

# IMPACT OF FY 23-24 BUDGET ON PAYROLLS

**Relativity**  
The Compliance Experts

Payroll | Taxation | Compliance  
Completely run by the Audience  
Articulated by Akash

April 2023

Speaker: **Akash Mahagaonkar**





# BRIEF AGENDA

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Changes to Payroll Landscape due to FY 23-24  
Budget - 40 mins



Q & A Session



What has Changed	Impact on Payrolls and Payroll / HR Teams
<p>Tax Slabs have undergone a significant change in the New Tax Regime</p>	<p>Employees may pay Zero tax if their Income is &lt; 7,50,000, thereby reducing taxable EE headcount</p> <p>Employees may pay reduced tax compared to Old Tax Regime upto certain income levels*.</p>



Income Slab	Old Tax Regime	New tax Regime (until 31st March 2023)	New Tax Regime (From 1st April 2023)
₹0 - ₹2,50,000	-	-	-
₹2,50,000 - ₹3,00,000	5%	5%	-
₹3,00,000 - ₹5,00,000	5%	5%	5%
₹5,00,000 - ₹6,00,000	20%	10%	5% ←
₹6,00,000 - ₹7,50,000	20%	10%	10%
₹7,50,000 - ₹9,00,000	20%	15%	10% ←
₹9,00,000 - ₹10,00,000	20%	15%	15%
₹10,00,000 - ₹12,00,000	30%	20%	15% ←
₹12,00,000 - ₹12,50,000	30%	20%	20%
₹12,50,000 - ₹15,00,000	30%	25%	20% ←
>₹15,00,000	30%	30%	30%





# WHICH IS BETTER? OLD OR NEW

## The old versus the new tax regime

(All figures in ₹)	As per form 16 (Old regime)	As per ITR late filing (default new regime)
Salary	20,00,000	20,00,000
<b>Exemptions:</b>		
HRA	-4,00,000	Not available
LTA	-1,00,000	Not available
Standard deduction	-50,000	-50,000
<b>Income from Salary</b>	<b>14,50,000</b>	<b>19,50,000</b>
Housing loan interest	-2,00,000	Not available
<b>Deductions</b>		
80C	-1,50,000	Not available
80D	-25,000	Not available
<b>Taxable income</b>	<b>10,75,000</b>	<b>19,50,000</b>
Tax liability	1,40,400	3,35,400
TDS deducted	1,40,400	1,40,400
<b>Tax payable</b>	<b>Nil</b>	<b>1,95,000</b> plus interest and penalty



What has Changed	Impact on Payrolls and Payroll / HR Teams
<p>Default Tax Regime has changed to NEW from OLD</p>	<p>1) Tax is to be calculated on New Tax Regime, If EE does not choose any tax regime</p>
	<p>2) Tax is to be calculated on Old Tax Regime, only if EE has actively opted for it</p>
	<p>3) Communicate &amp; Educate extensively this change to all EE's</p>
	<p>4) Option for Tax Exemption of Food Coupons cannot be provided by default</p>
	<p>5) Option for Tax Exemption of Telephone / Broadband Expenses u/s 10(14) cannot be provided by default</p>





What has Changed	Impact on Payrolls and Payroll / HR Teams
Leave Encashment Exemption Limit increased from 3L to 25L (Yet to be notified)	Available in Both Regimes. Due to higher exemption values, EE's would demand Employers itself to provide exemption





# A QUESTION TO ALL OF YOU

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Will there be changes to Compensation  
Components due to tax regime changes?





# Some Facts

**13**

Years & young

**153**

Clients & counting

**12L**

transactions / Q

**99.49**

Accuracy rates

**16**

Cities

**4.76L**

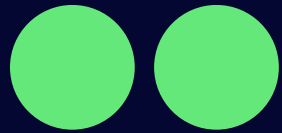
Form 16's issued

**99.12**

Client Retention Rate

13

# What we do



## Payroll

Payroll Outsourcing  
Payroll Lodgement  
In Premise Payroll  
Payroll Audits



## Taxation

TDS Audits  
TDS Compliance  
End to End  
Management

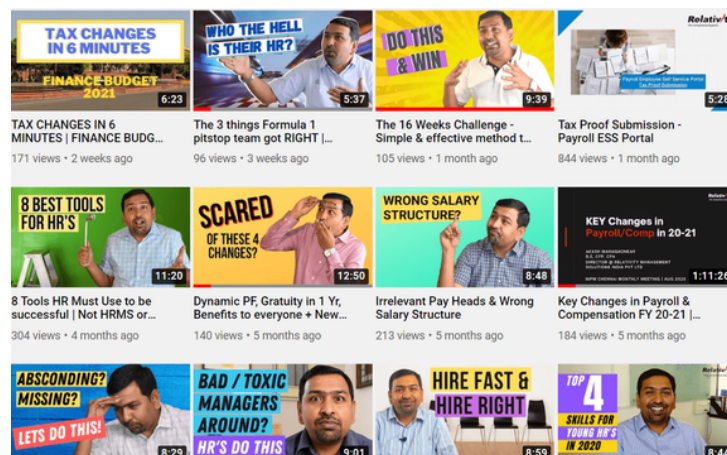


## Compliance

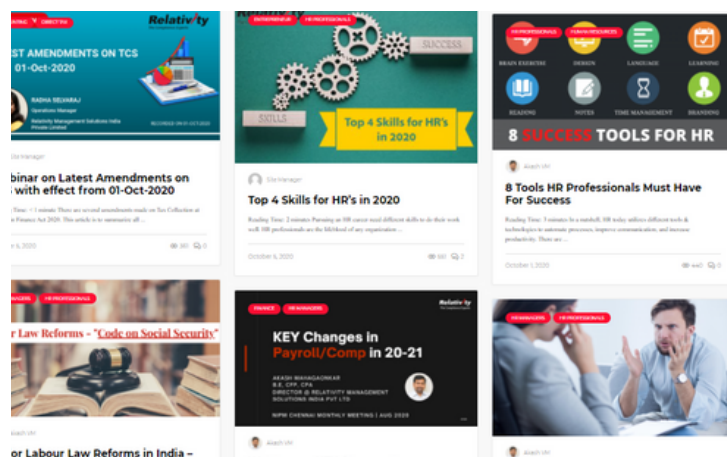
PF/ESI/PT  
Labour Laws  
Shops & Est. Act  
Compliance Audits



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Let's make  
the right  
one!