

**INDIAN OVERSEAS BANK**  
**CENTRALISED PENSION PROCESSING CENTRE (CPPC)**  
**CENTRAL OFFICE, CHENNAI 600 002**

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**Deduction of Tax on Pension Paid to  
Central Government Pensioners**

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- Tax on pension paid to Central Government Pensioners centralised since 2018-19 and tax for **FY 2020-21** will be deducted at CPPC.
- Pensioners have to exercise their option in respect of the Tax Regime for FY 2020-21. If they opt for New Tax Regime, then they have to submit a letter to the pension drawing branch as per Annexure-I attached. Once the option to choose the New Tax Regime is exercised, the TDS on pension will be deducted based on the New Tax Regime for the FY 2020-2021. In this New Tax regime, as no Deductions and Exemptions are allowed, declaration on investment should not be given by the pensioner and the Total Income will be taken for Tax calculation.
- If no option is exercised by a Pensioner, then by default, the TDS on pension will be deducted based on the Old (existing/current) Tax Regime for the FY 2020-2021. In that case the pensioners have to submit the declaration on investment as per the Annexure-II. Proof of investment has to be submitted to the branch on or before 15.02.2021.
- Tax on pension/arrears paid for **FY 2020-21** is being deducted from **Aug'20**.
- Pensioners who have not opted "New Tax Regime" have to
  - submit declaration of their proposed income tax related investments immediately.
  - the proof of the investments to be submitted on or before **15.02.2021**, to their pension drawing branch.
  - If proof of investment not submitted before **15.02.2021**, Tax on the pension paid for the whole **FY20-21** including arrears if any, will be deducted at source.
- IT slab rates for the FY 2020-21 is provided in Annexure-III

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## Annexure-I

### Option Letter to be obtained from pensioners:

Name of branch :  
Name : DOB : Age :  
PAN :  
PPO No. :  
SB Account No. Mobile No.  
Pension Type : Railway / Defence / Civil/ Telecom/Postal

To  
The Chief Manager,  
Centralised Pension Processing Centre  
Indian Overseas Bank  
Central Office, Chennai : 600 002

Through  
The Branch Manager  
Indian Overseas Bank

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Sir,

#### **New Tax Regime**

#### **Exercising of option – Assessment Year 2021-22(FY 2020-21)**

I am Drawing my pension through your branch. For the purpose of Tax Deduction at Source (TDS) from my pension income, I am choosing the New Tax Regime as my Option and request you to deduct tax as per the New Tax Regime from my monthly pension. The option is exercised on my own and is final for FY 2020-21. I undertake to abide by the rules and regulations of the Government of India in this regard.

Thanking You,

Yours faithfully,

## Annexure-II

Name of branch :

Name :

DOB :

Age :

PPO No.:

PAN :

SB Account No. :

Mobile No.

Pension Type : Railway / Defence / Civil/ Telecom/Postal

Declaration of Investments – Assessment Year 2021-22 (FY 2020-21)

Section	Name of Investment	Amount (Rs.)	Actual Proof Submitted	Proof Details	Proof Verified
80C	1. Child Education (Tuition Fees)				
80C	2. Equity Linked Savings Scheme				
80C	3. Fixed Deposit for 5 Years				
80C	4. Life Insurance Premium				
80C	5. NSC				
80C	6. Pension Policy				
80C	7. PPF				
80C	8. Principle Amount of Housing Loan				
80C	9. Stamp Duty & Registration				
80C	10.Sukanya Samridhi(SSA)				
80C	11. ULIP Premium				
80C	12. any other eligible investments				
80CCF	Infrastructure Bonds				
80D	Mediclaim Policy : Others Mediclaim Policy : Senior Citizen				
80DD	Handicapped Dependent: Others Handicapped Dependent: Severe Disability				
80DDB	Medical Treatment : Others Medical Treatment : Senior Citizen Medical Treatment : Super Senior Citizen				
80E	Education Loan-Repayment of interest				
80U	Self-Handicapped : Others Self-Handicapped : Severe Disability				
80EEA	Interest on Housing loan				
80CCD	Additional contribution to NPS				

I declare that the investments are made and undertake to produce the evidence by 15.02.2021 for verification. I undertake that the certificate will not be used elsewhere for obtaining exemption under Income Tax Act. I further declare that I have claimed Principal repayments of SHL instalments for the purchase / construction of house ( First loan) only and NOT for additional loans for repairs, renovation for the purpose of deduction under sec 80c.

Date :

Signature

### Annexure-III

**IT slab rates for the FY 2020-21 is provided below:**

**OLD TAX REGIME :**

<b>A. All Individuals for Men &amp; Women who is of the age of sixty years or more but less than Eighty years at any time during the financial year.</b>	
(i) Where the taxable income does not exceed Rs.3,00,000/-	Nil
(ii) Where the taxable income exceeds Rs.3,00,000/- but does not exceed Rs.5,00,000/-.	5% of the amount by which the taxable income exceeds Rs.3,00,000/-.
(iii) Where the taxable income exceeds Rs.5,00,000/- but does not exceed Rs.10,00,000/-	Rs.10,000/- + 20% of the amount by which the taxable income exceeds Rs.5,00,000/-
(iv) Where the taxable income exceeds Rs.10,00,000/-	Rs.1,10,000 + 30% of the amount by which the taxable income exceeds Rs.10,00,000/-.

**Rebate : U/S 87 A rebate on income tax in case of individual where taxable income up to Rs.5,00,000/- there will not be any income tax liability.**

**OLD TAX REGIME -**

<b>B. All Individuals for Men &amp; Women who is of the age of Eighty years or more at any time during the financial year.</b>	
(i) Where the taxable income does not exceed Rs.5,00,000/-	Nil
(ii) Where the taxable income exceeds Rs.5,00,000/- but does not exceed Rs.10,00,000/-.	20% of the amount by which the taxable income exceeds Rs.5,00,000/-
(iii) Where the taxable income exceeds Rs.10,00,000/-	Rs.1,00,000 + 30% of the amount by which the taxable income exceeds Rs.10,00,000/-

**NEW TAX REGIME - Rates of Income Tax**

<b>A. All Individuals for Men &amp; Women .</b>	
i) Where the taxable income does not exceed Rs.2,50,000/-	Nil
ii) Where the taxable income exceeds Rs.2,50,000/- but does not exceed Rs.5,00,000/-	5% of the amount by which the taxable income exceeds Rs.2,50,000/-
iii) Where the taxable income exceeds Rs.5,00,000/- but does not exceed Rs.7,50,000/-	Rs.12,500 + 10% of the amount by which the taxable income exceeds Rs.5,00,000/-
iv) Where the taxable income exceeds Rs.7,50,000/- but does not exceed Rs.10,00,000/-	Rs.37,500 + 15% of the amount by which the taxable income exceeds Rs.7,50,000/-
v) Where the taxable income exceeds Rs.10,00,000/- but does not exceed Rs.12,50,000/-	Rs.75,000 + 20% of the amount by which the taxable income exceeds Rs.10,00,000/-
vi) Where the taxable income exceeds Rs.12,50,000/- but does not exceed Rs.15,00,000/-	Rs.1,25,000 + 25% of the amount by which the taxable income exceeds Rs.12,50,000/-
vii) Where the taxable income exceeds Rs.15,00,000/-	Rs.1,87,500 + 30% of the amount by which the taxable income exceeds Rs.15,00,000/-

Rebate: U/s 87A, rebate on income tax in case of individual where total income up to Rs. 5,00,000/- there will not be any income tax liability.

**In this New Tax regime, No Deductions and Exemptions are allowed. The Total Income will be taken for Tax calculation.**

















