

We have been informed by most of eAssociate Bank Retirees' Organisations that Income Tax is deducted out of Pension credited on the 27th instant, in many cases, even though aggregate of pension paid/payable during the year 2018-19 is less than maximum amount not chargeable to Income Tax. It is also pertinent to inform you that tax deducted is at 20% of pension. It is stipulated Under Section 192A read with Section 206AA, that the Deduction of Tax at Source is at higher of 20% or applicable rates, if PAN is not provided, if and only if his income exceeds maximum amounts not chargeable to tax. A copy of the CBDT Circular No.08/2013 dated 10th October, 2018 is attached for your immediate reference in this regard.

Standard Deduction to the extent of Rs.40,000/- in respect of Salary Income is introduced from this Financial year. Pensioners are also entitled to Standard Deduction as Pension is also treated as 'Salary income'. Consequently, the maximum income not chargeable to income tax is upwardly revised to Rs.3,40,000/- in respect of Senior Citizens and Rs.2,90,000/- in all other cases.

We request you to kindly order credit of amounts deducted out of Pension credited on the 27th instant, in respect of all pensioners who are not liable to pay income tax or the Banks is not liable to deduct income tax, even if they have not furnished PAN. However, we note to advise members of eAssociate Bank Retirees' Organisations to furnish PAN, if their Pension income is in excess of Maximum amount not chargeable to Tax.

We request you to kindly credit the amount immediately or otherwise they are put to hardship.

Thanking you,

With regards,

N Prasad

V Sombabu

P D Vaidya

Conveners

Co-ordination of eABs'

Retirees' Organisations.