

**Income tax calculation for Central govt. Employees under EIS
(Employee Information System)**

A) Introduction –

EIS is employee information system deployed centrally for all central government employees. It covers Pay bill, Income tax and GPF modules.

For claiming income tax exemption or calculating the income tax amount, employee can utilize the Savings form through employee login.

DDO can insert or update savings information for individual employee using the various options given under EIS DDO login.

The tax hence calculated and displayed in tax calculation sheet is based on the actual salary data as in EIS pay bill module and also estimates emoluments and deductions for remaining months. Hence the tax so calculated is estimated which may change as per actual salary values.

Income tax calculation sheet provides the exemptions under various sections as applicable to salaried employee.

B) Employee login provided –

The consolidated statement for the full year enables employee to check all his earnings and deductions with actual and estimated values at single location.

The savings form is made available in employee login either for utilizing the same as tax calculator or forwarding the information to DDO.

- a. In digital.nic.in
- b. In PFMS

C) Consolidated pay statement –

Employee can check his actual and estimated emoluments and deductions through link under ‘My Payments’ as ‘Consolidate Pay statement’ in digital.nic.in and in PFMS under ‘Income Tax’ as ‘Consolidated Statement’.

Tax calculation sheet can be viewed from ‘Draft IT Sheet’ option. The tax shown in this sheet takes into account the savings entered / updated by DDO in his EIS login.

Employee can export the data to Excel using ‘Export to Excel’ option.

D) Tax calculation with Saving –

The amounts coming from Salary modules are displayed and are non editable.

Following details are displayed and accepted on the form.

- I. **Salary Details** - Gross Salary as actual + estimate for entire financial year.
Non editable, fetched form EIS Salary module.
- II. **Section 10 –**
HRA exemption is not available to employees residing in Government Quarters. Hence the option will not be made available to them.
House Rent Paid (For complete financial year) – Enter the total rent amount paid.
Select Metro / Non-Metro according to the city type as per rented house location
Based on the total amount rent will be divided in 12 months and exemption will be calculated. A dummy record with city ‘NA’ will be added for calculation.

Select 'Details' option to enter monthly rent paid and view the HRA exemption.

Edit the house details if you have entered total rent amount on savings form else add the house details selecting 'New'.

You can enter more than one house details as applicable.

Enter house details – Address, city, Document type to be submitted as proof, Landlord name and Landlord PAN in case total rent amount is exceeding rupees one lakh.

Select 'Rent details' to enter monthly rent and check the HRA exemption.

Select check box and enter monthly rent.

Select 'Copy for All months' which will populate the rent amount in all months. You can edit rent as well exempted amount per month as per requirement.

Select 'Save details'.

III. **Section 16** – Displays the Profession Tax deduction form Salary. Non editable.

IV. **Income from House Property** –

1. Interest on HBA / Borrowed capitals (Borrowed on or after 01- 04-1999) (24 (1) (v) i)
2. Interest on HBA / Borrowed capitals (Borrowed before 01- 04-1999) (24 (1) (v) ii)
3. Income from Let Out Property (24 (1) (i)) – The amount to be entered as (Annual Rent – Municipal tax) - 30% of (Annual Rent – Municipal tax)

To fill details select 'Details'.

Select New to enter House property details, select Edit for updation of any details. House details – Address, city, state and pin code

Select 'Details' in front of house property as displayed in table.

Select property type – as either self occupied or let out

For self occupied / let out select – tax exemption claimed, borrowed after 31/03/1999, Principal paid, Interest paid, Stamp duty and registration charges if any.

In case of let out property – enter total rent amount and municipal tax. System will calculate the amount to be added to taxable income as (Annual Rent – Municipal tax) - 30% of (Annual Rent – Municipal tax)

Select if 80EE is applicable in following conditions. Enter the amount if applicable.

- The loan has been sanctioned by the financial institution during the period beginning on the 1st day of April, 2016 and ending on the 31st day of March, 2017

- The amount of loan sanctioned for acquisition of the residential house property does not exceed thirty-five lakh rupees
- The value of residential house property does not exceed fifty lakh rupees.
- The assessee does not own any residential house property on the date of sanction of loan.

V. Other Income –

Enter additional income if any. This will be considered as addition to taxable income and giving tax exemption if any as per DDO compliance.

Exemption of Rs. 10,000/- or the actual value whichever is less on 'Interest on saving bank account' will be displayed in tax calculation sheet.

VI. Tax rebate Under Section 80C Maximum up to Rs.1,50,000/-

GPF / CPF and CGEGIS amounts will be displayed as deducted in Salary and as estimated for further months.

Enter amounts as applicable.

For LIC, select 'Details' to enter details – Policy number, Receipt number, Receipt date, Receipt amount.

VII. Less Deductions under Chapter VI

System will display CGHS amount as deducted from salary including estimation.

If Employee is physically disabled, 80U section will be displayed by the system.

Select Severe in case of severe disability, system will give exemption of Rs. 75000 /- else system will give exemption of Rs. 25,000/-

Enter donation details if any. The exemption will be given as per DDOs discretion.

E) Options –

- a. **Save & Process** – System will save the values as entered / updated and will recalculate the tax.
- b. **Tax calculation sheet** – Report displaying tax calculations.
- c. **Forward to DDO** –
This option is available only for digital.nic.in savings form.
The option will only be available to employees for whom DDO has not entered any savings through DDO's EIS login.
Forward can be done only once.
- d. **Reports** –
For the employee whom 'Forward to DDO' is enabled, will get reports only on Forward.

NOTE

The total figures can be entered without entering the details for (Rent, House property, LIC, Donations). This will help in calculating the 'Tax'.

Before 'Forward to DDO' or printing of 'Reports' it is mandatory to add the detail entries.