

# TDS on Provident Fund Withdrawals & Form 15G/15H

## **BACKGROUND**

*Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 the employees can withdraw their Provident Fund accumulation after fulfillment of certain conditions laid down in the Employees' Provident Funds Scheme, 1952.*

*The Finance Act, 2015 has inserted a new provision (Section 192A) on payment of provident fund accumulation due to an employee.*

*Form 15G and Form 15H are forms which can help a person in avoiding TDS incase one does not have to pay income tax at the end of the year. Form 15H is for senior citizens and form 15G is for others.*

## **MAJOR HIGHLIGHTS;**

### **TDS is applicable in the following scenarios;**

*If employee withdraws amount more than or equal to Rs. 30000/-, with service less than 5 years, then:*

- *TDS will be deducted @ 10% if Form-15G/15H is not submitted provided PAN is submitted.*
- *TDS will be deducted @ maximum marginal rate if employee fails to submit PAN.*

### **However, TDS will not be deducted in the following cases;**

- *If PF withdrawal is less than Rs.30, 000.*
- *If employee withdraws amount more than or equal to Rs. 30,000/-, with service less than 5 years but submits **Form 15G /15H\*** along with his / her PAN.*
- *Transfer of PF from one account to another.*
- *Termination of Service due to ill health of member,*
- *On discontinuation of Business by the Employer or any cause beyond the control of EPF Scheme's member.*

### **\*Who can submit Form 15G /15H?**

*Form 15G can be submitted by Resident, non-senior citizen investor & Form 15H can be submitted by Resident senior citizen investor if the final tax on his estimated total income should be **nil**.*

*For the above purpose Senior Citizen is person who is atleast 60 years of age at any time during the financial year.*

*EPF Members **must quote PAN** in Form No. - 15G / 15H and in Form No. 19(EPF Withdrawal Form).*

**Note:** Fresh forms are required to be filed each year. As incomes of investors may differ from year to year, the eligibility for furnishing the forms has to be ascertained every year.

**Note:** The person responsible for paying any income of the above mentioned nature shall deliver to Chief Commissioner or Commissioner one copy of the declaration on or before the seventh day of the month next following the month in which the declaration is furnished to him.

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