

GOVERNMENT OF PUDUCHERRY
DIRECTORATE OF ACCOUNTS AND TREASURIES
TREASURY, PUDUCHERRY

* * *

No.DAT/TOP/T3/IT/2025-26

Puducherry, dt. 07/04/2025.

CIRCULAR

Sub: DAT – TOP – Deduction of Income Tax at source from the pension of the Service Pensioners for the Financial Year 2025-2026 – Assessment of Tax– Instructions – Issued.

Attention of the Pensioners may be drawn regarding the deduction of Income Tax for the financial year 2025-26.

In terms of section 192 of the Income Tax Act 1961 read with Finance Act 2023, "Any person responsible for paying any income chargeable under the head "Salaries" (includes Pension) shall, at the time of payment, deduct income-tax on the amount payable at the average rate of income-tax computed on the basis of the rates in force for the financial year in which the payment is made". Besides complying with the above requirement of the IT Rules and with a view to minimize the financial burden of the Pensioners, it is proposed to spread over the recovery of Income Tax monthly for the whole Financial Year 2025-2026.

As per the Finance Act 2023, the New Tax Regime is the default tax regime. However, under sub-section (6) of section 115BAC of the Income Tax Act, a person may exercise an option to opt out of this tax regime. Pensioners willing to remain in the Old Tax Regime are requested to furnish the details of deductions allowable under Chapter VI-A and should invariably supported by documentary evidence to assess the tax. There is no tax liability upto the yearly Income of ₹ 12 lakhs under new tax regime and ₹ 5 lakhs under Old Tax Regime after allowing eligible deductions and rebate u/s 87A.

Hence, the pensioners who are willing to opt for **Old Tax Regime** for the Financial year 2025-2026 may be requested to inform the concerned Treasury on or before **23/04/2025**, failing which, the tax will be assessed based on the available particulars in record and will be deducted at source as per **New Tax Regime** from the pension payable commencing from the month of April 2025 onwards.


(S.UDAYASANKAR)
DIRECTOR

To

- | | | |
|---|---|--|
| 1. The Treasury Officer, Puducherry, Villianur and Karaikal | } | With a request to give wide publicity among the pensioners |
| 2. The Sub-Treasury Officer, Bahour, Mahe and Yanam | | |

Copy to: 1. The Programmer, Dte. Of Accounts and Treasuries,
Puducherry – with a request to upload in the DAT website.
2. Notice Board