

List of benefits available to Salaried Persons

[AY 2015-16]

S. N.	Section	Particulars	Benefits
A.	Allowances		
1.	10(13A)	House Rent Allowance (Sec. 10(13A) & Rule 2A)	<p>Least of the following is exempt:</p> <ul style="list-style-type: none"> a) Actual HRA Received b) 40% of Salary (50%, if house situated in Mumbai, Calcutta, Delhi or Madras) c) Rent paid minus 10% of salary <p>* Salary= Basic + DA (if part of retirement benefit) + Turnover based Commission</p> <p>Note:</p> <ul style="list-style-type: none"> i. Fully Taxable, if HRA is received by an employee who is living in his own house or if he does not pay any rent ii. It is mandatory for employee to report PAN of the landlord to the employer if rent paid is more than Rs. 1,00,000 [Circular No. 08 /2013 dated 10th October, 2013].
2.	10(14)	Children Education Allowance	Up to Rs. 100 per month per child up to a maximum of 2 children is exempt
3.	10(14)	Hostel Expenditure Allowance	Up to Rs. 300 per month per child up to a maximum of 2 children is exempt
4.	10(14)	Transport Allowance granted to an employee to meet expenditure on commuting between place of residence and place of duty	Up to Rs. 800 per month (Rs. 1,600 per month for blind and handicapped employees) is exempt
5.	Sec. 10(14)	Transport Allowance to an employee working in any transport business to meet his personal expenditure during his duty performed in the course of running of such transport from one place to another place provided employee is not in receipt of daily allowance.	<p>Amount of exemption shall be lower of following:</p> <ul style="list-style-type: none"> a) 70% of such allowance; or <p>Rs. 10,000 per month.</p>
6.	10(14)	Conveyance Allowance granted to meet the expenditure on conveyance in performance of duties of an office	Exempt to the extent of expenditure incurred

7.	10(14)	Any Allowance granted to meet the cost of travel on tour or on transfer	Exempt to the extent of expenditure incurred
8.	10(14)	Daily Allowance to meet the ordinary daily charges incurred by an employee on account of absence from his normal place of duty	Exempt to the extent of expenditure incurred
9.	10(14)	Helper/Assistant Allowance	Exempt to the extent of expenditure incurred
10.	10(14)	Research Allowance granted for encouraging the academic research and other professional pursuits	Exempt to the extent of expenditure incurred
11.	10(14)	Uniform Allowance	Exempt to the extent of expenditure incurred
12.	10(7)	Foreign allowances or perquisites paid or allowed by Government to its employees (an Indian citizen) posted outside India	Fully Exempt
13.	-	Allowances to Judges of High Court/Supreme Court (Subject to certain conditions)	Fully Exempt.
14.	10(45)	Following allowances and perquisites given to serving Chairman/Member of UPSC is exempt from tax: a) Value of rent free official residence b) Value of conveyance facilities including transport allowance c) Sumptuary allowance d) Leave travel concession	Fully Exempt
15.	-	Allowances paid by the UNO to its employees	Fully Exempt
16.	10(45)	Allowances to Retired Chairman/Members of UPSC (Subject to certain conditions)	Exempt subject to maximum of Rs.14,000 per month for defraying services of an orderly and for secretarial assistant on contract basis. The value of residential telephone free of cost and the number of free calls to the extent of 1500 per month shall be exempt.
17.	Sec. 10(14)	Special compensatory Allowance (Hilly Areas) (Subject to certain conditions and locations)	Amount exempt from tax varies from Rs. 300 per month to Rs. 7,000 per month.
18.	Sec. 10(14)	Border area allowances, Remote Locality allowance or Disturbed Area allowance or Difficult Area	Amount exempt from tax varies from Rs. 200 per month to Rs. 1,300 per month.

		Allowance (Subject to certain conditions and locations)	
19.	Sec. 10(14)	Tribal area allowance given in (a) Madhya Pradesh (b) Tamil Nadu (c) Uttar Pradesh (d) Karnataka (e) Tripura (f) Assam (g) West Bengal (h) Bihar (i) Orissa	Rs. 200 per month
20.	Sec. 10(14)	Compensatory Field Area Allowance. If this exemption is taken, employee cannot claim any exemption in respect of border area allowance (Subject to certain conditions and locations)	Rs. 2,600 per month
21.	Sec. 10(14)	Compensatory Modified Area Allowance. If this exemption is taken, employee cannot claim any exemption in respect of border area allowance (Subject to certain conditions and locations)	Rs. 1,000 per month
22.	Sec. 10(14)	Counter Insurgency Allowance granted to members of Armed Forces operating in areas away from their permanent locations. If this exemption is taken, employee cannot claim any exemption in respect of border area allowance (Subject to certain conditions and locations)	Rs. 3,900 per month
23.	Sec. 10(14)	Underground Allowance is granted to employees working in uncongenial, unnatural climate in underground mines	Up to Rs. 800 per month
24.	Sec. 10(14)	High Altitude Allowance is granted to armed forces operating in high altitude areas (Subject to certain conditions and locations)	a) Up to Rs. 1,060 per month (for altitude of 9,000 to 15,000 feet) b) Up to Rs. 1,600 per month (for altitude above 15,000 feet)
25.	Sec. 10(14)	Highly active field area allowance granted to members of armed forces (Subject to certain conditions and locations)	Up to Rs. 4,200 per month
26.	Sec. 10(14)	Island Duty Allowance granted to members of armed forces in Andaman and Nicobar and Lakshadweep group of Island (Subject to certain conditions and locations)	Up to Rs. 3,250 per month

B.	Perquisites		
1.	17(2)(i) read with Rule 3(1)	Rent free unfurnished accommodation provided to Central and State Government employees	License Fees determined in accordance with rules framed by Government for allotment of houses shall be deemed to be the taxable value of perquisites.
2.	17(2)(i)/(ii) read with Rule 3(1)	Unfurnished rent free accommodation provided to other employees	<p>Taxable value of perquisites</p> <p>A. If House Property is owned by the employer:</p> <ol style="list-style-type: none"> 15% of salary, if population of city where accommodation is provided exceeds 25 lakhs as per 2001 census 10% of salary, if population of city where accommodation is provided exceeds 10 lakhs but does not exceed 25 lakhs as per 2001 census 7.5% of salary, if accommodation is provided in any other city <p>B. If House Property is taken on lease or rent by the employer</p> <ol style="list-style-type: none"> Lease rent paid or payable by the employer or 15% of the salary, whichever is lower <p>*Salary includes:</p> <ol style="list-style-type: none"> Basic Pay Dearness Allowance (only to the extent it forms part of retirement benefit salary) Bonus Commission All other allowances (only taxable portion) Any monetary payment which is chargeable to tax <p>But does not include</p> <ol style="list-style-type: none"> Value of any perquisite [under section 17(2)] Employer's contribution to PF Benefits received at the time of retirement like gratuity, pension etc. <p><i>Note:</i></p> <ol style="list-style-type: none"> Rent free accommodation is not chargeable to tax if provided to an employee working at mining site or an on-shore oil exploration site, etc.,— <ol style="list-style-type: none"> which is being of temporary nature (subject to conditions) which is located in remote area. Rent free accommodation if provided to

			<p>High Court or Supreme Court Judges, Union Ministers, Leader of Opposition in Parliament, an official in Parliament and Serving Chairman and members of UPSC is Tax Free Perquisites.</p> <p>3) The value so determined shall be reduced by the amount of rent, if any, paid by the employee.</p> <p>4) If employee is transferred and retain property at both the places, the taxable value of perquisites for initial period of 90 days shall be determined with reference to only one accommodation (at the option of the assessee). The other one will be tax free. However after 90 days, taxable value of perquisites shall be charged with reference to both the accommodations.</p>
3.	17(2)(i) read with Rule 3(1)	Rent free furnished accommodation	<p>Taxable value of perquisites</p> <p>a) Find out taxable value of perquisite assuming accommodation to be provided to the employee is unfurnished</p> <p>b) <i>Add:</i> 10% of original cost of furniture and fixtures (if these are owned by the employer) or actual higher charges paid or payable (if these are taken on rent by the employer).</p> <p><i>Note:</i> The value so determined shall be reduced by the amount of rent, if any, paid by the employee</p>
4.	17(2)(i) read with Rule 3(1)	A furnished accommodation in a Hotel	<p>Taxable value of perquisites</p> <p>Value of perquisite shall be lower of following:</p> <p>a) Actual charges paid or payable by the employer to such hotel</p> <p>b) 24% of salary</p> <p><i>Note:</i> Hotel accommodation will not be chargeable to tax if :</p> <p>a) It is provided for a total period not exceeding in aggregate 15 days in the financial year; and</p> <p>b) Such accommodation in hotel is provided on employee's transfer from one place to another place.</p>
5.	17(2)(iii) read with Rule 3(2)	Motor Car / Other Conveyance	<p>Taxable value of perquisites (See Note 1 below)</p>
6.	17(2)(iii) read with	Services of a domestic servant including sweeper, gardener, watchmen or personal attendant	<p>Taxable value of perquisite shall be salary paid or payable by the employer for such services less any amount recovered from the employee.</p>

	Rule 3(3)		
7.	17(2)(iii) read with Rule 3(4)	Supply of gas, electricity or water for household purposes	<p>Taxable value of perquisites:</p> <ol style="list-style-type: none"> 1. Manufacturing cost per unit incurred by the employer., if provided from resources owned by the employer; 2. Amount paid by the employer, if purchased by the employer from outside agency <p><i>Note:</i></p> <ol style="list-style-type: none"> i. Any amount recovered from the employee shall be deducted from the taxable value of perquisite. j. Taxable in case of specified employees only [See note 4]
8.	17(2)(iii) read with Rule 3(5)	Education Facilities	Taxable value of perquisites (See Note 2 below)
9.	17(2)(iii) read with Rule 3(6)	Transport facilities provided by the employer engaged in carriage of passenger or goods (except Airlines or Railways)	Value at which services are offered by the employer to the public <i>less</i> amount recovered from the employee shall be a taxable perquisite
10.	17(2)(v)	Amount payable by the employer to effect an insurance on life of employee or to effect a contract for an annuity	Fully Taxable
11.	17(2)(vi) read with Rule 3(8)	ESOP/ Sweat Equity Shares	<p>Taxable value of perquisites</p> <p>Fair Market value of shares or securities on the date of exercise of option by the assessee <i>less</i> amount recovered from the employee in respect of such shares shall be the taxable value of perquisites.</p> <p>Fair Market Value shall be determined as follows:</p> <ol style="list-style-type: none"> a) In case of listed Shares: Average of opening and closing price as on date of exercise of option (Subject to certain conditions and circumstances) b) In case of unlisted shares/ security other than equity shares: Value determined by a Merchant Banker as on date of exercise of option or an earlier date, not being a date which is more than 180 days earlier than the date of exercise of the option.
12.	17(2)(vii)	Employer's contribution towards superannuation fund	Taxable in the hands of employee to the extent such contribution exceed Rs.1,00,000
13.	17(2)(viii) read	Interest free loan or Loan at concessional rate of interest	Interest free loan or loan at concessional rate of interest given by an employer to the employee

	with Rule 3(7)(i)		<p>(or any member of his household) is a perquisite chargeable to tax in the hands of all employees on following basis:</p> <ol style="list-style-type: none"> 1. Find out the 'maximum outstanding monthly balance' (i.e. the aggregate outstanding balance for each loan as on the last day of each month); 2. Find out rate of interest charged by the SBI as on the first day of relevant previous year in respect of loan for the same purpose advanced by it; 3. Calculate interest for each month of the previous year on the outstanding amount (mentioned in point 1) at the rate of interest (given in point 2) 4. Interest actually recovered, if any, from employee 5. The balance amount (point 3-point 4) is taxable value of perquisite <p>Nothing is taxable if:</p> <ol style="list-style-type: none"> a) Loan in aggregate does not exceed Rs 20,000 b) Loan is provided for treatment of specified diseases (Rule 3A) like neurological diseases, Cancer, AIDS, Chronic renal failure, Hemophilia (specified diseases). However, exemption is not applicable to so much of the loan as has been reimbursed to the employee under any medical insurance scheme.
14.	17(2) (viii) read with Rule 3(7)(ii)	Facility of travelling, touring and accommodation availed of by the employee or any member of his household for any holiday	<ol style="list-style-type: none"> a) Perquisite value taxable in the hands of employee shall be expenditure incurred by the employer <i>less</i> amount recovered from employee. b) Where such facility is maintained by the employer, and is not available uniformly to all employees, the value of benefit shall be taken to be the value at which such facilities are offered by other agencies to the public less amount recovered from employee.
15.	17(2) (viii) read with Rule 3(7)(iii)	Free food and beverages provided to the employee	<ol style="list-style-type: none"> 1) Fully Taxable: Free meals in excess of Rs. 50 per meal <i>less</i> amount paid by the employee shall be a taxable perquisite 2) Exempt from tax: Following free meals shall be exempt from tax <ol style="list-style-type: none"> a) Food and non-alcoholic beverages provided during working hours in remote area or in an offshore installation;

			<p>b) Tea, Coffee or Non-Alcoholic beverages and Snacks during working hours are tax free perquisites;</p> <p>c) Food in office premises or through non-transferable paid vouchers usable only at eating joints provided by an employer is not taxable, if cost to the employer is Rs. 50(or less) per meal.</p>
16.	17(2)(viii) read with Rule 3(7)(iv)	Gift or Voucher or Coupon on ceremonial occasions or otherwise provided to the employee	<p>a) Gifts in cash or convertible into money (like gift cheque) are fully taxable</p> <p>b) Gift in kind up to Rs.5,000 in aggregate per annum would be exempt, beyond which it would be taxable.</p>
17.	17(2)(viii) read with Rule 3(7)(v)	Credit Card	<p>a) Expenditure incurred by the employer in respect of credit card used by the employee or any member of his household <i>less</i> amount recovered from the employee is a taxable perquisite</p> <p>b) Expenses incurred for official purposes shall not be a taxable perquisite provided complete details in respect of such expenditure are maintained by the employer</p>
18.	17(2)(viii) read with Rule 3(7)(vi)	Free Recreation/ Club Facilities	<p>a) Expenditure incurred by the employer towards annual or periodical fee etc. (excluding initial fee to acquire corporate membership) <i>less</i> amount recovered from the employee is a taxable perquisite</p> <p>b) Expenses incurred on club facilities for the official purposes are exempt from tax.</p> <p>c) Use of health club, sports and similar facilities provided uniformly to all employees shall be exempt from tax.</p>
19.	17(2)(viii) read with Rule 3(7)(vii)	Use of movable assets of the employer by the employee is a taxable perquisite	<p>Taxable value of perquisites</p> <p>a) Use of Laptops and Computers: <i>Nil</i></p> <p>b) Movable asset other than Laptops, computers and Motor Car*: 10% of original cost of the asset (if asset is owned by the employer) or actual higher charges incurred by the employer (if asset is taken on rent) <i>less</i> amount recovered from employee.</p> <p>*See Note 1 for computation of perquisite value in case of use of the Motor Car</p>
20.	17(2)(viii) read	Transfer of movable assets by an employer to its employee	<p>Taxable value of perquisites</p> <p>a) Computers, Laptop and Electronics items:</p>

	with Rule 3(7)(viii)		<p>Actual cost of asset <i>less</i> depreciation at 50% (using reducing balance method) for each completed year of usage by employer <i>less</i> amount recovered from the employee</p> <p>b) Motor Car: Actual cost of asset <i>less</i> depreciation at 20% (using reducing balance method) for each completed year of usage by employer <i>less</i> amount recovered from the employee</p> <p>c) Other movable assets: Actual cost of asset <i>less</i> depreciation at 10% (on SLM basis) for each completed year of usage by employer <i>less</i> amount recovered from the employee.</p>
21.	17(2)(viii) read with Rule 3(7)(ix)	Any other benefit or amenity extended by employer to employee	<p>Taxable value of perquisite shall be computed on the basis of cost to the employer (under an arm's length transaction) <i>less</i> amount recovered from the employee.</p> <p>However expenses on telephones including a mobile phone incurred by the employer on behalf of employee shall not be treated as taxable perquisite.</p>
22.	10(10CC)	Tax paid by the employer on perquisites (not provided for by way of monetary payments) given to employee	Fully exempt
23.	10(5)	<p>Leave Travel Concession or Assistance (LTC/LTA), extended by an employer to an employee for going anywhere in India along with his family*</p> <p>*Family includes spouse, children and dependent brother/sister/parents. However, family doesn't include more than 2 children of an Individual born on or after 01-10-1998.</p>	<p>The exemption shall be limited to fare for going anywhere in India along with family twice in a block of four years:</p> <ol style="list-style-type: none"> Exemption limit where journey is performed by Air - Air fare of economy class in the National Carrier by the shortest route or the amount spent, whichever is less Exemption limit where journey is performed by Rail - Air-conditioned first class rail fare by the shortest route or the amount spent, whichever is less Exemption limit if places of origin of journey and destination are connected by rail but the journey is performed by any other mode of transport - Air-conditioned first class rail fare by the shortest route or the amount spent, whichever is less Exemption limit where the places of origin of journey and destination are not connected by rail:

			<p>a. Where a recognized public transport system exists - First Class or deluxe class fare by the shortest route or the amount spent, whichever is less</p> <p>b. Where no recognized public transport system exists - Air conditioned first class rail fare by shortest route or the amount spent, whichever is less</p> <p><i>Notes:</i></p> <p>i. Two journeys in a block of 4 calendar years is exempt</p> <p>ii. Taxable only in case of Specified Employees [<i>See note 4</i>]</p>
24.	Proviso to section 17(2)	Medical facilities in India	<p>1) Expense incurred or reimbursed by the employer for the medical treatment of the employee or his family (spouse and children, dependent - parents, brothers and sisters) in any of the following hospital is not chargeable to tax in the hands of the employee:</p> <p>a) Hospital maintained by the employer.</p> <p>b) Hospital maintained by the Government or Local Authority or any other hospital approved by Central Government</p> <p>c) Hospital approved by the Chief Commissioner having regard to the prescribed guidelines for treatment of the prescribed diseases.</p> <p>2) Medical insurance premium paid or reimbursed by the employer is not chargeable to tax.</p> <p>3) Any other expenditure incurred or reimbursed by the employer for providing medical facility in India is not chargeable to tax up to Rs. 15,000 in aggregate per assessment year.</p>
25.	Proviso to section 17(2)	Medical facilities outside India	<p>Any expenditure incurred or reimbursed by the employer for medical treatment of the employee or his family member outside India is exempt to the extent of following (subject to certain condition):</p> <p>a) Expenses on medical treatment - exempt to the extent permitted by RBI.</p> <p>b) Expenses on stay abroad for patient and one attendant - exempt to the extent</p>

			permitted by RBI. c) Cost on travel of the employee or any family or one attendant - exempt, if Gross Total Income (before including the travel expenditure) of the employee, does not exceed Rs. 2,00,000.
C. Deduction from salary			
1.	16(ii)	Entertainment Allowance received by the Government employees (Fully taxable in case of other employees)	Least of the following is deductible : a) Rs 5,000 b) 1/5th of salary (excluding any allowance, benefits or other perquisite) c) Actual entertainment allowance received
2.	16(iii)	Employment Tax/Professional Tax.	Amount actually paid during the year is deductible. However, if professional tax is paid by the employer on behalf of its employee than it is first included in the salary of the employee as a perquisite and then same amount is allowed as deduction.
D. Retirement Benefits			
a) Leave Encashment			
1.	10(10AA)	Encashment of unutilized earned leave at the time of retirement of Government employees	Fully Exempt
2.	10(10AA)	Encashment of unutilized earned leave at the time of retirement of other employees (not being a Government employee)	Least of the following shall be exempt from tax: a) Amount actually received b) Unutilized earned leave* X Average monthly salary c) 10 months Average Salary** d) Rs. 3,00,000 *While computing unutilized earned leave, earned leave entitlements cannot exceed 30 days for each year of service rendered to the current employer **Average salary = Average Salary*** of last 10 months immediately preceding the retirement ***Salary = Basic Pay + Dearness Allowance (to the extent it forms part of retirement benefits)+ turnover based commission
b) Retrenchment Compensation			
1.	10(10B)	Retrenchment Compensation received by a workman under the Industrial Dispute Act,	Least of the following shall be exempt from tax: a) an amount calculated as per section

		1947 (Subject to certain conditions).	<p>25F(b) of the Industrial Disputes Act, 1947;</p> <p>b) Rs. 5,00,000; or</p> <p>c) Amount actually received</p> <p>Note:</p> <p>i. Relief under Section 89(1) is available</p> <p>ii. 15 days average pay for each completed year of continuous service or any part thereof in excess of 6 months is to be adopted under section 25F(b) of the Industrial Disputes Act, 1947.</p>
	c) Gratuity		
1.	10(10)(i)	Gratuity received by Government Employees (Other than employees of statutory corporations)	Fully Exempt
2.	10(10)(ii)	Death -cum-Retirement Gratuity received by other employees who are covered under Gratuity Act, 1972 (other than Government employee) (Subject to certain conditions).	<p>Least of following amount is exempt from tax:</p> <ol style="list-style-type: none"> 1. $(*15/26) \times \text{Last drawn salary}^{**} \times \text{completed year of service or part thereof in excess of 6 months.}$ 2. Rs. 10,00,000 3. Gratuity actually received. <p>*7 days in case of employee of seasonal establishment.</p> <p>** Salary = Last drawn salary including DA but excluding any bonus, commission, HRA, overtime and any other allowance, benefits or perquisite</p>
3.	10(10)(iii)	Death -cum-Retirement Gratuity received by other employees who are not covered under Gratuity Act, 1972 (other than Government employee) (Subject to certain conditions).	<p>Least of following amount is exempt from tax:</p> <ol style="list-style-type: none"> 1. Half month's Average Salary* \times Completed years of service 2. Rs. 10,00,000 3. Gratuity actually received. <p>*Average salary = Average Salary of last 10 months immediately preceding the month of retirement</p> <p>** Salary = Basic Pay + Dearness Allowance (to the extent it forms part of retirement benefits)+ turnover based commission</p>
	d) Pension		
1.	-	Pension received from United Nation Organization by the employee of his family members	Fully Exempt
2.	10(10A)(i)	Commuted Pension received by an employee Central Government,	Fully Exempt

		State Government, Local Authority Employees and Statutory Corporation	
3.	10(10A)(ii)	Commutated Pension received by other employees who also receive gratuity	1/3 of full value of commuted pension will be exempt from tax
4.	10(10A)(iii)	Commutated Pension received by other employees who do not receive any gratuity	1/2 of full value of commuted pension will be exempt from tax
5.	10(19)	Family Pension received by the family members of Armed Forces	Fully Exempt
6.	57(iia)	Family pension received by family members in any other case	33.33% of Family Pension subject to maximum of Rs. 15,000 shall be exempt from tax
e) Voluntary Retirement			
1.	10(10C)	Amount received on Voluntary Retirement or Voluntary Separation (Subject to certain conditions)	Least of the following is exempt from tax: 1) Actual amount received as per the guidelines i.e. least of the following a) 3 months salary for each completed year of services b) Salary at the time of retirement X No. of months of services left for retirement; or 2) Rs. 5,00,000
f) Provident Fund			
1.	-	Employee's Provident Fund	For taxability of contribution made to various employee's provident fund and interest arising thereon <i>see Note 3.</i>
E.	Arrear of Salary and relief under section 89(1)		
1.	15	Arrear of salary and advance salary	Taxable in the year of receipt. However relief under section 89 is available
2.	89	Relief under Section 89	If an individual receives any portion of his salary in arrears or in advance or receives profits in lieu of salary, he can claim relief as per provisions of section 89 read with rule 21A
F.	Other Benefits		
1.	-	Lump-sum payment made gratuitously or by way of compensation or otherwise to widow or other legal heirs of an employee who dies while still in active service [Circular No. 573, dated 21-08-1990]	Fully Exempt in the hands of widow or other legal heirs of employee

2.	-	Ex-gratia payment to a person (or legal heirs) by Central or State Government, Local Authority or Public Sector Undertaking consequent upon injury to the person or death of family member while on duty [Circular No. 776, dated 08-06-1999]	Fully Exempt in the hands of individual or legal heirs
3.	-	Salary received from United Nation Organization [Circular No. 293, dated 10-02-1981]	Fully Exempt
4.	10(6)(ii)	Salary received by foreign national as an officials of an embassy, high commission, legation, consulate or trade representation of a foreign state	Fully Exempt if corresponding official in that foreign country enjoys a similar exemption
5.	10(6)(vi)	Remuneration received by non-resident foreign citizen as an employee of a foreign enterprise for services rendered in India, if: <ul style="list-style-type: none"> a) Foreign enterprise is not engaged in any trade or business in India b) His stay in India does not exceed in aggregate a period of 90 days in such previous year c) Such remuneration is not liable to deducted from the income of employer chargeable under this Act 	Fully exempt
6.	10(6)(viii)	Salary received by a non-resident foreign national for services rendered in connection with his employment on a foreign ship if his total stay in India does not exceed 90 days in the previous year.	Fully exempt
7.	-	Salary and allowances received by a teacher /professor from SAARC member state (Subject to certain conditions).	Fully Exempt

Notes:

1. Motor Car (taxable only in case of specified employees [See note 4] except when car owned by the employee is used by him or members of his household wholly for personal purposes and for which reimbursement is made by the employer)

S.	Circumstances	Engine Capacity upto 1600	Engine Capacity above 1600
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No.		cc (value of perquisite)	cc (value of perquisite)
1	Motor Car is owned or hired by the employer		
1.1	Where maintenances and running expenses including remuneration of the chauffeur are met or reimbursed by the employer.		
1.1-A	If car is used wholly and exclusively in the performance of official duties.	Fully exempt subject to maintenance of specified documents	Fully exempt subject to maintenance of specified documents
1.1-B	If car is used exclusively for the personal purposes of the employee or any member of his household.	Actual amount of expenditure incurred by the employer on the running and maintenance of motor car including remuneration paid by the employer to the chauffeur and increased by the amount representing normal wear and tear of the motor car at 10% p.a. of the cost of vehicle <i>less</i> any amount charged from the employee for such use is taxable	
1.1-C	The motor car is used partly in the performance of duties and partly for personal purposes of the employee or any member of his household.	Rs. 1,800 per month (<i>plus</i> Rs. 900 per month, if chauffeur is also provided to run the motor car)	Rs. 2,400 per month (<i>plus</i> Rs. 900 per month, if chauffeur is also provided to run the motor car)
		Nothing is deductible in respect of any amount recovered from the employee.	
1.2	Where maintenances and running expenses are met by the employee.		
1.2-A	If car is used wholly and exclusively in the performance of official duties.	Not a perquisite, hence, not taxable	Not a perquisite, hence, not taxable
1.2-B	If car is used exclusively for the personal purposes of the employee or any member of his household	Expenditure incurred by the employer (i.e. hire charges, if car is on rent or normal wear and tear at 10% of actual cost of the car) <i>plus</i> salary of chauffeur if paid or payable by the employer <i>minus</i> amount recovered from the employee.	
1.2-C	The motor car is used partly in the performance of duties and partly for personal purposes of the employee or any member of his household	Rs. 600 per month (<i>plus</i> Rs. 900 per month, if chauffeur is also provided to run the motor car)	Rs. 900 per month (<i>plus</i> Rs. 900 per month, if chauffeur is also provided to run the motor car)
		Nothing is deductible in respect of any amount recovered from the employee.	
2	Motor Car is owned by the employee		
2.1	Where maintenances and running expenses including remuneration of the chauffeur are met or reimbursed by the employer.		
2.1-A	The reimbursement is for the use of the vehicle wholly and exclusively for	Fully exempt subject to maintenance of specified documents	Fully exempt subject to maintenance of specified documents

	official purposes		
2.1-B	The reimbursement is for the use of the vehicle exclusively for the personal purposes of the employee or any member of his household	Actual expenditure incurred by the employer <i>minus</i> amount recovered from the employee	
2.1-C	The reimbursement is for the use of the vehicle partly for official purposes and partly for personal purposes of the employee or any member of his household.	Actual expenditure incurred by the employer <i>minus</i> Rs. 1800 per month and Rs. 900 per month if chauffer is also provided <i>minus</i> amount recovered from employee.	Actual expenditure incurred by the employer <i>minus</i> Rs. 2400 per month and Rs. 900 per month if chauffer is also provided <i>minus</i> amount recovered from employee.
3	Where the employee owns any other automotive conveyance and actual running and maintenance charges are met or reimbursed by the employer		
3.1	Reimbursement for the use of the vehicle wholly and exclusively for official purposes;	Fully exempt subject to maintenance of specified documents	Fully exempt subject to maintenance of specified documents
3.2	Reimbursement for the use of vehicle partly for official purposes and partly for personal purposes of the employee.	Actual expenditure incurred by the employer minus Rs. 900 per month minus amount recovered from employee	Not Applicable

2. Educational Facilities

Taxable only in the hands of specified employees [See note 4]

Facility extended to	Value of perquisite	
	Provided in the school owned by the employer	Provided in any other school
Children	Cost of such education in similar school <i>less</i> Rs. 1,000 per month per child (irrespective of numbers of children) <i>less</i> amount recovered from employee	Amount incurred <i>less</i> amount recovered from employee (an exemption of Rs. 1,000 per month per child is allowed)
Other family member	Cost of such education in similar school <i>less</i> amount recovered from employee	Cost of such education incurred

2.1 Other Educational Facilities

Particulars	Taxable Value of Perquisites
Reimbursement of school fees of children or family member of employees	Fully taxable
Free educational facilities/ training of employees	Fully exempt

3. Employees Provident Fund

Tax treatment in respect of contributions made to and payment from various provident funds are summarized in the table given below:

Particulars	Statutory provident fund	Recognized provident fund	Unrecognized provident fund	Public provident fund
Employers contribution to provident fund	Fully Exempt	Exempt only to the extent of 12% of salary*	Fully Exempt	-
Deduction under section 80C on employees contribution	Available	Available	Not Available	Available
Interest credited to provident fund	Fully Exempt	Exempt only to the extent rate of interest does not exceed 9.5%	Fully Exempt	Fully Exempt
Payment received at the time of retirement or termination of service	Fully Exempt	Fully Exempt (Subject to certain conditions and circumstances)	Fully Taxable (except employee's contribution)	Fully Exempt

* Salary = Basic Pay + Dearness Allowance (to the extent it forms part of retirement benefits) + turnover based commission

Payment from recognized provident fund shall be exempt in the hands of employees in following circumstances:

- If employee has rendered continue service with his employer (including previous employer, when PF account is transferred to current employer) for a period of 5 years or more
- If employee has been terminated because of certain reasons which are beyond his control (ill health, discontinuation of business of employer, etc.)

4. Specified Employee

The following employees are deemed as specified employees:

- 1) A director-employee
- 2) An employee who has substantial interest (i.e. beneficial owner of equity shares carrying 20% or more voting power) in the employer-company
- 3) An employee whose monetary income* under the salary exceeds Rs. 50,000

*Monetary Income means Income chargeable under the salary but excluding perquisite value of all non-monetary perquisites