



BSNL EMPLOYEES UNION

(Regd. under Indian Trade Union Act 1926. Regn. No. 4896)

KERALA CIRCLE

P&T House, Thiruvananthapuram 695001.

No. EU/S-01(Staff)/2018-20/ 95
Ref. No.

09.02-2021

Date.....

To
Sri. C.V. Vinod ITS
CGMT BSNL, Kerala Circle,
Trivandrum

Sir,

Sub: Taxation on leave Encashment-Notice issued by Income Tax department-reg

We wish to bring to your kind attention the notice issued by the Central Processing Centre of Income Tax department under section 154 of Income Tax Act 1961 to the BSNL pensioners regarding excess claim of exemption of taxable component of amounts involved in the encashment of eligible leave at the credit of the employee concerned, is going to be withdrawn by restricting it by Rs 300000/-

In this circumstance we wish to point out the orders issued by taxation wing of the BSNL corporate office in this regard vide No 1001-04/2011-12/Taxation /BSNL/LE/196 dated 04-05-2012 wherein it is categorically ordered that

(a) The Earned Leave account of government service at their credit as on the date of permanent absorption into BSNL is to be calculated proportionately as per service records and to allow the full exemption up to 300 days on the date of superannuation/retirement etc. as an employee of the Central Government under sub clause (i) of section 10(10AA) of Income Tax Act 1961.

(b) If the leave at the credit is less than 300 days at the time of absorption, the balance leave earned during BSNL (PSU) service will be taxable subject to exemption limit of Rs 300000/- under section 10 (10AA) sub clause (ii) of Income Tax Act 1961 at the time of superannuation/retirement etc.

If the Income Tax Department is going ahead with their decision it would be like a bolt from the blue to a number of pensioners and a large number of them have to refund considerable sums.

It may be noted that the income tax is computed by the BSNL after considering the above guidelines and issued form.16 accordingly. The individual pensioners have no say in the process. Hence we request your kind intervention in this matter and apprise the Income Tax department to ensure the implementation of the guidelines which will bring a great relief to the BSNL pensioners.

Thanking you,
Yours faithfully,

/C. Santhosh Kumar/
Circle Secretary