

TDS on premature PF withdrawal may go

The Finance Ministry is reconsidering its Budget provision to tax premature provident fund (PF) withdrawals of Rs. 30,000 or more, even as the Finance Act of 2015 has been notified and deduction of tax at source from PF accounts settled before five years of service comes into force on JUNE 1.

"The government is mulling two options to hold back the implementation of this tax, after it was pointed out that it would be unfair to tax retirement savings of people whose income is less than Rs. 2.5 Lakh, " said a senior official. The finance ministry may issue a directive to put the implementation of this clause in the Finance Act in abeyance or raise the Rs. 30,000 trigger for tax deductions from PF accounts.

(HT Mint)