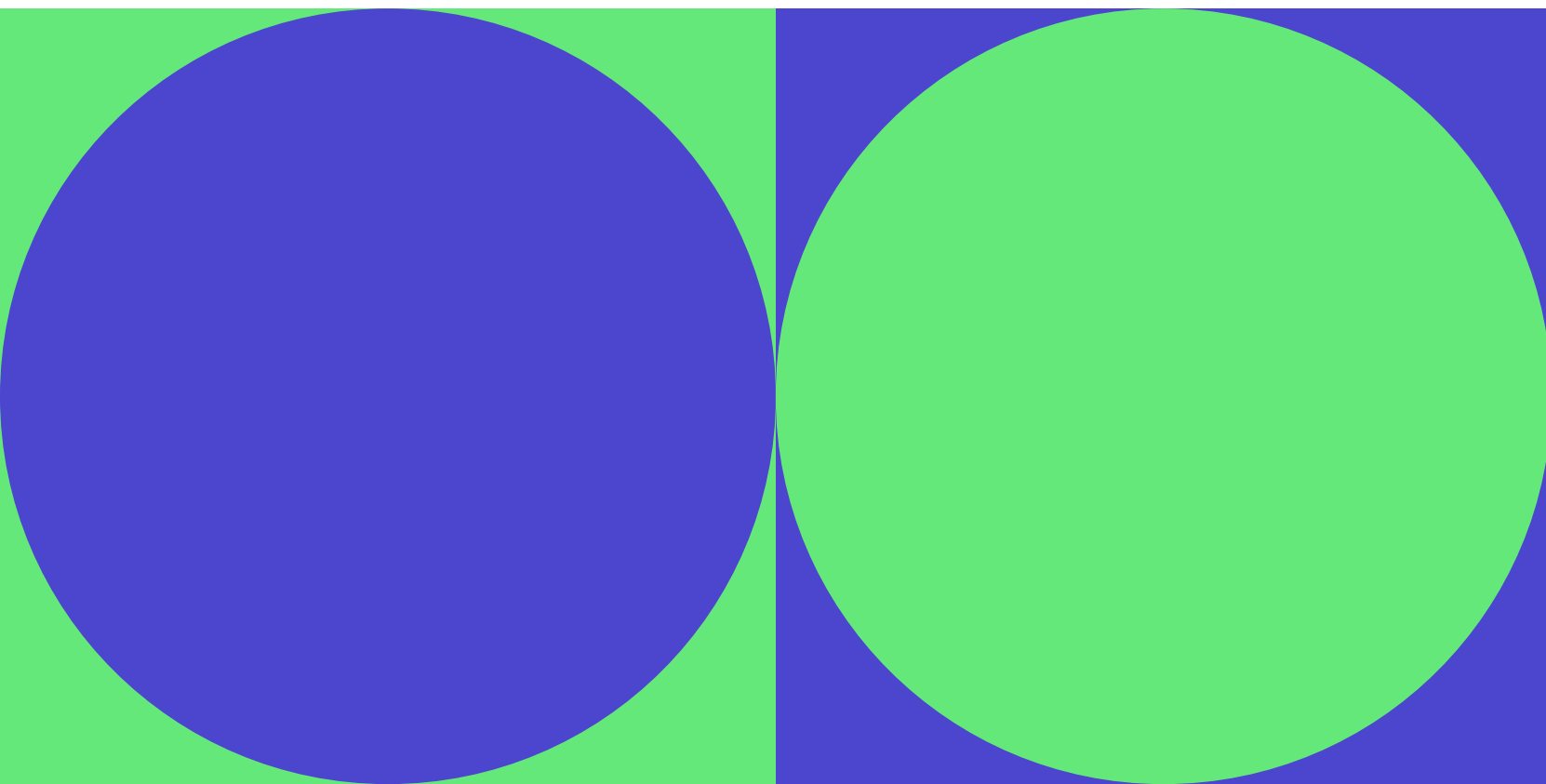
Update # 2

- Form-16 - Part A & B generated from TRACES
- Part A has data from all 4 Quarter Annexure I
- Part B has data from Q4, Annexure 2
- Employee not in Annexure 2, No Part B
- Q1 to Q4 Annexure 1 TDS Data has to match Tax deducted in Annexure 2



Update # 2

- Tax Payment by 30th April
- Q4 Returns filing by 31st May
- Form-16 issuance by 15th June



Some Facts

13

Years & young

153

Clients & counting

12L

transactions / Q

99.49

Accuracy rates

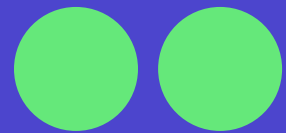
16

Cities

4.76L

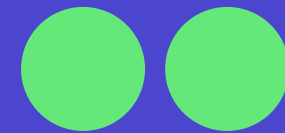
Form 16's issued

What we do



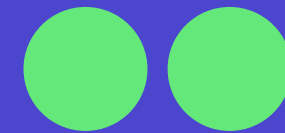
Payroll

Payroll Outsourcing
Payroll Lodgement
In Premise Payroll
Payroll Audits



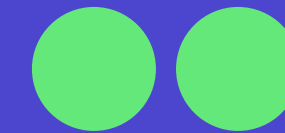
Taxation

TDS Audits
TDS Compliance
End to End
Management



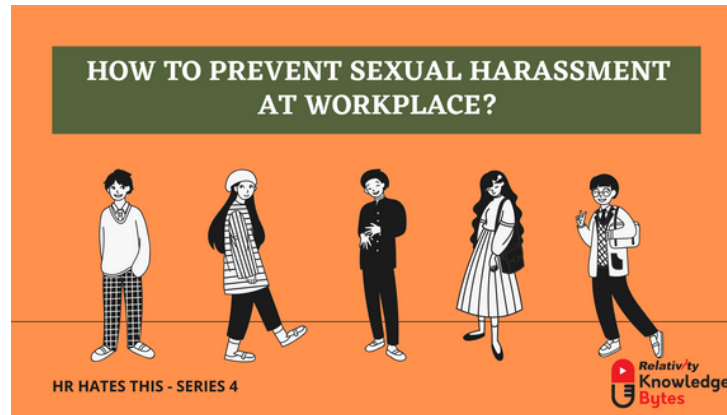
Compliance

PF/ESI/PT
Labour Laws
Shops & Est. Act
Compliance Audits

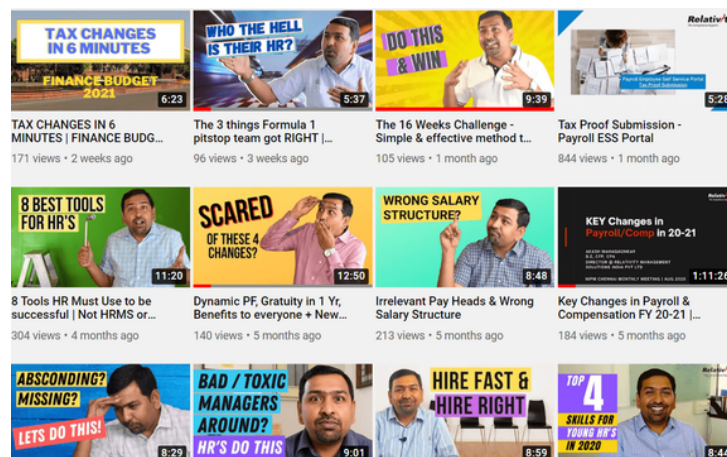


Accounting

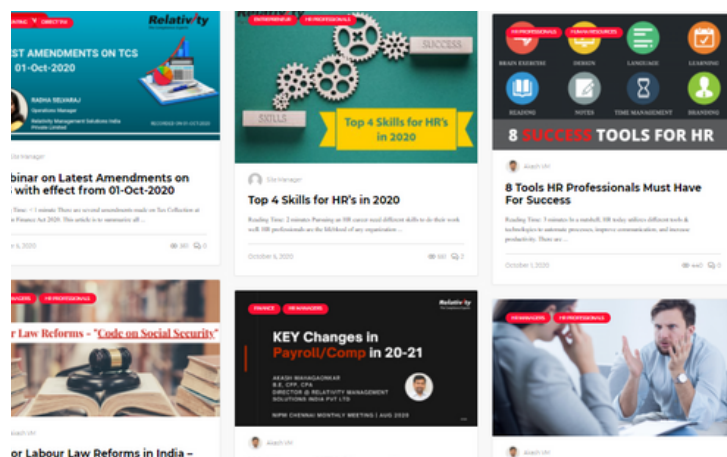
GST Compliance
CA & ROC Services
Statutory Audits
Book Keeping



Connect with us on LinkedIn here



Our extensive Knowledge of videos for HR Professionals are here



For thoughtful articles, Subscribe to our Newsletter





Let's make
the right
one!