



FEDERAL BANK RETIRED OFFICERS' FORUM (FBROF)

Registered under the Travancore Cochin Literary, Scientific and Charitable Societies Registration Act 1955 (1)
No.ER.702/2009



(An Organizational Wing of Federal Bank Officers' Association)

(Affiliated to All India Bank Pensioners and Retirees Confederation - AIBPARC)

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To All members,

Deduction of TDS from Monthly Pension

As all are aware applicable amount of Income Tax (TDS) from pension had been deducted in the months of January, February and March every year when pension was disbursed by LIC. From April 2020 onwards, when Bank started to disburse the pension after collecting annuity payouts from the providers, Bank has been deducting tax prorata from the pension (TDS) amount every month without considering ones tax liability after eligible exemptions / investments, if any. As a result of this higher amount of tax was deducted from monthly pension which created hardship to a section of retirees.

We had taken up this issue with the management when the Office Bearers met Sri. Ajithkumar K K, EVP HR on 29th March 2021 in a virtual meeting. We had requested the Bank, among other issues affecting retirees, to accept a declaration from pensioners in the beginning of a financial year regarding their investments, if any, under Section 80 C of the IT Act etc. and make only proportionate deduction of income tax as is being done in the case of serving employees. We are very glad to inform that Bank has considered our request and steps are afoot to implement our suggestion in the current FY itself after developing necessary software application.

A communication received from HR Dept. in this regard is reproduced below for information of all pensioners having taxable income. The Bank may require some more time to come out with a digital application for enabling Pensioners to file their investment declaration online and as such there would not be deduction of income tax from Pension during the months of April, May, and June 2021.

Update on deduction of Income Tax on Pension: FY 2021-22

All the Pensioners will be provided with an option to choose the Income Tax Regime applicable for the FY 2021-22. The beneficiaries would be required to submit Online Investment Declaration by May/June 2021. The pensioners can select the Tax Regime of their choice and submit the Investment Declaration accordingly; based on which, Income Tax will be deducted from July 2021 onwards (no tax will be deducted from the pension payable for the period April to June 2021).

The pensioners would be required to submit proof of their investments, wherever applicable, by January 2022; based on the proof submitted, Income Tax liability will be recalculated and tax payable, if any, will be appropriated from the pension payable for the months of February and March 2022. Form 16 will be issued by HR Department, wherever applicable, in due course.

Detailed procedure for submission of Online Investment Declaration and the Proof thereon will be communicated separately.

Shiju K V, DVP, HR Dept

Comradely Yours,

Thomachan K T
General Secretary