



विश्रान्ति VISHRANTHI

संवाद / NEWS LETTER
केनरा बैंक कर्मचारी पेंशन निधि
CANARA BANK EMPLOYEES' PENSION FUND
खंड / Volume No.38 दिनांक / Date 12.04.2023

Dear Pensioner,

The Finance Act, 2020 allows employees/pensioners to choose between two different tax slabs (Old & New). Old Tax Regime allows to claim benefit of deductions and exemptions under various provisions of Income Tax Act, 1961 as hitherto. In the New Tax Regime, an employee/ a pensioner has to pay tax on the Total Income as per the slab without claiming any benefit [except Standard Deduction upto Rs.50,000/- u/s 16(ia)]. The Income Tax Rates applicable under New & Old Tax Regime are enumerated below:

NEW TAX REGIME: "Tax Rate" under "New Tax Regime" for Individual U/s 115BAC (Both Resident & Non-Resident irrespective of Age):

Total Income	Tax Rate	Tax Calculator (Rs.)
Upto Rs.3 lakh	Nil	Nil
>Rs.3 lakh upto Rs.6 lakh	5%	(Total Income - 3,00,000) x 5%
>Rs.6 lakh upto Rs.9 lakh	10%	15,000 + (T.I. - 6,00,000) x 10%
>Rs.9 lakh upto Rs.12 lakh	15%	45,000 + (T.I. - 9,00,000) x 15%
>Rs.12 lakh upto Rs.15 lakh	20%	90,000 + (T.I. - 12,00,000) x 20%
>Rs.15 lakh	30%	1,50,000 + (T.I. - 15,00,000) x 30%

ALLOWABLE DEDUCTIONS / INCENTIVES IN NEW TAX REGIME TO PENSION:

Section	Nature	Allowable Limit
16(ia)	Standard Deduction	Upto Rs.50,000/-
87A	Rebate	Rs.25,000/- or Tax Liability whichever is lower for Resident Individuals with Taxable Income upto Rs.7,00,000/-

Health and Education Cess at the rate of 4%, on the amount of Income Tax is applicable.

OLD TAX REGIME: Normal Rates of Tax in case of Individuals is as under:

Total Income of Individual Resident below 60 years of age	Total Income of Senior Citizens		Tax Rate
	60 years and above & below 80 years	80 years & above	
Upto Rs.2.50 lakh	Upto Rs.3 lakh	Upto Rs.5 lakh	Nil
>Rs.2.50 lakh upto Rs.5 lakh	>Rs.3 lakh upto Rs.5 lakh	-	5%
	>Rs.5 lakh upto Rs.10 lakh		20%
	> Rs.10 lakh		30%

- a) A Standard deduction of Rs. 50,000/- or the amount of the pension, whichever is less, is allowed as deduction from pension u/s 16(ia) of the I.T. Act.
- b) For TDS purpose, employees to be treated as Senior Citizens in the year of superannuation.

Health and Education Cess at the rate of 4%, on the amount of Income Tax is applicable.

- **SUBMISSION OF INVESTMENT DECLARATION FOR THE FY 2023-24:** Ex-employee pensioners who want to opt for Old Tax regime have to give their request for the same by visiting the below mentioned link which is made available on our Bank's Website:

[ONLINE OPTION TO SELECT OLD TAX REGIME & SUBMIT INVESTMENT DECLARATION FOR FY 2023-24](#)

From the Financial Year 2023-24, **New Tax regime is the Default** Tax regime. Hence, if any pensioner is willing to opt for New tax regime, there is no need to submit any request/application. However, **pensioners who want to opt for the Old Tax regime only have to submit the request** to opt for Old Tax regime, and accordingly they are required to submit **Investment Declaration on or before 30.04.2023** and Investment proof in the month of December (on or before 31.12.2023), as hitherto.

- Option once selected for the purpose of TDS, cannot be changed during the Financial Year.
- **ONLINE FAMILY PENSION PROCESSING AT BRANCHES:** We have been receiving the representations from the Family members regarding delay in processing of Family pension due to delay in receipt of the Family Pension application at the Pension Fund. In order to expedite the process and to reduce the Turn-around-time, we have introduced the online forwarding and processing of Family pension application at the Branches/HRM Sections. Once the Family pension is sanctioned, Digital Family Pension Payment Order (FPPO) is being sent on the email id of the Family Pensioner. **The existing procedure of submission of physical family pension application by the eligible Family members of the Ex-employee pensioners at the respective pension drawing Branch shall continue.** Subsequent processing & sanctioning of Family pension will be done online through HRMS package.

WITH BEST WISHES,

SHANKAR S
CHIEF GENERAL MANAGER

“Think positive, be positive and positive things will happen.”