



Mu Sigma

Income Tax Declaration

Financial Year 2022 – 2023

Do The Math

Chicago, IL
Bangalore, India
www.mu-sigma.com

12th May 2022

Proprietary Information

"This document and its attachments are confidential. Any unauthorized copying, disclosure or distribution of the material is strictly forbidden"

Salary Structure

Fixed Components – Taxable

- Basic
- House Rent Allowance (HRA)
- Statutory Bonus
- Special Allowance

Flexible Components – Non-Taxable

- Telephone Expenses – (max 3,000 per month)
- Food Coupons – (1,000 / 1,500 / 2,000)
- Fuel And Vehicle Maintenance (1,800 / 2,400)
- Leave Travel Allowance – (LTA max 10,000 per month)

Taxation – Rates

Taxable Income	Old Regime (%)	New Regime (%)
0 – 250,000	0	0
250,001 – 500,000	5	5
500,001 – 750,000	20	10
750,001 – 1,000,000	20	15
1,000,001 – 1,250,000	30	20
1,250,001 – 1,500,000	30	25
1,500,001 and above	30	30
Cess – 4% on Income Tax		

Standard Deduction : As per the Finance Budget 2019, Government reintroduced Standard deduction amounting INR. 50,000/- for all the employees for the financial year 2022-2023.

HRA Exemption

Least of the following is tax exempt :

Actual HRA received in Salary

40% of basic salary

Rent paid in excess of 10% of salary (Basic Pay)

Investments qualifying for Exemption (Sec. 80C)

- Life Insurance Premium
- Public Provident Fund
- Employee Contribution of PF and VPF
- Contribution to Pension Fund
- National Savings Certificate
- Unit Linked Insurance Plan
- Equity Linked Savings Scheme
- Children Tuition Fee
- Principle Repayment Portion of Housing Loan
- Mutual funds
- Bank Fixed Deposit for 5 Years
- Sukanya Samriddhi Yojana Scheme

Maximum exemption allowed u/s 80C is Rs.150,000

Investments qualifying for deduction (Sec 80D – Medical Insurance)

Scenario	Self, Family, Children	Parents	Total Exemption under 80D
Individual and parents below 60 years	25,000	25,000	50,000
Individual and family below 60 years but parents above 60 years	25,000	50,000	75,000
Both individual, family and parents above 60 years	50,000	50,000	100,000

Investments qualifying for exemption (Sec. 80E and 80U)

Sec 80E - Interest on Education Loan

- No cap on maximum limit. Employee can claim the actual interest paid for the financial year April to March

Sec 80U - Medical Treatment for Physically Handicapped - Self

- INR 75,000 if the disability is $\geq 40\%$ & $< 80\%$
- INR 125,000 if the disability is $> 80\%$

Investments qualifying for exemption (Sec. 24)

Interest on Housing Loan (Self Occupied / Let-Out)

- Capped to maximum INR 200,000



Thank You

Fixed Components

Basic	Fully Taxable Component
HRA	Least of the following is tax exempt : Actual HRA received in Salary 40% of basic salary Rent paid in excess of 10% of salary (Basic Pay)
Statutory Bonus	Fully Taxable Component
PF	12% of basic salary or PF @ 12% on INR 15000 - contributed to the Regional Provident Fund , Bangalore
Special Allowance	Fully Taxable Component / Balancing Component.