

GOVERNMENT OF PUDUCHERRY
DIRECTORATE OF ACCOUNTS AND TREASURIES
TREASURY, PUDUCHERRY

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No.DAT/TOP/T2/IT/2024-25

Puducherry, dt. 20/03/2024.

CIRCULAR

Sub: DAT – TOP – Deduction of Income Tax at source from the pension of the Service Pensioners for the Financial Year 2024-2025 – Assessment of Tax- Instructions – Issued.

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It is brought to the notice of the Pensioners regarding the deduction of Income Tax for the financial year 2024-25.

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 year 2024-2025.

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 upto ₹ 7 lakhs under new tax regime and ₹ 5 lakhs under Old Tax Regime after allowing eligible deductions and rebate u/s 87A.

Hence, the pensioners are requested to inform the concerned Treasury about the intended tax regime on or before **15/04/2024**. Otherwise, the tax will be assessed based on the available particulars in record and tax will be deducted at source from the pension payable from the month of April 2024 onwards without any further intimation.


(S. PRABAVADY)
DIRECTOR

To

1. The Treasury Officer, Puducherry, Villianur and Karaikal.
2. The Sub-Treasury Officer, Bahour, Mahe and Yanam.

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