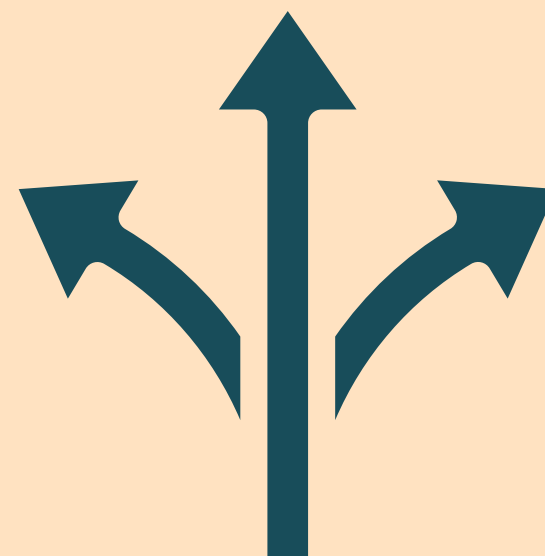


# OLD TAX REGIME OR NEW TAX REGIME



WHICH REGIME TO OPT WHILE  
DECLARING TO HR

# PICK A SIDE



The HR departments have started asking about income tax declarations for current financial year. And, this time the HR is also asking for regime selection, right? As in - do you want the “Old Tax Regime” or the “New tax Regime”.

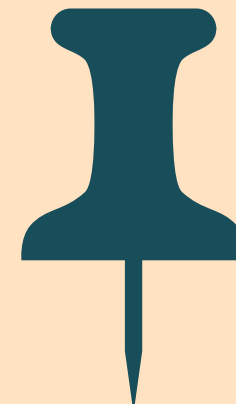
# SIMPLE THUMB-RULES



Though the correct answer would require your exact tax calculation, and will require detailed information. This can be time consuming.

Alternatively you can simply apply following thumb-rules & select the regime.

# OLD REGIME IS BETTER IF...



<b>Gross Salary (Without any deductions like insurance or HRA)</b>	<b>Better to select old regime if your deductions are more than:</b>
<b>Annual Income 8.75 lacs</b>	<b>2,00,000</b>
<b>Annual Income 10 lacs</b>	<b>2,50,000</b>
<b>Annual Income 12.50 lacs</b>	<b>3,25,000</b>
<b>Annual Income 15 lacs &amp; Above</b>	<b>3,60,000</b>

# ILLUSTRATION



Illustration 1 : If Mr. A has gross salary income of Rs. 8.75 lacs and he also has deductions like insurance, NPS, PPF, HRA of at-least Rs. 2 lacs, he should opt for Old Regime.

Illustration 2 : If Ms. B has gross salary income of Rs. 18 lacs but she has deductions of Rs. 3 lacs, she should opt for New Regime as the net in-hand salary will be higher.



This declaration is for HR's calculation of TDS. Which means, if you wish to switch to another regime while filing ITR, you can do that. So, for example if you declare Old Regime to the HR now, and while filing the ITR wish to opt to New Regime, you can make the switch.

It is also relevant to understand that if you do not declare anything, the HR will follow the New Regime – by default.

