

# THE INSIGHT

Weekly Newsletter from HR Vidyalaya Corporate Services LLP

Volume – 154

Dated 5<sup>th</sup> February 2023

[www.hrvidyalaya.in](http://www.hrvidyalaya.in)



We at HR Vidyalaya, take this opportunity to thank

Government of India and  
the Hon'ble Finance Minister of India

To have considered our request (published in last week's newsletter)

***Time to emphasize more on "NEW TAX REGIME" in the Income Tax Act (it is now the default IT regime)***

Hope the other request (mentioned below) also will be perused and implemented, soon....

1. Implement all 4 Labour Codes, with acceptable timeline. Make the announcement in the Budget.
2. A Process map for smooth transition, for the employers to adhere to the new Codes.
3. Appreciate, more clarity on Wage definition, while implementing the Rules.
4. Guidelines for the Facilitators not to harass the Employers in the initial years, but only to facilitate such employers who struggle to immediately implement.
5. No more "grapevines" from the industries ....

If it is the wish of the Government, it can announce a "Enhanced revision of Threshold ceiling of Wages, of major Social Security Benefits."

PF and ESI from current to enhanced threshold of – Rs.21,000 and Rs.25,000, respectively.

It shall coincide with the implementation of Labour Codes.

It is better for the Industry, as the definition of Wages is going to be afresh in the Codes.

6. Ensure ESI is implemented across India, at the earliest possible time.

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[\(computations without considering any Exemptions or investments/savings\)](#)

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»»» HR Vidyalaya  
Corporate Services LLP

Dear “The Insight” Readers,

We launched “AskSree” column to answer your questions regarding Work Life.

Renowned Organizational Psychologist

**Gayathiri Sridharan** uses psychological researches to answer your everyday dilemmas. She received her training from Loughborough University, UK and a thorough HR professional with almost a decade of praxis in various realms of Strategic Human Resource Management. You may please send your queries to the email ID: [itsmegayathiri@gmail.com](mailto:itsmegayathiri@gmail.com)

Solutions will be published in “The Insight”

## Quest

**Dear Sree,**

I have recently got an offer organization which is little far away from my resident. It will definitely take more than an hour to reach office. And things look more worse during peak hours. I have weighed the pros and cons of the financial impact of my current and the new organization. But I just would like hear your advice regarding travelling every day to arrive at a decision - Karthik



**AskSree**



## Solution

Dear Karthik,

A new study by researchers at the University of British Columbia and the University of Victoria has shown that common levels of traffic pollution can impair human brain function in only a matter of hours. The study was the first to show in a controlled experiment using functional magnetic resonance imaging (fMRI) that exposure to diesel exhaust disrupts the ability of different areas of the human brain to interact and communicate with each other.

For the study, the researchers briefly exposed 25 healthy adults to diesel exhaust and filtered air at different times in a laboratory setting. Brain activity was measured before and after each exposure using functional magnetic resonance imaging (fMRI).

The researchers analyzed changes in the brain's default mode network (DMN), a set of interconnected brain regions that play an important role in memory and internal thought. The fMRI revealed that participants had decreased functional connectivity in widespread regions of the DMN after exposure to diesel exhaust, compared to filtered air.

Dr. Chris Carlsten, professor and head of respiratory medicine and the Canada Research Chair in occupational and environmental lung disease at UBC stated that people may think twice the next time they're stuck in traffic with the windows rolled down and It's important to ensure that the car's air filter is in good working order, and if people walk or bike down a busy street, diverting to a less busy route will be a good choice.

So, Karthik, air pollution is now recognized as the largest environmental threat to human health and we are increasingly seeing the impacts across all major organ systems. See if you could relocate near the new organization if it provides career prospective as commuting everyday may not be the best option.

**Reference/s:** Jodie R. Gawryluk, Daniela J. Palombo, Jason Curran, Ashleigh Parker, Chris Carlsten. Brief diesel exhaust exposure acutely impairs functional brain connectivity in humans: a randomized controlled crossover study. Environmental Health, 2023; 22 (1) DOI: [10.1186/s12940-023-00961-4](https://doi.org/10.1186/s12940-023-00961-4)

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## Snippets on Finance Bill – 2023-24 (it becomes Finance Act once it is passed by both the houses of Parliament.)

- If the user's PAN card is not seeded with the EPF account, the user will be subject to a 20% tax rate instead of the present 30% rate on withdrawals made from the account before the completion of five years, as outlined in Budget 2023.
- Premature withdrawals from an EPF account are now subject to taxation. The funds would not be subject to TDS if the withdrawal was under Rs 50,000. If you haven't linked your PAN to your EPF account, you'll have to pay tax at the maximum rate of 30 percent on withdrawals above Rs 50,000.

- Section 43B of the Income Tax Act of 1961 is proposed to be amended in Clause 13 of the Finance Bill 2023 to disallow deduction for transactions with Micro and Small Enterprises where timely payments are not made.

- If the premium paid exceeds Rs. Lakhs in case of life insurance policies issued after 01.04.2023, the receipts arising from it will be taxable under income from other Sources.

- Standard Deduction of Rs.50,000 shall be applicable for New Tax Regime too.

- Rebate us 87A has been proposed to be enhanced for individual assessee, earning upto Rs.7 lakhs per annum under New Tax Regime

- The new tax regime is proposed to serve as a Default Regime.

- A person having salary income can switch between old and new tax regime every year. However, a person having business income can do it once in a lifetime.

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A Sample working... ①

**A comparison between Old Tax Regime and propose (revised) New Tax Regime**

**Earnings: Rs.7.5 lakhs – An apple-to-apple comparison....**

**With “not” considering any other Exemptions or Deductions...  
(Under Old Tax Regime, to get tax deductions, Exemptions and investments are mandatory)**

	FY 2023-24 OLD TAX REGIME	FY 2023-24 NEW TAX REGIME
<b>Earnings</b>	Salary <b>7,50,000</b>	<b>7,50,000</b>
	Exemptions / Allowances 0	0
	Income from Business 0	0
	Income from House Prop 0	0
	Income for Other Sources 0	0
<b>Deductions</b>	80C + (upto 1.5 lakhs) 0	0
	Medical Insurance 0	0
	SB Interest 0	0
	Any others 0	0
	Standard Deductions <b>50000</b>	<b>50000</b>
<b>Tax Computation</b>	2.5 to 5 (2.5 L) @ 5% 12500	3 to 6 (3L) @ 5% 15000
	5 to 7.0 (2 L) @ 20% 40000	6 to 7 (1L) @ 10% 10000
	IT Total 52500	IT Total 25000
	Rebate - 87A 0	<b>Rebate - 87A 25000</b>
<b>Tax Payable</b>	IT to be paid <b>52500</b>	IT to be paid 0
	Cess @ 4% 2100	Cess @ 4% 0
	Total <b>54600</b>	Total 0

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A Sample working... ②

**A comparison between Old Tax Regime and propose (revised) New Tax Regime**

**Earnings:** Rs.7,50,001 – An apple-to-apple comparison....

With “not” considering any other Exemptions or Deductions...  
(Under Old Tax Regime, to get tax deductions, Exemptions and investments are mandatory)

See the difference of (adding) Re.1, what is the tax payable under New Tax Regime.....

	FY 2023-24 OLD TAX REGIME	FY 2023-24 NEW TAX REGIME
<b>Earnings</b>	Salary <b>7,50,001</b>	<b>7,50,001</b>
	Exemptions / Allowances 0	0
	Income from Business 0	0
	Income from House Prop 0	0
	Income for Other Sources 0	0
<b>Deductions</b>	80C + (upto 1.5 lakhs) 0	0
	Medical Insurance 0	0
	SB Interest 0	0
	Any others 0	0
	Standard Deductions 50000	50000
<b>Tax Computation</b>	2.5 to 5 (2.5 L) @ 5% 12500	3 to 6 (3L) @ 5% 15000
	5 to 7.0 (2 L) @ 20% 40000	6 to 7 (1L) @ 10% 10000
	IT Total 52500	IT Total 25000
	Rebate - 87A 0	Rebate - 87A 0
<b>Tax Payable</b>	IT to be paid <b>52500</b>	IT to be paid <b>25000</b>
	Cess @ 4% 2100	Cess @ 4% 1000
	Total <b>54600</b>	Total <b>26000</b>

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A Sample working... ③

**A comparison between Old Tax Regime and propose (revised) New Tax Regime**

Earnings: Rs.7,00,001 – An apple-to-apple comparison....

With “not” considering any other Exemptions or Deductions...  
(Under Old Tax Regime, to get tax deductions, Exemptions and investments are mandatory)

See the difference between the tax regimes

		FY 2023-24 OLD TAX REGIME	FY 2023-24 NEW TAX REGIME
<b>Earnings</b>	Salary	<b>12,00,000</b>	<b>12,00,000</b>
	Exemptions / Allowances	0	0
	Income from Business	0	0
	Income from House Prop	0	0
	Income for Other Sources	0	0
<b>Deductions</b>	80C + (upto 1.5 lakhs)	0	0
	Medical Insurance	0	0
	SB Interest	0	0
	Any others	0	0
	Standard Deductions	50000	50000
<b>Tax Computation</b>	2.5 to 5 (2.5 L) @ 5%	12500	3 to 6 (3L) @ 5% 15000
	5 to 10 (5 L) @ 20%	100000	6 to 9 (3L) @ 10% 30000
	10 to 11.5 (1.5L) @ 30%	45000	9 to 11.5 (2.5 L)@ 15% 37500
	IT Total	157500	IT Total 82500
	Rebate - 87A	0	Rebate - 87A 0
<b>Tax Payable</b>	IT to be paid	<b>157500</b>	IT to be paid <b>82500</b>
	Cess @ 4%	6300	Cess @ 4% 3300
	Total	<b>163800</b>	Total <b>85800</b>

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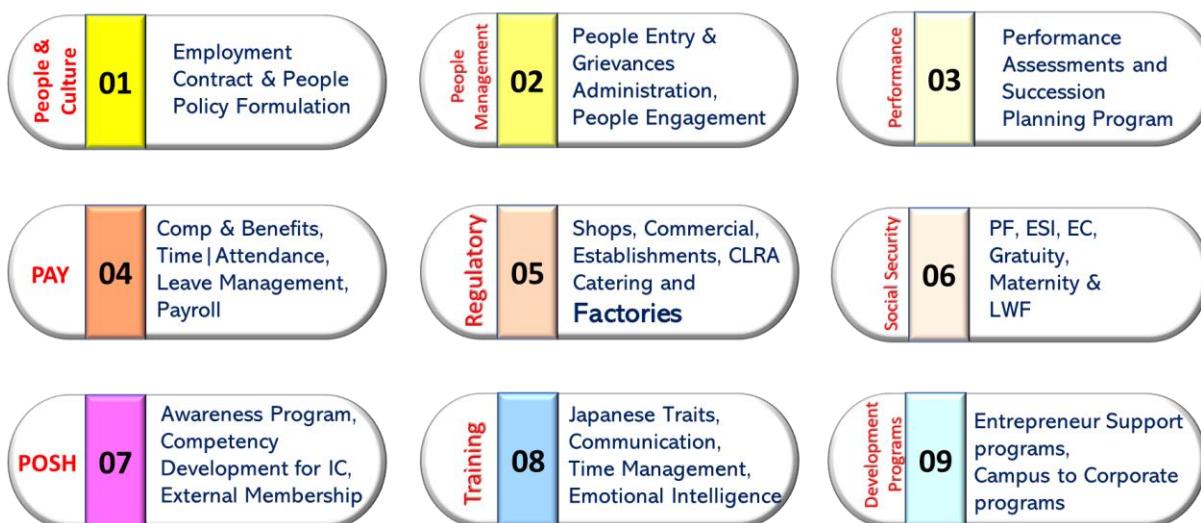
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