

HO: BR: 114: 62

01<sup>st</sup> April 2022

**CIRCULAR TO ALL BRANCHES/ OFFICES IN INDIA**

Issued by  
HRM Department. HO. Vadodara

Madam/Dear Sir,

**Re: Revision in the process of deduction of TDS for certain facilities being extended to Employees w.e.f. 01<sup>st</sup> April 2022.**

Bank has always endeavoured to make the HR systems and processes smooth for the convenience of our employees including instant credit of perks and allowances to the employee's account.

At present, there is a practice of extending the following payments to our employees without deducting TDS:-

1. LTC/LFC Encashment and LFC-PL Encashment
2. Annual PL Encashment
3. Speed Course Incentive
4. Branch Head Role Perquisites
5. Performance Linked Incentive

The above practice of not deducting tax at source not only results in increased tax burden on the employees during the remaining period of financial year but also causes inconvenience to them in financial planning.

Therefore, to avoid the aforementioned complexities, it has been decided to make the following changes in the process adopted by the Bank while releasing the payments in respect of the above benefits w.e.f. 01.04.2022:-

Sr.No.	Benefit Name	Payment Process
1.	LTC/LFC Encashment and LFC-PL Encashment	65% of the eligible LTC/LFC and LFC-PL encashment amount will be paid immediately and the remaining 35% shall be paid along with salary after deducting applicable TDS.
2.	Annual PL Encashment	The entire eligible amount will be paid along with salary after deduction of applicable TDS.
3.	Speed Course Incentive	
4.	Branch Head Role Perquisites	
5.	Performance Linked Incentive	

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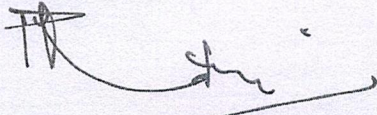
-2-

We further clarify as under:-

- a) In case the employee applies for actual travel reimbursement under LFC Block along with LFC – PL encashment, then on approval by the competent authority, the approved travel reimbursement will be paid in full. However, the employee will be paid 65% of the approved LFC-PL Encashment amount and remaining 35% shall be paid along with the salary payment after deducting applicable TDS.
- b) There may be cases where the employee may be required to avail advance towards LFC / LTC and PL Encashment. In these cases, the approved LFC advance will be paid in full to the employee as per the rule and only 65% of the eligible PL Encashment amount will be paid. After completion of the journey, when employee applies for actual reimbursement of LFC/LTC and PL Encashment, the payment will be made as per point no. a, after adjusting towards advance amount.

The contents of this Circular be brought to the knowledge of all staff members of the Branch / Office.

Yours faithfully,



**(PRAKASH VIR RATHI)**  
**Chief General Manager-HRM**

