

UNIVERSITY OF KERALA

(Abstract)

Deduction of Income Tax from retirement benefits - Sanctioned -Orders issued

ADMINISTRATION A.III SECTION

No.Ad.AIII.2/2017

Dated,Thiruvananthapuram :13.09.2017

- Read:1. Notice No.F.No.University/ACIT (TDS)-TVM/2016-17/4 dated 25.11.2016
2. Minutes of the meeting of the Syndicate held on 11.08.2017, Item No.29.130.08
3. Note from the Finance Officer dated 27.05.2017

ORDER

The Assistant Commissioner of Income Tax (TDS) demanded to compute TDS liability of employees by including DCRG, Commutation of pension and terminal surrender of earned leave for the Financial Year 2015-16 and 2016-17 to deduct taxes at source and to remit the Income Tax to the Central Government account vide notice read as (1) above. The University has filed a representation before the Assistant Commissioner of Income Tax, Trivandrum requesting to treat the University employees at par with the State Government employees in the matter of tax exemption, but the Income Tax authorities has not withdrawn their demand till date.

Consequent on the demand notice issued by the Income Tax Department, the Syndicate at its meeting held on 11.08.2017 considered the matter and resolved to agree to the recommendations of the Standing Committee of the Syndicate on Finance held on 14.07.2017 as detailed below.

1. To give option from either of the following proposals.
 - a) Income tax may be deducted at source from the retirement benefits of the employees as demanded by the Income Tax Department and remitted to the Central Government. In that case, employees will be at liberty to claim refund if the income is exempted from tax.
 - b) Twice the amount of actual Income tax be withheld and deposited in the suspense account of the University till the final verdict is received from the Income Tax authorities, as excess amount may be required for remitting penal interest (@ 18% p.a) and penalty upto the tax amount if the decision of the Income Tax Department is not favorable to the University.

2. To deposit the amount so recovered/retained in Fixed Deposit for a suitable period for which the Finance Officer may be entrusted.


Sanction has therefore been accorded by the Vice-Chancellor for the implementation of the aforesaid resolution of the Syndicate held on 11.08.2017 vide Item No.29.130.08. Orders are issued accordingly.

Sd/-
Ajitha.K.T
Deputy Registrar (Admn.I)
For Registrar

To

- 1) PS to VC/PVC
- 2) PA to Registrar/FO/DPD
- 3) JR (Admn./Acad./Finance/Campus Admn.)
- 4) DR (Audit/Accounts)
- 5) AR(Audit/Accounts)
- 6) Finance/Audit/ Accounts sections
- 7) Government Auditor
- 8) Stock file/ File copy

Forwarded / By Order


Section Officer