



NATIONAL CONFEDERATION OF OFFICERS' ASSOCIATIONS

(National Forum of the Executives of Central Public Sector Enterprises)

Registered under the Trade Union Act 1926 Reg.No.DNE 707

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Ref---NCOA/ FM/ parity in taxation

Dated---12-07-2023

To
The Hon'ble Finance Minister
Govt of India
New Delhi

**Subject: Tax Parity with Central govt employees for CPSE employees
-PF tax limit from Rs. 2.5 lakhs to 5 lakhs at par with CG employees**

Respected Madam

On behalf of more than 2 lakh executives of Central Public Sector Undertakings, we would like to place on record our sincere gratitude for accepting our request to enhance the Leave encashment from Rs 3.0 Lakh to 25 Lakh, for which Gazette notification has been issued on 24th May'2023. This would indeed be great source of motivation for CPSE executives / employees who are working round-the-clock in the service of the Nation and it will surely inspire them to further accelerate the rate of growth of infrastructure of our country. under the able guidance of visionary Hon'ble Prime Minister Sri Narendra Modi Ji.

While we express our gratitude for the above, we would like to solicit your attention towards certain disparities in taxation applicable to CPSEs employees vis-à-vis their central government counterparts. The employees of CPSEs are being loaded as non-monetary perquisites for the accommodations provided by employers as well as for the loan provided for purchasing house or car, which is not being loaded for Central Government employees.

It is humbly submitted that during the budget of 2022-23 presented by your good self, the limit of Rs. 2.5 Lakhs for the purpose of taxability on PF was introduced with the objective of prevention of misuse of the PF facility by select individuals. However, it is submitted that the annual limit of Rs 2.50 lakh is way too less. You may kindly appreciate that investment in PF is the one of few secure and stable social security schemes available to salaried employees, who diligently pay their Income Tax with honesty & sincerely for the nation building. A tab on this bona-fide scheme, though justified to curb the ignoble intent of a select few, largely takes away a secure investment tool and unwittingly breeds a gambler's instinct in other insensitive options, which the diligent salaried employee must otherwise be wary of. Protecting the interest of the salaried employee from falling prey to any vicious design of fly-by-night operators is also a sine qua non which we look up to you to address. We would like to submit that the incoming flow of funds towards Provident Fund accounts is on decline due to large no of people opting for pension on actual salary under EPS-95 based on recent judgment of Hon'ble Supreme Court of India, which cause larger contribution in PF for ensuring social security

We would earnestly solicit your kind attention to make the CPSE employees perks rule for income tax at par with central government employees and revise the annual limit to Rs 5.0 Lakh from existing 2.50 Lakh, to facilitate the minimum requisite saving to ensure a dignified and secure social security.

With warm regards



(V K Tomar)
Secretary General

Copy to -

1. Prime Minister office, GOI
2. Cabinet Secretary, GOI
3. Secretary, Revenue, GOI
4. Secretary, DPE, GOI
5. Chairman, CBDT, GOI

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